

LOUISIANA GAMING CONTROL BOARD

Minutes of February 18, 2003

The Louisiana Gaming Control Board held a meeting on Tuesday, February 18, 2003, 10:00 a.m., House Committee Room 1 of the Louisiana State Capitol. Present at this meeting were: Hillary J. Crain, Chairman; Robert M. Fleming, Vice-Chairman; James G. Boyer, Secretary/Treasurer; Gen. Sherian Cadoria, Dennis Kinchen, Dudley Lastrapes, Marcia Morgan and Kelly Simoneaux. Absent was board member Rupert Richardson and ex-officio members, Col. Terry Landry, and Sec. Cynthia Bridges.

The meeting was called to order. It was moved by Gen. Cadoria to waive the reading and approve the minutes of the January meeting. That motion was seconded by Sec. Boyer 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 tracks. Ms. Jackson also reported on the employee numbers and salaries for the landbased casino, and Ms. Donna Stevens, also with the Audit Division, reported on the statistics for video poker.

It was moved by Mr. Simoneaux to approve the amended Level II Business Forms DPSSP 0073, 0036 and 0037. That motion was seconded by Mr. Kinchen and unanimously approved by the Board.

The Board acted on the following truckstop applications:

1. **AlyCo, L.L.C. d/b/a Loves' Travel Stop #237 - No. 3300513240** - Motion by Gen. Cadoria to approve the application. That motion was seconded by Mr. Kinchen and unanimously approved by the Board.
2. **Ventre Guillory & Willis d/b/a The Quarters Casino Restaurant - No. 4900513265** - Motion by Mr. Lastrapes to approve the application. That motion was seconded by Gen. Cadoria and unanimously approved by the Board. Board member Marcia Morgan abstained from voting.

The Board acted on an application from Harrah's Bossier City Investment Company, L.L.C. d/b/a Harrah's Louisiana Downs, to conduct slot machine gaming at their racing facility in Bossier City. Following discussion, it was moved by Mr. Kinchen to approve the application subject to the conditions attached as Appendix A. That motion was seconded by Ms. Morgan and unanimously approved by the Board.

There was a presentation by Evangeline Downs concerning the approval of their floor plan and placement of slot machines. Following discussion, it was moved by Sec. Boyer to approve the floor plan as submitted to the Board and marked as Exhibit A. That motion was seconded by Mr. Lastrapes and unanimously approved by the Board.

The Chairman asked the Board to amend the agenda to include an update on PNK - Lake Charles. It was moved by Sec. Boyer to amend the agenda. That motion was seconded by Vice-Chairman Fleming and unanimously approved by the Board.

Mr. Jack Godfrey, Senior Vice-President and General Counsel and Mr. Wade Huntley, Chief Operating Officer of Pinnacle Entertainment, briefly updated board members on the status of their project.

The Board acted on a Joint Petition by Penn National Gaming, Inc. and Hollywood Casino Corporation, for approval of a Merger Agreement. Mr. Peter Carlino, Chairman of the Board of Penn National Gaming, Inc., Mr. Bill Clifford, Chief Financial Officer and Mr. Dan McDaniels, attorney with Phelps Dunbar, addressed the Board with reference to the proposed merger.

Public comments were received from Mr. Thomas Reeg of the AIG Global Investment Group with reference to this merger. Mr. Reeg represented a group of bond holders who were against the proposed merger of the companies.

Following discussion, it was moved by Sec. Boyer to approve the merger and credit line. That motion was seconded by Ms. Morgan and unanimously approved by the Board.

Mr. Tom Warner, Asst. Attorney General, addressed the Board with reference to the adoption of amendments to definitions of LAC 42:VII.1701, XIII.1701; General Provisions/Authority of the Division, LAC 42:VII.2101, IX.2101, XII.2101; Impositions of Sanctions, LAC 42:VII.2325, XIII.2325; Application and License, LAC 42:XI.2405; Surveillance and Division Room Requirements, LAC 42:XIII.3305; Enforcement Actions of the Board, LAC 42:IX.4103. Following discussion, it was moved by Mr. Kinchen to approve the adoption of the amendments as discussed. That motion was seconded by Gen. Cadoria and unanimously approved by the Board.

The Board acted on Petitions for Declaratory Orders in the following:

1. **In the Matter of Global Minting Corporation** - Motion to dismiss the petition by Mr. Lastrapes. That motion was seconded by Mr. Morgan and unanimously approved by the Board.

2. **In the Matter of Grand Coteau Truck Stop** - The Board rendered a decision which is attached as Appendix B.

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

Numbers 1 - 33 were acted on in globo because they all dealt with licensees not submitting their annual local or state tax clearances and were each assessed a \$250.00 penalty. It was moved by Vice-Chairman Fleming to approve the settlement in these cases. That motion was seconded by Mr. Kinchen and unanimously approved by the Board.

1. In Re: Ronald C. Navarro - No. 5000611154
2. In Re: Francis B. Montalbano d/b/a Maison Bourbon - No. 3601104451
3. In Re: Power Gaming, L.L.C. d/b/a Power Gaming - No. 0904611000
4. In Re: Tony's PoBoy Restaurant, Inc. - No. 4400201487
5. In Re: Love's Country Store # 243 - No. 1003511620
6. In Re: William A. Morvant d/b/a Billy's Boudin Hut - No. 1001206592
7. In Re: Sammy's Food Service & Deli - No. 3601611098
8. In Re: Curray Corp. d/b/a Texas Pelican Complex - No. 1000503153 A
9. In Re: J.T. Finance Corp. d/b/a Ace-Duce - No. 5207607464
10. In Re: Johnny Schouest d/b/a Rex Drive Inn - No. 2900201179 A
11. In Re: Carville Ent.,d/b/a City Café Catfish Steakhouse - No. 2403210843
12. In Re: Robert E. Landry d/b/a LaNormandie Lounge - No. 1001109273 A
13. In Re: Margaret Atwood d/b/a Margaret's Lounge - No. 4800101451
14. In Re: Bobby Nolan d/b/a Perky's Pizza of Ryan - No. 1001207700 A
15. In Re: Superior Grill, Inc. d/b/a Superior Grill - No. 3601210072 A
16. In Re: Cor-Mel Royal Street, d/b/a T.G.I. Friday's - No. 3601212017
17. In Re: Willis D. Lucas, Jr. d/b/a Spring Bayou Lounge - No. 0500111560
18. In Re: Cor-Mel Veterans, L.L.C. d/b/a T.G.I. Friday's - No. 2600212020 A
19. In Re: F & G Limited d/b/a Baby Boomers - No. 2600110559
20. In Re: Peking Square Chinese Restaurant - No. 6100211910
21. In Re: D.I. Foods, Inc. d/b/a D.I. Foods - No. 6007207160 A
22. In Re: Carlo Fazzio, Jr., Inc. d/b/a Beannie's - No. 5501104309
23. In Re: Benjamin/Cynthia Bellard d/b/a Benjie's Daiquiris - No. 4905112913
24. In Re: Larry's Cactus Jacks d/b/a Cactus Jacks - No. 0904112671

25. In Re: Garen P. Deroche d/b/a J's Lounge - No. 4701110968
26. In Re: Orchard Inc. d/b/a Apple Inn Motel - No. 2900300650
27. In Re: Double H, L.L.C. d/b/a Box Car Café - No. 2403211529
28. In Re: Double H, L.L.C. d/b/a Double Deuce Lounge - No. 2403111754
29. In Re: Gladys Ortiz d/b/a Frenchman Inn - No. 36011109851
30. In Re: Joyce Arceneaux d/b/a Joyce's Neighborhood Bar - No. 2900110782
31. In Re: Chad S. Broussard d/b/a Lil' Gold Mine - No. 5002112184
32. In Re: Patrick T. Johnson d/b/a T.J.'s Lounge - No. 0505110007
33. In Re: Al-G Barnes d/b/a Lumpy's - No. 1000109828

34. **In Re: Lavoy's Lounge, d/b/a Joe Joe's Lounge - No. 6100112494** - Motion by Sec. Boyer to approve the settlement of \$500.00. That motion was seconded by Gen. Cadoria and unanimously approved by the Board.

35. **In Re: Artary Hill - No. P040027037** - Motion by Vice-Chairman Fleming to affirm the decision of the Hearing Officer denying the renewal permit. That motion was seconded by Mr. Kinchen and unanimously approved by the Board.

There being no further comments, it was moved by Ms. Morgan to adjourn the meeting. That motion was seconded by Gen. Cadoria and unanimously approved by the Board.

The meeting was adjourned.

APPENDIX A

STATEMENT OF CONDITIONS TO SLOT MACHINE GAMING LICENSE OF HARRAH'S BOSSIER CITY INVESTMENT COMPANY, LLC

HARRAH'S BOSSIER CITY INVESTMENT COMPANY, LLC hereby expressly accepts, agrees and stipulates to the following mandatory and voluntary conditions to its license to conduct slot machine gaming, to be issued by the Louisiana Gaming Control Board "Board" pursuant to provisions of La. R.S. 27:351, et seq. and administrative rules promulgated pursuant thereto. More particularly, HARRAH'S BOSSIER CITY INVESTMENT COMPANY, LLC agrees as follows:

GENERAL CONDITIONS

1. To at all times comply with all provisions of the Louisiana Gaming Control Law, "LGCL," the Pari-Mutuel Live Racing Facility Economic Redevelopment and Gaming Control Act, hereinafter "Racetrack Gaming Act," and all administrative rules in effect or later promulgated by the Board.
2. To indemnify and hold harmless the Board, the State of Louisiana, and their agents and employees against any and all claims for personal injury or property damage arising out of or in connection with negligence, errors and omissions in the following: (1) The approval of an application; (2) The approval of support facility plans, designs and specifications; (3) The granting of a License; (4) The issuance of emergency orders; and (5) The denial, suspension or revocation of a License. Pursuant to this condition, HARRAH'S BOSSIER CITY INVESTMENT COMPANY, LLC further agrees to sign a separate indemnification agreement implementing this condition. The indemnification agreement shall be signed no later than 10 working days following acceptance of the conditions by the Board and HARRAH'S BOSSIER CITY INVESTMENT COMPANY, LLC
3. To maintain copies of the License and Conditions at the offices of the gaming operator, and any Louisiana State Police Gaming Division, ("Division,") office in-house at HARRAH'S BOSSIER CITY INVESTMENT COMPANY, LLC. The License and Conditions shall be produced for examination and inspection upon demand of any agent or representative of the Board or the Division.
4. To submit to and successfully complete a preoperative inspection by the Division prior to commencing gaming operations at the approved facility in Bossier Parish, Louisiana.
5. To obtain all fire marshal certifications prior to conducting the preoperative inspection and submit these to the Board for review.

6. To obtain Board approval of the internal controls submitted to the Division 90 days prior to commencing gaming operations at the approved facility and to continually operate under a Board approved system of internal controls.
7. To assume responsibility for all acts or omissions of any contractor that results in a violation of the LGCL, the Racetrack Gaming Act, any rule promulgated pursuant to the LGCL as well as the Racetrack Gaming Act, any order of the Board, and any portion of HARRAH'S BOSSIER CITY INVESTMENT COMPANY, LLC's system of internal controls.
8. To make all on-line slot monitoring and accounting system(s) meet Board approval prior to commencement of gaming operations and maintain approved systems during the term of the license.
9. To allow inspection by authorized agents and representatives of the Board, including but not limited to the Division, at any time and of any premises under control of HARRAH'S BOSSIER CITY INVESTMENT COMPANY, LLC or affiliated companies and particularly any portion of the slot machine support facilities, administrative offices, surveillance rooms and account rooms.
10. To report immediately in writing to the Board any failure to comply with these conditions or any provisions of the LGCL, the Racetrack Gaming Act or rules of the Board along with an explanation of the reasons therefore.
11. To comply with all Board rules regarding advertisements as well as promotions and to discontinue use of a particular advertisement or promotion which the Board determines offensive or contrary to the integrity of gaming regulations.
12. To submit quarterly to the Board a sworn certificate or list of all persons having an interest in HARRAH'S BOSSIER CITY INVESTMENT COMPANY, LLC If HARRAH'S BOSSIER CITY INVESTMENT COMPANY, LLC or its gaming operator is a publicly traded company, those holding less than five percent (5%) ownership of either or both may be excluded from this reporting.
13. To submit quarterly a list of all consultants, contractors, agents, and junket representatives.
14. To submit quarterly to the Board a sworn report of the number of minorities, females and Louisiana residents employed, their general job classification and total salaries.

15. To submit the information described in conditions (12), (13), and (14) as part of the quarterly report submissions required by the Board rules no later than 5:00 p.m. on the 20th day of April, July, October and January. All submissions are to be delivered to the Board, c/o Attorney General's Gaming Division, One Canal Place, 365 Canal Street, Suite 2730, New Orleans, Louisiana 70130.
16. To appoint a compliance representative as a liaison between the licensee and the Board and the Attorney General's Gaming Division.
17. To comply with any and all orders, directives and policy decisions of the Board and the Division.
18. To comply with such other general or specific conditions as may be later required by the Board and duly requested.

SPECIFIC ECONOMIC AND PROCUREMENT CONDITIONS

In addition to the general conditions above, HARRAH'S BOSSIER CITY INVESTMENT COMPANY, LLC agrees also to specific economic and procurement conditions or goals as follows:

1. To submit plans of the facility to the Board for review and approval including placement of slot machines in the designated gaming area. The plans and specifications must satisfy the requirements of size and design as provided in the Racetrack Gaming Act. The plans and specifications must comply also with all applicable fire and ADA regulations, including but not limited to, fire and safety codes or such other applicable requirements as are imposed on gaming of similar design and size by federal, state, or local laws.
2. To provide a Work-In-Progress report to the Board once a month on the construction of the gaming facility. These reports shall be delivered to the Louisiana Gaming Control Board, c/o the Louisiana State Police Casino Gaming Division, 7919 Independence Blvd., Box 14 Baton Rouge, Louisiana 70896.
3. To submit to the Board a narrative on the status of all work that has been completed up to the date of the Work-In-Progress report, a Progress Payment report listing all payments made to date on the project, to whom such payments were made and for what goods or services rendered. These reports shall be delivered to the Louisiana Gaming Control Board, c/o the Louisiana State Police Casino Gaming Division, 7919 Independence Blvd., Box 14, Baton Rouge, Louisiana 70896. All contracts shall only be let by HARRAH'S BOSSIER CITY INVESTMENT COMPANY, LLC All reports shall be signed and verified by an officer of HARRAH'S BOSSIER CITY INVESTMENT COMPANY, LLC
4. To provide the Board on or before March 18, 2003, a list of all persons and entities paid any sum of money to date by or on behalf of HARRAH'S BOSSIER CITY INVESTMENT COMPANY, LLC in connection with this project. This list shall contain the names, addresses, social security numbers, and tax I.D. numbers (if applicable) of all such persons and entities. This report shall be signed and verified by an officer of HARRAH'S BOSSIER CITY INVESTMENT COMPANY, LLC
5. To provide the Board on or before March 18, 2003, a list of all persons and entities with whom any agreements have been made to pay any sum in connection with this project. Copies of the agreements must be attached to the list. This list shall include the names, addresses, social security numbers, and tax I.D. numbers of all such persons and entities. This report shall be signed and verified by an officer of HARRAH'S BOSSIER CITY INVESTMENT COMPANY, LLC

6. To provide to the Board monthly reports beginning on or before March 18, 2003, which shall consist of a list of all persons and entities paid any sums by or on behalf of HARRAH'S BOSSIER CITY INVESTMENT COMPANY, LLC in connection with the project in the previous month. This list shall include the names, addresses, social security numbers, and tax I.D. numbers of all such persons and entities, a description of the services rendered by the person or entity, any amounts paid or to be paid and a copy of any agreements relevant thereto. Those persons or entities reported in the Work-In-Progress Reports required hereinabove shall be excepted. These reports shall be signed and verified by an officer of HARRAH'S BOSSIER CITY INVESTMENT COMPANY, LLC
7. To maintain a policy or policies of general liability insurance, insuring all non-employee guests, patrons, etc. against personal injury and damage to property which they may sustain in connection with or arising out of their presence at the casino and various related facilities in the amount of \$1,000,000 per occurrence for bodily injury and property damage and \$1,000,000 per occurrence for personal injury.
8. HARRAH'S BOSSIER CITY INVESTMENT COMPANY, LLC agrees to achieve and adhere to hiring goals of at least eighty percent (80%) of Louisiana residents.
9. HARRAH'S BOSSIER CITY INVESTMENT COMPANY, LLC agrees to ensure that all employees of the slot machine gaming facility are permitted as required by the Division.
10. HARRAH'S BOSSIER CITY INVESTMENT COMPANY, LLC agrees that any change to design, construction or financing of the project from that submitted for obtaining licensing must be approved by the Board on Petition for Modification filed by the licensee with the Board.
11. HARRAH'S BOSSIER CITY INVESTMENT COMPANY, LLC agrees that if the initial source of financing is changed to one other than that which is submitted to the Board to obtain licensing, the new source of financing must be suitable to the Board or the license held by HARRAH'S BOSSIER CITY INVESTMENT COMPANY, LLC will be null and void.

Any provisions or conditions shall be modified or superseded by applicable subsequent statutory or regulatory provisions. Failure to comply with any provision or condition shall constitute grounds for administrative action by the Board.

**STATE OF LOUISIANA
PARISH OF EAST BATON ROUGE**

**ACKNOWLEDGMENT OF CONDITIONS TO LICENSE TO CONDUCT
SLOT MACHINE GAMING**

BEFORE ME, the undersigned notary public, duly commissioned and qualified within and for the State and Parish aforesaid, and in the presence of the subscribing witnesses, personally came and appeared:

HARRAH'S BOSSIER CITY INVESTMENT COMPANY, LLC

appearing herein, through and represented by Thomas A. Roberts, who after being sworn and deposed, stated that he does hereby, for and on behalf of **HARRAH'S BOSSIER CITY INVESTMENT COMPANY, LLC**, accept and agree to and is bound by these conditions to its license to conduct slot machine gaming.

On Behalf of HARRAH'S BOSSIER CITY INVESTMENT COMPANY, LLC, a Louisiana limited liability company

BY: HARRAH'S SHREVEPORT/BOSSIER CITY INVESTMENT COMPANY, LLC, a Delaware limited liability company, its sole member

BY: HARRAH'S SHREVEPORT/BOSSIER CITY HOLDING COMPANY, LLC, a Delaware limited liability company, its managing member

BY: HARRAH'S OPERATING COMPANY, INC., a Delaware corporation, its sole member

BY: _____
NAME: THOMAS A. ROBERTS
ITS: Attorney-in-Fact

Sworn to and Subscribed before me, Notary, this 18th day of February, 2003, at Baton Rouge, Louisiana.

Notary Public

Approved By:
THE LOUISIANA GAMING CONTROL BOARD

HILLARY J. CRAIN, CHAIRMAN
BY AUTHORITY AND ON BEHALF OF THE BOARD

INDEMNITY AND HOLD HARMLESS AGREEMENT

**STATE OF LOUISIANA
PARISH OF EAST BATON ROUGE**

BEFORE ME, the undersigned Notary Public, in the presence of the undersigned competent witnesses, on this 18th day of February, 2003,

PERSONALLY CAME AND APPEARED, HARRAH'S BOSSIER CITY INVESTMENT COMPANY, LLC represented herein by Thomas A. Roberts.

WHEREAS, HARRAH'S BOSSIER CITY INVESTMENT COMPANY, LLC indemnifies and holds harmless the Louisiana Gaming Control Board, the State of Louisiana, and their agents and employees against any and all claims for personal injury or property damage arising out of or in connection with negligence, errors and omissions in the following:

- 1) The approval of an application;
- 2) The approval of slot machines or support facility plans, designs and specifications;
- 3) The granting of a License;
- 4) The issuance of emergency orders; and
- 5) The denial, suspension or revocation of a License.

NOW THEREFORE, HARRAH'S BOSSIER CITY INVESTMENT COMPANY, LLC holds harmless the Louisiana Gaming Control Board, its employees and agents harmless and protected from all legal, contractual or other claims or liable for personal injury or property damage which may now or hereafter be incurred or asserted against them.

THIS DONE AND SIGNED by appearer in the presence of the undersigned witnesses, on this 18th day of February, 2003.

HARRAH'S BOSSIER CITY INVESTMENT COMPANY, LLC
a Louisiana limited liability company

BY: HARRAH'S SHREVEPORT/BOSSIER CITY
INVESTMENT COMPANY, LLC, a Delaware limited
liability company, its sole member

BY: HARRAH'S SHREVEPORT/BOSSIER CITY
HOLDING COMPANY, LLC, a Delaware
limited liability company, its managing member

BY: HARRAH'S OPERATING COMPANY,
INC., a Delaware corporation, its sole
member

BY: _____
NAME: THOMAS A. ROBERTS
ITS: Attorney-in-Fact

**INDEMNITY AND HOLD HARMLESS AGREEMENT
HARRAH'S BOSSIER CITY INVESTMENT COMPANY, LLC
February 18, 2003
Page 2**

WITNESSES:

NOTARY PUBLIC

Approved By:
THE LOUISIANA GAMING CONTROL BOARD

HILLARY J. CRAIN, CHAIRMAN
BY AUTHORITY AND ON BEHALF OF THE BOARD