

**Special Meeting of the
Prairie Meadows Racetrack and Casino
Board of Directors
December 29, 2009
10:00 a.m.**

A Special Meeting of the PMRC Board of Directors was called to order by Michael Galloway at 10:05 a.m. via Conference Call.

Roll Call.

Butch Bain	Lynette Rasmussen - absent
Bob Beattie	Sunnie Richer
Jack Bishop	John Rowen - absent
Don Brown - absent	Jodi Urich
Michael Galloway	Tom Whitney - absent
Andrea McGuire	Michael Helak
Ron Morden	Randy Minear
Gerard Neugent	

Also in attendance were:

Gary Palmer, President/CEO
Ann Atkin, Vice President of Operations
Brian Wessels, Vice President/CFO
Tom Flynn, Legal Counsel
Nancy Winget, Its Recording Secretary
Members of the Press, Public, and Staff

Hotel Project. Mr. Galloway said Mr. Neugent will make the presentation and Mr. Mark Wandro is also available to answer questions.

Mr. Galloway noted he and Mr. Neugent met with the Board of Supervisors to explain the reimbursement for the architect fees if the project didn't go forward; the plan is to schedule another meeting with Polk County in early January; Polk County Board of Supervisors' Chair and Vice Chair are up-to-date with the project as of today; PM will continue to keep Polk County updated; Polk County has no preliminary issues with what's going on and there's no impact to the County at this point; PM is sensitive to issues regarding the lease, etc. and know it needs final approval from Polk County; everyone is comfortable now. Mr. Neugent said Mr. Galloway's statements were correct.

Mr. Neugent said the Facilities Committee (Lynette Rasmussen, Bob Beattie, Randy Minear, Butch Bain) met last Tuesday morning; Mark Wandro has presented the schedule of construction and the scope of PM's work to the Board and one item is construction of the "fish bowl" (2nd floor connection between the hotel and PM); Mr. Wandro's memo was attached to the meeting notice; in accordance with what was presented at the Closed Session, PM needs to do the "fish bowl" to accommodate the hotel – we need to be

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prepared and do this first before hotel construction begins; the Board is being asked to approve Shive Hattery to do the “fish bowl at a cost of \$88,500 which is in line with what was presented at the Closed Session and is in line with the preliminary capital budget approved for 2010. Mr. Wandro noted the Board is being asked for approval to hire Shive Hattery to enclose a “shell” only and Mr. Neugent said Shive Hattery is not being approved for the actual construction. Mr. Helak asked if the Board was only making an \$88,500 decision today and Mr. Neugent said yes. Mr. Neugent said the Facilities Committee set a date to have all documents done by the end of January 2010, subject to approval by the PM Board, IRGC, Polk County, etc. and the goal is to hold another Special Board Meeting to review the five-six documents for Board consideration and approval then to give to Kinseth, subject to approval by Polk County and the IRGC; this step today is important to get a 30 day lead time – we need a second floor connection.

Mr. Neugent moved to approve the design contract with Shive Hattery as previously discussed. The motion was seconded by Mr. Morden.

Ms. Urich said for the next meeting, she would like a cash flow sheet to show how all this would affect the non-profits. Mr. Neugent noted PM has a \$9.5 million line of credit to use for its part of the hotel cost and parking ramp – funds are available and charitables won’t be affected – Mr. Wessels can compile the information. Ms. Urich is concerned if PM has to pay the \$300,000 reimbursement, there’s only \$1.5 million available, and we missed budget \$7 million; Mr. Neugent said the \$300,000 is only if we don’t build with Kinseth and we’ll get approval later for the entire hotel project; Mr. Palmer said we didn’t miss budget by \$7 million, we only missed revenue projections. Ms. Urich wants to ensure we’re prepared and Mr. Neugent said staff can prepare the information – the plan is to take this step and then report to the Board of Supervisors in January. Mr. Galloway asked staff to coordinate the meeting with Polk County.

Mr. Palmer asked if a January 20 meeting at 2:00 p.m. should be scheduled and Mr. Neugent said that is the goal.

The motion passed on a Roll Call vote (9 yes, 0 no, 4 members absent).

The meeting adjourned at 10:15 a.m.

Respectfully submitted,

Gerard Neugent
Its Secretary