

**Pinnacle Entertainment, Inc.**  
**Charter for Compensation Committee**  
(effective as of May 4, 2004)

ARTICLE I  
PURPOSE

The purpose of the Committee is to (1) be directly responsible for the review and approval of the corporate goals and objectives relevant to the compensation of the Chief Executive Officer (the "CEO"), the evaluation of the CEO's performance in light of those goals and objectives, and, either as a committee or together with the other independent directors (as directed by the Corporation's Board of Directors (the "Board")), the determination and approval of the CEO's compensation level based on this evaluation, (2) make recommendations to the Board with respect to non-CEO compensation, incentive-compensation plans and equity-based plans and (3) produce a compensation committee report on executive compensation as required by the Securities & Exchange Commission ("SEC") to be included in the Corporation's annual proxy statement or annual report on Form 10-K filed with the SEC.

ARTICLE II  
COMPOSITION

The Committee shall consist of at least two directors, each of whom shall be determined by the Board to meet the independence requirements of the New York Stock Exchange (the "NYSE"). In addition, no director may serve unless he or she (i) is a "non-employee director" for purposes of Rule 16b-3 under the Securities Exchange Act of 1934, as amended, and (ii) satisfies the requirements of an "outside director" for purposes of Section 162(m) of the Internal Revenue Code of 1986, as amended (the "Code").

The members of the Committee shall be appointed by the Board based on the recommendation of the corporate governance and nominating committee. The members may be removed from the Committee by the Board. The Board shall appoint the Chair of the Committee. If the Board fails to appoint a Chair, the members of the Committee shall elect a Chair by majority vote.

The Committee may, to the extent permitted by applicable laws and regulations, form and delegate any of its responsibilities to a subcommittee so long as such subcommittee consists of at least two members of the Committee.

ARTICLE III  
FUNCTIONS

The Committee is authorized to carry out its responsibilities and functions and other responsibilities assigned to it by the Board from time to time, and to take any action reasonably related to the mandate of this Charter. Subject to any restrictions set forth in the Corporation's Certificate of Incorporation and Bylaws and applicable law, the Committee shall have all power and authority necessary or appropriate to carry out its purposes and responsibilities, including the resources and authority to retain outside separate counsel or other experts or consultants, as it deems appropriate.

The principal responsibilities and functions of the Committee are set forth below.

A. Compensation Arrangements

1. Review and approve corporate goals and objectives relevant to the compensation of the CEO, and make recommendations with respect to non-CEO compensation.
2. Evaluate the performance of the CEO in light of the above-mentioned goals and objectives, and, either as a committee or together with the other independent directors (as directed by the Board), determine and approve the compensation levels, including the annual salary, bonus, and other benefits, direct and indirect, of the CEO based on this evaluation.
3. Approve (subject to ratification by the Board) grants of performance-based compensation to the CEO and any other executive officer whose compensation is likely to be subject to the limitations under Section 162(m) of the Code (as identified by management), and determine the objective performance goals that shall serve as a benchmark for such performance-based compensation. Evaluate such executive officers' performance against such objective performance goals, certify that such objective performance goals have been met, and determine the appropriate level of performance-based compensation that each such executive officer should receive.
4. Approve grants of awards of shares, share options or other equity units pursuant to the Corporation's stock option or other equity-based compensation plans.
5. Administer the Corporation's incentive-compensation, stock option and other equity-based compensation plans.

B. Other Duties

1. Produce a compensation committee report on executive compensation as required by the SEC to be included in the Corporation's annual proxy statement or Annual Report on Form 10-K filed with the SEC.
2. Report to the Board as necessary regarding the Committee's recommendations and activities or as the Board otherwise requests.
3. At least annually, conduct a self-evaluation of the performance of the Committee.