

**ORDER 2006-74**

**IN RE SETTLEMENT AGREEMENT  
FRENCH LICK RESORT • CASINO  
MATTER NO. 06-FL-1**

After having reviewed the attached Settlement Agreement, the Indiana Gaming Commission hereby:

APPROVES


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APPROVES OR DISAPPROVES

the proposed terms of the Settlement Agreement.

**IT IS SO ORDERED THIS THE 14<sup>th</sup> DAY OF SEPTEMBER, 2006.**

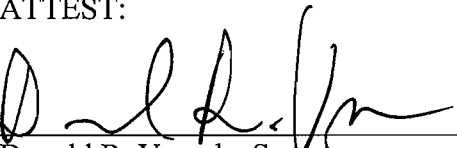
**THE INDIANA GAMING COMMISSION:**



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William W. Barrett, Chair

ATTEST:



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Donald R. Vowels, Secretary

**STATE OF INDIANA**

**INDIANA GAMING COMMISSION**

**IN RE THE MATTER OF:** )  
 )  
 ) **MATTER NO.**  
 ) **06-FL-01**  
**BLUE SKY CASINO, LLC.** )

**SETTLEMENT AGREEMENT**

The Indiana Gaming Commission (“Commission”) by and through its Executive Director, Ernest Yelton, and Blue Sky Casino, LLC (“Blue Sky”) (collectively, the “Parties”) desire to settle this matter prior to the initiation of a disciplinary proceeding pursuant to 68 IAC 13-1-18(a). The Parties stipulate and agree that the following facts are true.

**FINDINGS OF FACT**

1. Part II of the Orange County Operating Agent Contract specifies in pertinent part that, unless waived in writing, the Operating Agent shall have closed on the financing package for the Orange County riverboat casino by February 1, 2006. This deadline was not satisfied by Blue Sky or its affiliates.
2. In correspondence dated March 2, 2006, Commission Executive Director Ernest Yelton indicated that because Blue Sky was in the process of amending the initially proposed financing package, he would refrain from recommending that the Commission take disciplinary action against Blue Sky unless and until Blue Sky did not meet an alternative closing deadline of May 1, 2006.
3. At the March 9, 2006 Commission meeting, the Commission passed Order 2006-12, which approved a financing package for the Orange County casino that increased the previously approved amount from \$270 million to a maximum of \$300 million. This financing package consisted of a \$270 million bond issue and a revolving line of credit with a maximum approved amount of \$30 million.
4. On May 19, 2006, Executive Director Yelton received three boxes of documents purporting to be “the organizational documents and the closing documents for the financing and related activity for the French Lick Springs Hotel, West Baden Springs Hotel and the Casino project.” Contained within these documents were documents indicating that the \$270 million bond issue had closed, but there were no documents regarding the revolving line of credit.

5. Blue Sky entered into a term sheet on May 22, 2006 and a commitment on June 5, 2006 with ORIX USA Corporation for the revolving line of credit. Blue Sky did not close the revolver until June 30, 2006.
6. As such, Blue Sky and/or its affiliates did not fully satisfy Executive Director Yelton's May 1st deadline. Prior to May 1st, no one from Blue Sky sought relief from the deadline.
7. In correspondence dated May 31, 2006, Executive Director Yelton informed Blue Sky that he would address the Commission with a recommended course of action regarding this matter at the September 14, 2006 business meeting.

### **TERMS AND CONDITIONS**

Commission staff contends that the acts or omissions of Blue Sky as outlined herein constitute a breach of IC 4-33, 68 IAC, the Orange County Operating Agent Contract, and/or the Executive Director's express alternative deadline. Under these circumstances, the Commission and Blue Sky have determined that in lieu of the Commission pursuing formal disciplinary action against the company, Blue Sky shall pay a fine in the amount of \$10,000.00.

Upon execution and approval of this Settlement Agreement, Commission staff shall submit this Agreement to the Commission for review and final action. Upon approval of the Settlement Agreement by the Commission, Blue Sky agrees to promptly remit payment in the amount of \$10,000.00 and shall waive all rights to further administrative or judicial review.

This Settlement Agreement constitutes the entire agreement between the parties. No prior or subsequent understandings, agreements, or representations, oral or written, not specified or referenced within this document will be valid provisions of this Settlement Agreement. This Settlement Agreement may not be modified, supplemented, or amended, in any manner, except by written agreement signed by all Parties.


This Settlement Agreement cannot be used as evidence or in any other manner in any lawsuit, arbitration or other dispute proceeding between the ultimate constituent members of Blue Sky.

This Settlement Agreement shall be binding upon the Commission, Blue Sky, and its affiliates.

IN WITNESS WHEREOF, the parties have signed this Settlement Agreement on the date and year as set forth below.

  
Ernest Yelton, Executive Director  
Indiana Gaming Commission

Sept 14, 2006  
Date

  
Chris Leininger, General Manager  
French Lick Resort • Casino, Inc.

9/13/06  
Date