

## **RESOLUTION 1999-7**

### **A RESOLUTION CONCERNING THE SURETY BOND POSTED BY RDI/CAESARS RIVERBOAT CASINO, L.L.C.**

The Indiana Gaming Commission ("Commission") adopts the following resolution pursuant to the authority granted to it under IC 4-33 and pursuant to 68 IAC 1-2-6.

The following factors have been considered by the Commission:

1. Pursuant to IC 4-33-6-9, a riverboat licensee is to post a bond in an amount the Commission determines will be adequate to secure fulfillment of its legal and financial obligations to the State of Indiana and other aggrieved parties, as determined by the Commission.
2. On September 14, 1998, the Commission adopted Resolution 1998-27, requiring that the amount of Thirty-five Million Dollars (\$35,000,000) be posted by RDI/Caesars Riverboat Casino, L.L.C. ("Caesars"), to secure its legal and financial obligations to Harrison County, the State of Indiana, and other aggrieved parties. Of that total amount, Eight Million Two Hundred Thousand Dollars (\$8,200,000) was posted to secure, as obligated to Harrison County, the construction of one hundred (100) additional hotel rooms and four hundred (400) additional parking spaces in lieu of a gondola system across the Ohio River.
3. On or about October 19, 1998, Harrison County and Caesars executed the First Amendment to the Development Agreement by and between Harrison County and RDI/Caesars Riverboat Casino, L.L.C. ("Amendment"). The Commission approved the Amendment on November 16, 1998, through Resolution 1998-32.
4. Pursuant to the Amendment, Caesars agreed to pay Harrison County a delay payment of One Million Dollars (1,000,000). In turn, Harrison County has agreed to the deletion of the requirement that Caesars construct additional rooms and parking space in lieu of the originally proposed gondolas. Harrison County also agreed to support a surety bond reduction of Eight Million Two Hundred Thousand Dollars (\$8,200,000), the portion securing the hotel and parking project.
5. On November 16, 1998, John J. Thar, Executive Director for the Commission, presented his recommendation to the Commission on this matter. Mr. Thar recommended a fifty percent (50%) reduction of the portion of the surety bond securing the hotel and parking project. A fifty percent reduction (50%) would reduce this portion from Eight Million

Two Hundred Thousand Dollars (\$8,200,000) to a total of Four Million One Hundred Thousand Dollars (\$4,100,000).

**NOW, THEREFORE, BE IT RESOLVED BY THE INDIANA GAMING COMMISSION, THAT THE FOLLOWING RESOLUTION IS ADOPTED:**

**SECTION 1. SCOPE.**

This resolution applies to RDI/Caesars Riverboat Casino, L.L.C.

**SECTION 2. DEFINITIONS**

The definitions set forth in IC 4-33-2 and 68 IAC apply to this resolution.

**SECTION 3. REDUCTION OF THE AMOUNT OF THE SURETY BOND AND GUARANTY POSTED BY RDI/CAESARS RIVERBOAT CASINO, L.L.C.**

The Commission hereby approves the reduction of the surety bond posted by RDI/Caesars Riverboat Casino, L.L.C. in the amount of \$4,100,000. This reduction is to be subtracted from the Eight Million Two Hundred Thousand Dollars (\$8,200,000) appropriated to secure the construction of additional hotel rooms and parking spaces in lieu of a gondola system. As a result, the total amount of the surety bond posted by RDI/Caesars Riverboat Casino, L.L.C. will be \$30,900,000.

**SECTION 4. EFFECTIVE DATE.**

This RESOLUTION is effective immediately.

**ADOPTED THIS THE 26<sup>TH</sup> DAY OF FEBRUARY, 1999:**

**THE INDIANA GAMING COMMISSION:**

  
Donald R. Vowels, Chair

**ATTEST:**

  
Thomas Milcarek, Secretary