

**IOWA RACING AND GAMING COMMISSION
MINUTES
JUNE 9, 2011**

The Iowa Racing & Gaming Commission (IRGC) met on Thursday, June 9, 2011 at Stoney Creek Inn, Johnston, IA. Commission members present were Greg Seyfer, Vice Chair; and members Andrea Rivera, Carl Heinrich and Jeff Lamberti. Chair Toni Urban was absent.

Vice Chair Seyfer called the meeting to order at 8:30 AM and welcomed the newest members, Carl Heinrich and Jeff Lamberti. He then requested a motion to approve the agenda. Commissioner Heinrich moved to approve the agenda as presented. Commissioner Rivera seconded the motion, which carried unanimously.

Vice Chair Seyfer moved to the approval of the minutes from April 14, 2011. Commissioner Rivera noted one correction on page 2: the date of the March 2012 meeting should be March 8th. Commissioner Rivera moved to approve the minutes from April 14, 2011 as corrected. Commissioner Lamberti seconded the motion, which carried unanimously.

Vice Chair Seyfer called on Jack Ketterer, Administrator of IRGC, for announcements. Mr. Ketterer provided the following information regarding upcoming Commission meetings:

- July 21, 2011- Stoney Creek Inn, Johnston, IA (Submissions due by July 7, 2011)
- August 25, 2011 - Riverside Casino & Golf Resort, Riverside, IA (Submissions due by August 11, 2011)
- September 22, 2011 - Grand Falls Casino Resort, Larchwood, IA (Submissions due by September 8, 2011)

Mr. Ketterer advised that the Commission would be electing the Chair and Vice Chair for the following fiscal year at the July meeting.

Mr. Ketterer stated that Governor Branstad had signed Senate File 526, and provided the following synopsis. He noted there are three major parts to the bill; the first dealing with horse racing. The dates, number of racing days and purses were statutorily set; however, the Commission will still have to approve the calendar and benchmarks at the November meeting along with the pari-mutuel license renewals. One section dealt with Advanced Deposit Wagering (ADW), which Mr. Ketterer described as a major element in the future of horse racing. He stated that it is important for all parties, IRGC, Horsemen's Benevolent and Protective Association, and Prairie Meadows Racetrack & Casino (PMR&C), to gather information. Twenty states currently offer ADW; it is a very complex issue in the horse industry at this time. Mr. Ketterer also stated that he felt it

was important for PMR&C and the horsemen to agree but that they also need to take the racing fans into consideration, and what is best and most convenient and customer-service oriented for them. Mr. Ketterer stated that it is important to have a vision for the future as he believes racing will gravitate this way; that the days of people having to go to a racetrack or an off-track facility to place their bets are diminishing and the number of individuals wagering either at home on their computer or on their personal mobile devices is going to increase as the years go by.

The second portion of this bill dealt with Intrastate Internet Poker (IIP). The Legislature opted to have the Commission do a report, due December 1st, on the regulatory framework for IIP. He advised that Brian Ohorilko, Director of Gaming, will be gathering the information and preparing the report. The statute requires the Commission to consider the current state of IIP in Iowa, consumer protection, responsible gaming measures, licensing structures, regulatory recommendations, affiliations with 99F licensees, and collection of wagering taxes. The statute further directed the Commission to consult with 99F licensees, and tribes with Iowa compacts, potential hub operators and any other interested parties. Mr. Ketterer stated that the Commission was not required to make a recommendation on the legalization of IIP, and is to receive a report from the Director of the Department of Public Health on the societal impacts of IIP.

The third element of the bill had to do with the referenda. Facilities that have had two successful referenda votes are exempted from any further referenda unless required by a petition.

Mr. Ketterer touched briefly on the flooding in western Iowa and its impact on those properties. He stated that the Des Moines office has received and appreciates the updates from the four properties in western Iowa; Harrahs, Horseshoe Casino/Bluffs Run Greyhound Park, Ameristar and Belle of Sioux City. He stated that the contingency plans in Council Bluffs fall into two categories: one addresses the various river level stages and the other is if a levee is breached anywhere in Council Bluffs. Sioux City is on the high side of the river and most of the flooding occurs in South Dakota and Nebraska. He asked the affected properties to update the Commission on their preparations for the safety and evacuation of employees and patrons if necessary, as well as the outlook for the operation of their respective facility on a continuing basis.

Mr. Ketterer noted that today marks the opening of the Grand Falls Casino Resort in Larchwood. He congratulated Dan Kehl, Ken Bonnet, Joe Massa and everyone involved in the project. He indicated that it is a great facility and is worth the trip.

Vice Chair Seyfer called on Isle of Capri for an update on their negotiations/discussions with the City of Davenport. Ed Quatmann, Senior Vice President and General Counsel for Isle of Capri Casinos, Inc. (IOC) and IOC Davenport, the owner/operator of the Rhythm City in Davenport, stated that the City of Davenport has chosen MSEG, LLC from Chicago as its chosen developer for a downtown land-based casino; Steve Edelson is one of the main partners of the company. Mr. Quatmann stated that the parties have

made progress, and IOC has signed a Letter of Intent to sell Rhythm City Casino operations to MSEG, LLC. Both parties have given themselves 60 days to work on a definitive purchase agreement and conduct due diligence on each other. He stated that the terms of the transaction were hard for IOC to swallow. Mr. Quatmann stated that IOC understands what the City is trying to accomplish; IOC stated they would be cooperative, and have been cooperative. He advised that the definitive agreement will provide for all necessary consents and approvals of the Commission. The parties have entered into a confidentiality agreement. Mr. Quatmann thanked the employees at Rhythm City for a great job in protecting the customers and assets during the flooding, which occurred earlier this year. The facility will continue to operate and focus on operations, and will continue to do so until the sale is finalized.

Vice Chair Seyfer expressed the Commission's appreciation for the effort put forth by both parties in reaching an agreement, and indicated the Commission understood the need for confidentiality.

Bill Gluba, Mayor of Davenport, thanked the Commissioners for serving on the Commission and fulfilling the purpose of riverboat gambling in Iowa. He stated that the City is delighted IOC has come to a consensus with their chosen developer as the City has felt that IOC treated Davenport like an after thought; and revenues and attendance have declined costing the state and local governments approximately \$25,000 per day. He noted that Scott County has one gaming company competing against itself. Mayor Gluba stated that the \$75 million land-based development in downtown Davenport will provide an opportunity to compete with Jumer's. This will be the largest single private investment made in the history of downtown Davenport. He asked the Commission to stay vigilant and insure that IOC meets the deadlines.

Vice Chair Seyfer requested that IOC report at the end of the 60 days. Mr. Quatmann stated that the exclusivity runs for 60 days, which is August 2nd. He reiterated that the 60 days is an exclusivity period for the parties to work together. If they are close to getting everything completed, the parties will push the date further out if needed.

Commissioner Rivera asked where the new facility is to be built. Mr. Quatmann stated that MSEG will build their facility in downtown Davenport.

Vice Chair Seyfer called on Wild Rose Entertainment, Inc. regarding their request for approval of debt refinancing for Wild Rose Clinton (WRC) and Wild Rose Emmetsburg (WRE). Scott Ivers, Chief Financial Officer, stated that the refinancing is through a local bank. He noted that the Commission has been provided with a summary of the significant changes.

Hearing no discussion or comments regarding the refinancing, Vice Chair Seyfer requested a motion. Commissioner Rivera moved to approve the debt refinancing for WRC and WRE as presented. Commissioner Heinrich seconded the motion, which carried unanimously. (See Order No. 11-47)

Vice Chair Seyfer called on HGI-Lakeside. David Ross, Chief Executive Officer of Affinity Gaming, formerly Herbst Gaming, stated that the company emerged from bankruptcy on January 1, 2011. He advised that they have executed a construction agreement, subject to the Commission's approval, for the project. Mr. Ross stated that the project has an accelerated timeline, and the intent is to be under construction by the 3rd quarter of this year. He stated that the project is more than a hotel expansion. Mr. Ross stated the company is very excited about the possibilities at Lakeside. Mr. Ross turned the floor over to Ferenc Szony, President of Affinity Gaming. He also introduced Bob Thursby, General Manager at Lakeside, Scott Travers, Regional Manager, and the architect and contractor for the project, who will walk the Commission through the presentation.

Mr. Szony stated that the project started with an expansion in the number of hotel rooms from 60 to 150 total. It was also determined that the existing hotel rooms are in need of renovation. Other amenities that are planned are a year-round pool (indoor/outdoor), an entertainment venue, plus additional food and beverage venues. During the past five months, the company interviewed and has received bids from four Iowa contractors. Mr. Szony stated that the company has selected Larson & Larson as the contractor for the project. Mr. Szony turned the floor over to Pierce Cody of Simonson and Associates.

Mr. Cody advised the Commission that there are four major components to the project being presented – a new 90-room hotel, renovation of the existing 60 hotel rooms, the addition of new waterfront amenities, including an amphitheater and stage to help promote additional entertainment opportunities, and some internal changes to add additional food and beverage venues. He provided additional information about the new hotel and renovation of the current hotel:

- New 90-room hotel: Will make use of the natural grade of the site; there will be rooms with exits out the back facing the lake. There will be a new courtyard facing the lake. Two additional floors will have king and queen rooms plus one large corporate suite. A new lobby will be created at the center of the three wings of the hotel so that all of the hotel rooms will be in easy walking distance of the lobby; it will also serve to separate hotel and events center traffic. A separate events center entrance will also help prevent cross traffic. The indoor pool will be redesigned with glass that is able to be opened making the pool an indoor/outdoor pool. The fitness center will be enlarged, and several back-of-house functions will be consolidated in this wing. The current design allows for future expansion.
- Existing 60-room hotel: Will be totally renovated/refurbished to match the new hotel. The existing hotel lobby will be changed to smaller breakout spaces. Waterfront amenities include a new outdoor patio; all first floor rooms will have a private patio. The new waterfront stage will have a total seating capacity of 1,000. Removal of the existing pool will allow for the creation of an area that can

be utilized for small corporate functions, weddings, etc. They are adding a small convenience/quick service food area that will face the parking lot.

Mr. Cody turned the floor over to Brent Cooper, Vice President of Larson & Larson Construction. Mr. Cooper stated that they are an Iowa contractor, and the project will provide approximately 150-175 construction-related jobs. He advised that the project is being presented to the Planning & Zoning Commission for the city of Osceola this evening; the City Council meeting is July 5th. They hope to break ground by July 11th, subject to the necessary approvals from the city of Osceola and the Commission. Concrete work would begin in early August, with a goal of having the project enclosed by the first of the year, and the entire 90-room hotel expansion completed by Memorial Day. Once the new hotel is completed and turned over, complete renovation of the current hotel will begin along with exterior site work for the new hotel on the south side and the amphitheater as weather allows. The goal is to have this portion of the project completed by July 4th, 2012, and completion of the renovation of the existing hotel by Labor Day 2012. Mr. Cody acknowledged that this is a very aggressive schedule, but believes it can be accomplished.

As there were no questions relating to the project, Vice Chair Seyfer moved to the proposed refinancing. Mr. Ketterer asked Mr. Ross if the main purpose of the refinancing was to obtain more flexibility. Mr. Ross answered in the affirmative; noting that the new terms are less restrictive.

Hearing no discussion or questions regarding the refinancing documents, Vice Chair Seyfer requested a motion. Commissioner Rivera moved to approve the refinancing documents as presented. Commissioner Lamberti seconded the motion, which carried unanimously. (See Order No. 11-48)

Mr. Ketterer noted that some of the breakdown of costs were estimates at this point. He stated that it is his understanding that if the proposed project does come in under the projected \$10 million that Affinity is planning to put the remainder of the \$10 million into development of the property. Mr. Ross answered in the affirmative. He stated that should any of the committed funds not be utilized for this project, they will be placed in an escrow account to be utilized for additional development at the facility. Mr. Ross stated they are very confident the proposed project will utilize all of the committed funds.

Commissioner Rivera asked if the financing for the project will remain in place should it exceed the \$10 million. Mr. Ross answered in the affirmative. Mr. Szony stated that the project as presented is approximately \$10.65 million.

Doug Gross, legal counsel for Clarke County Development Corporation (CCDC), the non-profit license holder, noted that the parties have had a rocky relationship for the last several months. He thanked the Commission for taking the stance they did at the March Commission meeting. He noted that two days earlier the project was a \$7 million project; however, due to the commitment Affinity made regarding the cost of the project, the

scope was increased to meet the previously stated dollar amount. Mr. Gross stated that CCDC did not want to hold up the project in any way, and wants to insure that the construction project moves forward as scheduled. He stated it is the first time that CCDC has heard a complete description of the project, but they don't have any specific objections. He advised that CCDC is pleased with the timeline set forth; noting that they are appreciative of the aggressive timeline. Mr. Gross stated that the Commission is approving refinancing that CCDC has not seen; and are hopeful that the Commission has reviewed it carefully so that the company does not end up in financial trouble again. He stated that some of the issues between CCDC and Affinity are due to the fact that Herbst over-leveraged the company. Mr. Gross stated that CCDC would have liked to have had the opportunity to review the proposed refinancing prior to Affinity submitting it to the Commission and receiving the Commission's approval. Mr. Gross asked the Commission to encourage Affinity to work with CCDC to share their plans, receive input and review documents and information so that CCDC can be helpful to them as both parties try to achieve their goal, which is jobs and economic growth for the community. He stated that one issue that has not been resolved is the fact that CCDC receives 1.5% of gross gaming revenues, which is less than half of any other non-profit licensees in the state, and less than half of the statutory minimum established by the Legislature for new licensees in 2004. Mr. Gross stated that lost revenue has an impact on the community. He again asked the Commission to encourage Affinity to continue to work with CCDC to discuss a resolution of the Management Agreement. Mr. Gross stated that CCDC has submitted proposals to Affinity but has not heard back from them. He again thanked the Commission for their stance at the March Commission meeting. He asked the Commission to take a strong stand with Affinity regarding the Management Agreement moving forward. Mr. Gross asked the Commission to support the construction project.

Vice Chair Seyfer stated that he, and all Commission members, would encourage mutual cooperation on all fronts; that it would be beneficial to everyone.

Mr. Ross concurred that CCDC had not seen the last series of printouts for the project, but advised that the project does include many components set forth at the last meeting between the two parties. He stated they will work to improve their communication with CCDC.

Mr. Ketterer stated that regarding the refinancing, legal counsel for Affinity contacted the Commission and advised that the Board was not going to vote on it until Thursday (June 2nd). The refinancing was added to the agenda as they hope to close it within the next 10 days to two weeks. He stated the refinancing issue was somewhat similar to the construction contract; noting that it is in everyone's best interests to move forward. Mr. Ketterer stated that in looking at the contract approvals coming up on the agenda for Affinity, there was a question whether they should sign and submit them as the Commission had not had an opportunity to review them. He advised that the Commission's past practice in similar situations with other properties where a construction project is out for bids and bids are due a week after the Commission meeting, and the facility selects a contractor and then has another five-six weeks before

the next Commission meeting in order to receive approval, the Commission has given the facility the OK to go ahead with construction so as not to hold up construction for five or six weeks just for the Commission's approval, especially when an Iowa vendor is involved. Mr. Ketterer suggested that the Commission defer approval on the two contracts submitted by Affinity Gaming relating to the proposed project until the July 21st Commission meeting, but allow the process to keep moving forward.

Mr. Ketterer stated that he and Mr. Ross had had a discussion about the issues between CCDC and Affinity. With respect to the legal issues outstanding between the parties, the 1.5% and lease with the Water Board, Mr. Ketterer suggested that the legal counsel for each party was more than capable of handling the discussions. Additionally, Mr. Ketterer advised Mr. Ross that if he or Mr. Szony were in Osceola, they should make a point of taking the time to spend approximately 30-40 minutes to speak with CCDC Board members, or that Mr. Thursby could do so if there was going to be a significant amount of time between their visits. This would keep CCDC current on what has occurred over the last month and give them a heads up on what will be happening in the coming months. Mr. Ketterer stated that he felt establishing this line of communication would go a long ways in resolving the issues between CCDC and Affinity.

Commissioner Heinrich stated that he had visited with various principles involved in this matter about their concerns; however, he didn't see any evidence of not wanting to cooperate. He stated that he believes it is just a matter of the two parties putting forth the effort and doing it. The issues have been set forth and progress is being made. Commissioner Heinrich stated that he has visited the Council Bluffs properties and Osceola yesterday.

Vice Chair Seyfer stated that he concurred with Mr. Ketterer on the deferral of the approval of the contracts for the construction project until the July meeting to provide the Commission members an opportunity to review the information.

Mr. Ross stated that they were hoping to break ground on July 11th, and asked if the project was on hold until the Commission's approval. Vice Chair Seyfer advised that the project could move forward as presented. Mr. Szony advised the Commissioners that the project was not subject to the refinancing of the company.

Mr. Ketterer stated that if any of the Commission members had questions regarding the project prior to July 21st, they could contact him or Affinity.

Vice Chair Seyfer moved to the contract approval portion of the agenda and called on The Isle Casino Hotel Waterloo (The Isle). Bari Richter, General Manager, presented the following contracts for Commission approval:

- Capital Sanitary Supply – Janitorial Supplies
- Aramark Uniform Services – Laundering Services
- Success Promotions – Marketing Promotional Vendor

Hearing no comments or discussion concerning the contracts, Vice Chair Seyfer requested a motion. Commissioner Lamberti moved to approve the contracts as submitted by The Isle. Commissioner Rivera seconded the motion, which carried unanimously. (See Order No. 11-49)

Vice Chair Seyfer called on Diamond Jo (DJ). Kim Pang, General Manager for Diamond Jo Worth (DJW), presented a contract with Crescent Electric for electrical supplies.

Hearing no discussion concerning the contract, Vice Chair Seyfer requested a motion. Commissioner Rivera moved to approve the contract as submitted by DJ. Commissioner Lamberti seconded the motion, which carried unanimously. (See Order No. 11-50)

Vice Chair Seyfer called on DJW. Mr. Pang presented a contract with Critical Systems Services, Inc. for maintenance and testing of the UPS system.

Hearing no discussion concerning the contract, Vice Chair Seyfer requested a motion. Commissioner Rivera moved to approve the contract as submitted by DJW. Commissioner Heinrich seconded the motion, which carried unanimously. (See Order No. 11-51)

Vice Chair Seyfer called on Catfish Bend Casino (CBC). Jerry Baum, General Manager, presented the following contracts for Commission approval:

- Southeast Iowa Regional Riverboat Commission – Not-for-Profit License Holder
- W. R. Faeth – Purchase of Cigarettes
- WMS Gaming, Inc. – Lease and Purchase of Slot Machines
- Bally Gaming, Inc. – Lease and Purchase of Slot Machines

Hearing no discussion regarding the contracts, Vice Chair Seyfer requested a motion. Commissioner Rivera moved to approve the contracts as submitted by CBC. Commissioner Lamberti seconded the motion, which carried unanimously. (See Order No. 11-52)

Vice Chair Seyfer called on Isle of Capri Bettendorf (IOCB). Sally Rogers, Director of Finance, presented the following contracts for Commission approval:

- PMI – Purchasing Service to facilitate Carpet Purchase w/Tai Ping Carpet
- Konami – Purchase Slot Machines and Parts
- T Skorman Productions – Booking and Production Services
- Isle of Capri Casinos, Inc. – Credit Agreement and Revolving Note (RP)

Commissioner Heinrich moved to approve the contracts as submitted by IOCB. Commissioner Lamberti seconded the motion, which carried unanimously. (See Order No. 11-53)

Vice Chair Seyfer called on Rhythm City. Ms. Rogers presented the following contracts for Commission approval:

- PMI - Purchasing Service to facilitate Carpet Purchase w/Tai Ping Carpet
- Isle of Capri Casinos, Inc. – Credit Agreement and Revolving Note (RP)

Hearing no discussion concerning the contracts, Vice Chair Seyfer called for a motion. Commissioner Rivera moved to approve the contracts as submitted by Rhythm City. Commissioner Lamberti seconded the motion, which carried unanimously. (See Order No. 11-54)

Vice Chair Seyfer called on Lady Luck Marquette (LLM). Todd Steffens, General Manager, submitted a related party contract with Isle of Capri Casinos, Inc. for a credit agreement and revolving note.

Hearing no discussion or questions concerning the contract, Vice Chair Seyfer requested a motion. Commissioner Rivera moved to approve the contract as submitted by LLM. Commissioner Heinrich seconded the motion, which carried unanimously. (See Order No. 11-55)

Vice Chair Seyfer called on Ameristar Casino. Paul Czak, Director of Finance, presented a contract with Newt Marine for vessel dredging and various slip/harbor maintenance.

Hearing no discussion or questions regarding the contract, Vice Chair Seyfer requested a motion. Commissioner Heinrich moved to approve the contract as submitted by Ameristar. Commissioner Rivera seconded the motion, which carried unanimously. (See Order No. 11-56)

Mr. Czak reported that Ameristar does not anticipate any disruption of service due to flooding with the exception of moving some employee parking.

Vice Chair Seyfer called on WRE. Tom Timmons, Vice President of Operations for Wild Rose Entertainment, presented the following contracts for Commission approval:

- Coca-Cola – Soda for Casino/Restaurant
- Office Systems, Inc. – Equipment Lease

Hearing no comments or questions regarding the contracts, Vice Chair Seyfer requested a motion. Commissioner Rivera moved to approve the contracts as submitted by WRE. Commissioner Lamberti seconded the motion, which carried unanimously. (See Order No. 11-57)

Vice Chair Seyfer called on WRC. Tim Bollmann, General Manager, presented a contract with Seminole Energy Services for the purchase of natural gas.

Hearing no comments or questions regarding the contract, Vice Chair Seyfer requested a motion. Commissioner Rivera moved to approve the contract as submitted by WRC. Commissioner Heinrich seconded the motion, which carried unanimously. (See Order No. 11-58)

Vice Chair Seyfer called on Riverside Casino & Golf Resort (RCGR). Dan Franz, General Manager, presented the following contracts for Commission approval:

- Aristocrat – SPC Board Replacement/Slot Machine Leases
- Bally Technologies – Slot Machine Lease Agreement
- IGT – Slot Machine Conversion
- Marshall's Furniture & Carpets – Hotel Renovations
- Coca-Cola Refreshments, USA, Inc. d/b/a Midwest Coca-Cola Bottling Co. – Beverage Agreement
- Trane U.S. Inc. – Service Agreement for HVAC System
- Department of Veterans Affairs – TEE Tournament

Vice Chair Seyfer asked for an explanation of the TEE Tournament. Mr. Franz advised that it is a week-long event for disabled veterans through the Iowa VA, and is different from Riverside's GIVE program. The event will be held in September and will utilize almost all of the hotel rooms. Riverside is the center of events, but the event will also utilize other local golf courses, bowling alleys etc. This is a team building event for the veterans; they compete for awards. Mr. Franz stated that it is a substantial event and RCGR will be hosting the event for the next two years.

Commissioner Rivera asked if the veterans' families were invited to the event as well. Mr. Franz advised that families can attend; but there are a significant number of volunteers employed for the week. He noted that a number of the veterans are blind.

Hearing no further comments or questions regarding the contracts, Vice Chair Seyfer requested a motion. Commissioner Lamberti moved to approve the contracts as submitted by RCGR. Commissioner Rivera seconded the motion, which carried unanimously. (See Order No. 11-59)

Vice Chair Seyfer called on Grand Falls Casino Resort (GFCR). Mr. Franz presented the following contracts on behalf of GFCR:

- AmSan – EVS Equipment and Janitorial Supplies
- Chartaire, Inc. – Air Charter Service
- Computer Net Services – Wireless and Wired Internet for Property
- Contech Construction Products, Inc. – Construction-Pedestrian-Style Connector Bridge
- Cummins Allison Corp. – Cage and Count Room Equipment
- Elavon (US Bank) – Electronic Gift Card Program/Processing

- Global Payments Gaming Services, Inc. – Check Guarantee Agreement
- Global Payments Gaming Services, Inc. – Credit Card Cash Advance/Debit Card Cash Advance
- Great West Rock Company, LLC – Construction – Landscaping & Irrigation
- Great West Rock Company, LLC – Construction – Grand Falls Water Feature
- Livers Bronze Co. – Construction – Decorative Railings
- Lodgenet Interactive Corporation – Equipment & Programming for In-Room Television
- Lodgenet Interactive Corporation – Equipment & Programming for Public Viewing Television
- Lodgenet Interactive Corporation – Digital Signage Services
- Marsh USA, Inc. – Insurance Premiums – Builders Risk, Property, Auto, Crime, Work Comp. General Liability, and Inland Marine
- Marsh USA, Inc. – Insurance Premiums – Pollution Liability
- Qwest Communications Company, LLC – Long Distance Phone Service
- Shuffle Master, Inc. – Table Games Equipment Leases
- Tech Art, Inc. – License/Maintenance Agreement: Table Games Card Readers
- Tomra of North America, Inc. – Capital Lease: Reverse Vending Machine
- Ultron Processing Services, Inc. (US Bank) – Service Contract: ATM Services
- Wells Fargo Merchant Services, LLC – Credit Card Processing

Hearing no comments or questions concerning the contracts, Vice Chair Seyfer requested a motion. Commissioner Heinrich moved to approve the contracts as submitted by GFCR. Commissioner Rivera seconded the motion, which carried unanimously. (See Order No. 11-60)

Vice Chair Seyfer called on Harrah's. Janae Sternberg, Director of Finance, presented the following contracts for Commission approval:

- Rutherford Investment Management Co. – Suite at University of Nebraska's Memorial Stadium
- Xerox Corp. – Copy and Printer Services

As there were no comments or questions concerning the contracts, Vice Chair Seyfer requested a motion. Commissioner Rivera moved to approve the contracts as submitted by Harrah's. Commissioner Lamberti seconded the motion, which carried unanimously. (See Order No. 11-61)

Vice Chair Seyfer called on Horseshoe Casino/Bluffs Run. Ms. Sternberg presented the following contracts for Commission approval:

- G&T Lawn Landscape – Grounds Maintenance
- Omaha Deli Provisions, Inc. – Deli Meat Provider
- Xerox Corp. – Copy and Printer Services

Hearing no comments or questions concerning the contracts, Vice Chair Seyfer requested a motion. Commissioner Heinrich moved to approve the contracts as submitted by Horseshoe Casino/Bluffs Run. Commissioner Rivera seconded the motion, which carried unanimously. (See Order No. 11-62)

With regard to the possible flooding, Ms. Sternberg advised that Harrah's and Horseshoe anticipate being able to stay open. They are having daily meetings with the employees and the management team has plans in place to insure the safety of the patrons and employees. She advised that it is business as usual at both properties.

Vice Chair Seyfer called on Prairie Meadows Racetrack & Casino (PMR&C). Gary Palmer, General Manager, advised that the hotel construction is on schedule and under budget. They are planning to open on March 1, 2012.

Vice Chair Seyfer asked for an update on the lease negotiations. Mr. Palmer stated that PMR&C and the Polk County Board of Supervisors have reached a tentative agreement. The Board of Supervisors will hold a public hearing on the agreement next Tuesday, and then vote on it on the following Tuesday. Mr. Palmer advised that there is one more amendment to the agreement with the City of Des Moines. A meeting to resolve that matter is scheduled for next week.

Mr. Palmer presented the following contracts for Commission approval:

- Des Moines Asphalt and Paving – Asphalt Paving Contractor
- ECS, Inc. – Audio-Visual Equipment
- Grimes Asphalt and Paving – Asphalt Paving Contractor
- Hansen Company, Inc. – General Contractor
- Inteconnex – Hotel Surveillance System
- Micros – Hotel Property Management Software
- North Country Business Products – Micros Point of Sale, Paper Products and IT Supplies
- Shive-Hattery, Inc. – Engineering Services

Hearing no comments or questions regarding the contracts, Vice Chair Seyfer requested a motion. Commissioner Rivera moved to approve the contracts as submitted by PMR&C. Commissioner Lamberti seconded the motion, which carried unanimously. (See Order No. 11-63)

Vice Chair Seyfer moved to Public Comment and called on Tom Lopic, President of the Iowa Quarter Horse Racing Association (IQHRA). Mr. Lopic commenced his comments by thanking IRGC and PMR&C's Board of Directors for their support of Senate File 526. He advised that based on the passage of the bill, two new stallions have already been brought to Iowa and individuals who had left the IQHRA are rejoining. Mr. Lopic stated that it is important for PMR&C, the Iowa Thoroughbred Breeders and Owners Association and IQHRA to work as a partnership, not to just race horses, but to make

PMR&C a better place. He advised that the IQHRA, in conjunction with the American Quarter Horse Racing Association, put together a 15-page booklet on simulcasting.

Mr. Lepic advised the Commission that the IQHRA's By-Laws allow the Association to have an Executive Racing Secretary, and introduced John Hernandez, who will be fulfilling those duties. He provided the Commission with a copy of the job description for Mr. Hernandez. Mr. Lepic stated that Mr. Hernandez currently works for PMR&C calling the thoroughbred and quarter horse races, and is bi-lingual, which will prove beneficial in his position. He stated the IQHRA has received a number of phone calls from new trainers seeking information about coming to PMR&C.

Mr. Lepic thanked the Commission for the \$1,765 the IQHRA received from the Horse Promotion Fund, which was utilized to put together a newsletter that was sent out to the membership.

Mr. Lepic stated that the IQHRA has held their general meeting and election of officers in January for the last several years, but has changed the meeting to August this year so that the weather will not prevent members from other areas of the state from attending. Election of officers will be conducted by a mail-in ballot, with responses due by January 1st.

Mr. Lepic stated that the IQHRA wants to partner with PMR&C to help attract more patrons to the track to gamble and watch the races. He stated that he has received commitments from the wrestling staff at the University of Iowa to be at PMR&C on opening night of the quarter horse meet; the second weekend will be Iowa Basketball night. Additionally, the editor of Track Magazine, the main quarter horse magazine, has agreed to come and participate in the Mornings @ The Meadows program, which will also serve as a benefit for disabled jockeys. Todd Leggett, a former jockey at PMR&C who was injured in Oklahoma last year and won't race again, will be in attendance.

The IQHRA is also having a "Dare to Wear Pink Night" to honor all breast cancer survivors. Those in attendance will be invited to walk around the track prior to the start of the races. Their goal is to raise \$10,000.

Mr. Lepic stated that the Youth Days program has been cut to two days, Friday and Saturday, due to the change in the meet dates. He provided additional information about other events occurring during the quarter horse meet.

Vice Chair Seyfer called on Wes Ehrecke, President of the Iowa Gaming Association, who distributed copies of State of the States, the annual report of the American Gaming Association. The report compares Iowa to other gaming jurisdictions on jobs, revenues, etc. The report shows that over 80% of the population considers gambling to be an acceptable form of entertainment.

Vice Chair Seyfer moved to Administrative Business. Mr. Ketterer gave Notice of the Dog Promotion Fund, and indicated the form would be available on the Commission's website on Friday.

Mr. Ketterer advised that the regulatory fees for Fiscal Year 2012 can't be established as the Legislature has not established appropriations. He stated that in the absence of definitive information, the Commission would resume collecting fees based on Fiscal Year 2011 fees and then adjust them as needed when information from the Legislature and Governor's Office is received.

Hearing no further business to come before the Commission, Vice Chair Seyfer requested a motion to adjourn. Commissioner Heinrich so moved. Commissioner Rivera seconded the motion, which carried unanimously.

MINUTES TAKEN BY:

JULIE D. HERRICK