OHIO CASINO CONTROL COMMISSION

RESOLUTION 2013-20

CONSIDERATION OF THE APPLICATION OF PENN TENANT, LLC FOR A GAMING-RELATED VENDOR LICENSE

WHEREAS, Article XV, Section 6(C)(4) of the Ohio Constitution created the Ohio Casino Control Commission (“Commission”) to ensure the integrity of casino gaming by, among other things, licensing and regulating all gaming authorized by Article XV, Section 6(C) of the Ohio Constitution;

WHEREAS, R.C. 3772.09(A) prohibits, among others, any gaming-related vendor from conducting or participating in conducting casino gaming without first being licensed by the Commission;

WHEREAS, R.C. 3772.10(B) requires, among others, gaming-related vendors seeking licensure under R.C. Chapter 3772 to establish their suitability by clear and convincing evidence;

WHEREAS, R.C. 3772.12(A) and Ohio Adm. Code 3772-6-02(A) require any gaming-related vendor seeking licensure to submit, under oath, a Gaming-Related Vendor License Application;

WHEREAS, R.C. 3772.121 and Ohio Adm. Code Chapter 3772-6 authorize the Commission to issue gaming-related vendor licenses to applicants after the Commission determines that the applicants are eligible for licensure and have paid all applicable fees;

WHEREAS, a gaming-related vendor license applicant is eligible for licensure upon meeting the following criteria:

(A) Submission of a true and complete Gaming-Related Vendor License Application, as required by R.C. 3772.10(C) and 3772.12(A) and Ohio Adm. Code 3772-6-02(A);

(B) Payment of the nonrefundable application fee of $10,000.00, as required by R.C. 3772.17(C) and Ohio Adm. Code 3772-6-03(A), and all fees necessary to cover the costs of the background investigation in excess of the application fee set forth by Ohio Adm. Code 3772-6-03(A), if any;

(C) Submission, on a form provided by the Commission, of two sets of the applicant’s fingerprints, as required by R.C. 3772.121(A)(3), if applicable;

(D) Reimbursement of the costs for the criminal records check, as required by R.C. 3772.07 and 3772.121(A)(2), if applicable;
(E) Not having been convicted of or pled guilty or no contest to a disqualifying offense, as defined by R.C. 3772.07 and required by R.C. 3772.07 and 3772.10(C)(1); and

(F) Otherwise is suitable for licensure, as required by R.C. 3772.10(B) and (C);

WHEREAS, R.C. 3772.03(D)(5) mandates that the Commission adopt rules prescribing the minimum amount of insurance that must be maintained by, among others, gaming-related vendors;

WHEREAS, Ohio Adm. Code 3772-7-01(A) requires, among others, gaming-related vendor licensees to obtain and maintain the following types of insurance in minimum amounts determined by the Commission:

(A) Liability;
(B) Casualty;
(C) Fire;
(D) Theft;
(E) Worker’s compensation; and
(F) Any other type of insurance the Commission deems necessary to ensure the licensee is adequately insured;

WHEREAS, on or about May 14, 2013, Penn Tenant, LLC (“Penn Tenant”) submitted an application for licensure as a gaming-related vendor to the Commission in accordance with R.C. 3772.12(A) and Ohio Adm. Code 3772-6-02(A);

WHEREAS, Penn Tenant paid the nonrefundable application fee, as required by R.C. 3772.17(C) and Ohio Adm. Code 3772-6-03(A);

WHEREAS, Penn Tenant submitted to the Commission information and materials (a summary of which is attached as Exhibit A) necessary to demonstrate that it has obtained and maintains all of the requisite types of insurance and the amounts of each type;

WHEREAS, Penn National Gaming, Inc. (“PNG”) submitted the required information and documentation as a holding company of Penn Tenant to the Commission;

WHEREAS, the Commission’s Division of Licensing and Investigations reviewed the submitted gaming-related vendor application, materials and information, and conducted thorough suitability investigations of Penn Tenant and PNG;

**WHEREAS**, the Report concludes that based upon the investigation no derogatory information that adversely impacts upon the suitability of Penn Tenant was uncovered and that Penn Tenant is qualified to be approved as a gaming-related vendor subject to certain conditions;

**WHEREAS**, the Commission’s Division of Licensing and Investigations recommends that the Commission grant a gaming-related vendor license to Penn Tenant subject to the following conditions:

(A) As a condition precedent to licensure, but no later than January 31, 2014, PNG shall close all transactions related to the proposed corporate restructuring without any material changes and provide executed copies of all related documents, including, but not limited to, fairness opinions, corporate conversion documents, asset transfer documents, the Master Lease Agreement, and debt transaction documents, within 10 days of their execution;

(B) Penn Tenant and PNG shall report any changes in their management, ownership, or stockholdings to the Commission in accordance with Ohio Adm. Code 3772-6-04;

(C) Penn Tenant and PNG shall report any loans, debt incurred, or any other significant financial matters to the Commission in accordance with Ohio Adm. Code 3772-6-04;

(D) Penn Tenant shall pay all fees required by the Commission, including the following:

(1) The cost of the background investigation that exceeded the application fee set forth by Ohio Adm. Code 3772-6-03(A), as required by R.C. 3772.17(C) and Ohio Adm. Code 3772-6-03(B); and

(2) A nonrefundable license fee of $15,000.00, as required by R.C. 3772.121(A)(2) and 3772.17(C) and Ohio Adm. Code 3772-6-03(C).

**WHEREAS**, the Commission has considered the Report and heard from representatives of Penn Tenant at its public meeting on August 21, 2013.

**NOW, THEREFORE, BE IT RESOLVED**, by the Commission that Penn Tenant’s application for licensure is **APPROVED** and Penn Tenant is hereby **LICENSED** as a gaming-related vendor for a period not to exceed 3 years, effective on the date in which all transactions related to PNG’s proposed corporate restructuring are
closed, subject to continued compliance with R.C. Chapter 3772 and the rules adopted thereunder and the following conditions:

(A)  As a condition precedent to licensure, but no later than January 31, 2014, PNG shall close all transactions related to the proposed corporate restructuring without any material changes and provide executed copies of all related documents, including, but not limited to, fairness opinions, corporate conversion documents, asset transfer documents, the Master Lease Agreement, and debt transaction documents, within 10 days of their execution;

(B)  Penn Tenant and PNG shall report any changes in their management, ownership, or stockholdings to the Commission in accordance with Ohio Adm. Code 3772-6-04;

(C)  Penn Tenant and PNG shall report any loans, debt incurred, or any other significant financial matters to the Commission in accordance with Ohio Adm. Code 3772-6-04;

(D)  Penn Tenant shall pay all fees required by the Commission, including the following:

(1)  The cost of the background investigation that exceeded the application fee set forth by Ohio Adm. Code 3772-6-03(A), as required by R.C. 3772.17(C) and Ohio Adm. Code 3772-6-03(B); and

(2)  A nonrefundable license fee of $15,000.00, as required by R.C. 3772.121(A)(2) and 3772.17(C) and Ohio Adm. Code 3772-6-03(C).

BE IT FURTHER RESOLVED, that Penn Tenant’s insurances, including the amounts for each type, are APPROVED.

BE IT FURTHER RESOLVED, that Resolution 2013-20 does not in any way affect, negate, or otherwise absolve Penn Tenant from their duties to update information in accordance with Ohio Adm. Code 3772-6-04.

BE IT FURTHER RESOLVED, that Resolution 2013-20 does not restrict or limit the Commission’s future exercise of authority and discretion with respect to imposing additional conditions or taking further action upon Penn Tenant or PNG under R.C. Chapter 3772 and the rules adopted thereunder.

Adopted: August 21, 2013
# Penn National Gaming, Inc. and subsidiaries (including Penn Tenant, LLC)

<table>
<thead>
<tr>
<th>Types of Insurance</th>
<th>Coverage</th>
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<tr>
<td>Commercial General Liability</td>
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<tr>
<td>Automobile Liability</td>
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<tr>
<td>Umbrella Liability</td>
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<tr>
<td>Workers Compensation and Employers’ Liability</td>
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<tr>
<td>Excess Layer Liability</td>
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<tr>
<td>Property Insurance- all risk of direct physical loss or damage, including business income (includes fire and theft)</td>
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<tr>
<td>Crime (covers employee theft)</td>
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