

# Pennsylvania Gaming Control Board

## SLOT OPERATOR AND MANAGEMENT COMPANY APPLICATION AND DISCLOSURE INFORMATION FORM

Penn National Gaming, Inc.  
Category 1 Affiliate Application  
for  
Lawrence Downs Casino and Racing Resort

## INSTRUCTIONS

PENNSYLVANIA GAMING IS GOVERNED BY THE LAWS SET FORTH IN 4 PA.C.S. PART II, ENACTED BY THE ACT OF JULY 5, 2004 (P.L. 672, No. 71), THE PENNSYLVANIA RACE HORSE DEVELOPMENT AND GAMING ACT (ACT), AS AMENDED, AND 58 PA. CODE PART VII, PENNSYLVANIA GAMING CONTROL BOARD (REGULATIONS).

THESE INSTRUCTIONS ARE APPLICABLE TO ANY "PERSON" SEEKING TO BE LICENSED AS A CONDITIONAL CATEGORY 1, CATEGORY 1, CATEGORY 2, CATEGORY 3 SLOT MACHINE OPERATOR (COLLECTIVELY REFERRED TO HEREFTER AS SLOT OPERATOR) OR MANAGEMENT COMPANY. PLEASE BE ADVISED THAT NO PERSON, HIS AFFILIATE, INTERMEDIARY, SUBSIDIARY OR HOLDING COMPANY THAT HAS APPLIED FOR OR IS A HOLDER OF A SLOT MACHINE LICENSE, SHALL BE ELIGIBLE TO APPLY FOR OR HOLD A SUPPLIER OR MANUFACTURER LICENSE.

AS USED IN THESE INSTRUCTIONS, THE PHRASE "AFFILIATED ENTITIES" SHALL MEAN A SLOT OPERATOR'S OR MANAGEMENT COMPANY'S AFFILIATES, INTERMEDIARIES, SUBSIDIARIES AND HOLDING COMPANIES. SLOT MACHINE OPERATORS ARE SUBJECT TO THE REQUIREMENTS OF §§1302 AND 1303 (EXCLUSIVELY FOR CATEGORY 1), 1304 (EXCLUSIVELY FOR CATEGORY 2), 1305 (EXCLUSIVELY FOR CATEGORY 3) AND 1309 (ALL CATEGORIES) OF THE ACT. CONDITIONAL CATEGORY 1 SLOT MACHINE LICENSES ARE SUBJECT TO THE REQUIREMENTS OF §1315 OF THE ACT.

THE ORIGINAL FORM, ONE PAPER COPY, AND ONE (1) COMPACT DISC (CD) CONTAINING ALL FORMS MUST BE SENT TO THE PENNSYLVANIA GAMING CONTROL BOARD, BUREAU OF LICENSING, 303 WALNUT STREET, FIFTH FLOOR, VERIZON TOWER, HARRISBURG, PENNSYLVANIA 17101 WITH THE APPROPRIATE FEE. PLEASE REFER TO THE LICENSING SECTION OF THE BOARD'S WEBSITE FOR CD FORMATTING REQUIREMENTS.

### 1. SLOT OPERATOR AND MANAGEMENT COMPANY

THE FORMS THAT MAKE UP AN APPLICATION PACKAGE FOR A SLOT OPERATOR OR MANAGEMENT COMPANY LICENSE ARE AS FOLLOWS:

A. SLOT OPERATOR AND MANAGEMENT COMPANY APPLICATION AND DISCLOSURE INFORMATION FORM (TO BE COMPLETED BY APPLICANT AND EACH OF APPLICANT'S AFFILIATED ENTITIES).

B. REQUEST FOR USE OF ALTERNATIVE CONDITIONAL/CATEGORY 1 LICENSING STANDARDS FORM - ADDENDUM 1 (FOR CATEGORY 1 APPLICANTS SEEKING USE OF ALTERNATIVE LICENSING STANDARDS).

(COMPLETE THIS FORM IF YOU ARE A CONDITIONAL/CATEGORY 1 APPLICANT AND ARE REQUESTING THAT THE BOARD UTILIZE THE LICENSE APPLICATION PACKAGE FILED IN AND LICENSE ISSUED BY ANOTHER JURISDICTION PURSUANT TO §1314 OF THE ACT. IF THE BOARD DETERMINES THAT THE LICENSING STANDARDS OF THE OTHER JURISDICTION ARE COMPREHENSIVE AND THOROUGH AND PROVIDE SIMILAR ADEQUATE SAFEGUARDS TO THOSE IN THE ACT, ONLY UPDATED INFORMATION FROM THE DATE OF FILING THE APPLICATION IN THE OTHER JURISDICTION MAY BE NECESSARY. THE CONDITIONAL/CATEGORY 1 APPLICANT MAY BE ASKED TO SUBMIT PROOF THAT THE LICENSING STANDARDS OF THE OTHER JURISDICTION ARE COMPREHENSIVE AND THOROUGH AND PROVIDE SIMILAR ADEQUATE SAFEGUARDS).

C. MULTI-JURISDICTIONAL PERSONAL HISTORY DISCLOSURE FORM (MULTI-JURISDICTIONAL PHD)

(TO BE COMPLETED BY EACH NATURAL PERSON WHO IS A PRINCIPAL OR KEY EMPLOYEE AS DEFINED IN 58 PA. CODE §401A.3) AND IDENTIFIED IN SCHEDULES 1, 5, 10, 10A, 11, 13, 15 AND 18).

D. PRINCIPAL/KEY EMPLOYEE FORM - PENNSYLVANIA SUPPLEMENT TO THE MULTI-JURISDICTIONAL PERSONAL HISTORY DISCLOSURE FORM (PA SUPPLEMENT)

(TO BE COMPLETED BY EACH NATURAL PERSON WHO IS A PRINCIPAL OR KEY EMPLOYEE IDENTIFIED IN SCHEDULES 1, 5, 10, 10A, 11, 13, 15 AND 18).

**E. PRINCIPAL ENTITY FORM**

(TO BE COMPLETED BY EACH ENTITY THAT IS A PRINCIPAL IDENTIFIED IN SCHEDULES 10, 10A, 11, 13, 15 AND 18).

**2. APPLICATION AND LICENSING FEES**

**A. APPLICATION FEES AND INVESTIGATION DEPOSITS**

APPLICATION FEES MUST BE SUBMITTED WITH THE APPLICATION PACKAGE. THESE FEES ARE NON-REFUNDABLE DEPOSITS THAT WILL BE USED BY THE BOARD TO PROCESS AND INVESTIGATE THE SLOT OPERATOR OR MANAGEMENT COMPANY APPLICANT AND THE APPLICANT'S AFFILIATED ENTITIES AND PERSONS FILING FORMS AS PART OF THE APPLICATION PACKAGE. APPLICATION FEES MUST BE SUBMITTED FOR EACH APPLICANT, AFFILIATED ENTITY AND PERSON, UNLESS OTHERWISE NOTED.

THERE MAY BE ADDITIONAL COSTS AND EXPENSES INCURRED BY THE BOARD IN ITS PROCESSING AND INVESTIGATION OF THE SLOT OPERATOR OR MANAGEMENT COMPANY APPLICANT AND THE APPLICANT'S AFFILIATED ENTITIES AND PERSONS. THE SLOT OPERATOR OR MANAGEMENT COMPANY APPLICANT MUST REIMBURSE THE BOARD FOR ALL ADDITIONAL COSTS AND EXPENSES RELATED TO THE PROCESSING AND INVESTIGATION OF THEIR APPLICATION PACKAGE.

SLOT OPERATOR OR MANAGEMENT COMPANY APPLICANT .....	\$5,000.00
APPLICANT'S AFFILIATED ENTITIES .....	\$2,500.00
PRINCIPAL/KEY EMPLOYEES .....	\$2,500.00
PRINCIPAL ENTITY .....	\$2,500.00

**B. LICENSING FEES**

LICENSING FEES MUST BE PAID PRIOR TO ISSUANCE OF THE LICENSE

CATEGORY 1 SLOT MACHINE LICENSE .....	\$50,000,000.00
CATEGORY 2 SLOT MACHINE LICENSE .....	\$50,000,000.00
CATEGORY 3 SLOT MACHINE LICENSE .....	\$5,000,000.00
CATEGORY 1 OR 2 MANAGEMENT COMPANY LICENSE .....	\$1,500,000/3 YEAR LICENSE
CATEGORY 3 MANAGEMENT COMPANY LICENSE .....	\$150,000/3 YEAR LICENSE

**3. APPLICATION FORM INSTRUCTIONS**

**GENERALLY**

AS USED IN THE SLOT OPERATOR OR MANAGEMENT COMPANY FORM, THE WORDS "APPLICANT" AND "YOU" SHALL MEAN THE SLOT OPERATOR OR MANAGEMENT COMPANY APPLICANT. WHEN APPLICANT'S AFFILIATED ENTITIES ARE COMPLETING THE FORM, "APPLICANT" AND "YOU" SHALL REFER TO THE AFFILIATED ENTITY COMPLETING THE FORM.

ALL ENTRIES ON THE FORM MUST BE TYPED OR PRINTED IN BLOCK LETTERING. INITIALS AND SIGNATURES MUST BE HANDWRITTEN BY THE PERSON PROVIDING THE INFORMATION. IF THE ANSWERS ARE NOT LEGIBLE, THE APPLICATION MAY NOT BE ACCEPTED.

READ EACH QUESTION CAREFULLY PRIOR TO ANSWERING. ANSWER EVERY QUESTION COMPLETELY. DO NOT LEAVE BLANK SPACES. IF A QUESTION DOES NOT APPLY TO THE APPLICANT, WRITE "DOES NOT APPLY" IN RESPONSE TO THAT QUESTION. IF A SCHEDULE OR ADDENDUM DOES NOT APPLY TO THE APPLICANT, WRITE "DOES NOT APPLY" ON THE SCHEDULE OR ADDENDUM.

APPENDICES ARE TO BE PROVIDED BY THE APPLICANT. THE REQUIRED APPENDICES ARE LISTED ON THE APPLICATION CHECKLIST. APPENDICES MUST BE PRESENTED IN A TABBED MANNER. EACH TAB MUST INDICATE THE APPENDIX NUMBER. IMMEDIATELY FOLLOWING THE TAB, APPLICANT MUST INSERT A PAGE WITH THE APPENDIX NUMBER AND ALL INFORMATION APPLICABLE TO THE APPENDIX. IF AN APPENDIX DOES NOT APPLY TO THE APPLICANT, WRITE "DOES NOT APPLY" ON THE APPENDIX PAGE.

ALL PAGES OF THE FORM MUST BE INITIALED BY THE APPLICANT, OR IF THE APPLICANT IS NOT A NATURAL PERSON, THE PERSON AUTHORIZED TO COMPLETE THE FORM ON BEHALF OF THE APPLICANT MUST INITIAL EACH PAGE. IF ADDITIONAL PAGES ARE REQUIRED IN ORDER TO ANSWER ANY QUESTION, ADDITIONAL PAGES MAY BE UTILIZED AND MUST BE ATTACHED TO THE FORM. BE SURE TO INDICATE THE NUMBER(S) OF THE QUESTION(S) BEING ANSWERED AND INITIAL EACH ADDITIONAL PAGE. SOME SCHEDULES MAY REQUIRE DISCLOSURE OF INFORMATION FOR MORE THAN ONE NATURAL PERSON OR ENTITY OR TYPE OF INFORMATION. IF THERE ARE MULTIPLE DISCLOSURES, MAKE ENOUGH ADDITIONAL COPIES OF THE BLANK SCHEDULE AND COMPLETE IT FOR EACH NATURAL PERSON OR ENTITY OR TYPE OF INFORMATION.

ALL REQUIRED DOCUMENTATION, SUCH AS BUSINESS FORMATION PAPERS, TAX RETURNS AND APPENDICES, AS WELL AS THE APPLICATION FORMS THAT COMPRISE AN APPLICATION PACKAGE FOR A SLOT OPERATOR OR MANAGEMENT COMPANY LICENSE, AS LISTED ABOVE, MUST BE SUBMITTED AT THE TIME OF FILING THIS FORM. FURTHER, PURSUANT TO 58 PA. CODE §§421A.1(G) AND 423A.1(E), THE APPLICANT IS UNDER A CONTINUING DUTY TO PROMPTLY NOTIFY THE BOARD IF THERE IS A CHANGE IN THE INFORMATION PROVIDED TO THE BOARD.

ADDITIONAL FINANCIAL INFORMATION WILL BE REQUESTED AS NEEDED.

SHOULD YOU BE UNABLE TO UNDERSTAND THIS FORM FULLY IN ENGLISH, IT IS YOUR RESPONSIBILITY TO ACQUIRE ADEQUATE MEANS OF TRANSLATION. IF YOU SUBMIT A DOCUMENT TO THE BOARD THAT IS IN A LANGUAGE OTHER THAN ENGLISH, YOU MUST ALSO SUBMIT AN ENGLISH TRANSLATION COMPLIANT WITH 58 PA. CODE §423A.1(H).

ALL NOTICES REGARDING YOUR APPLICATION WILL BE SENT TO THE ADDRESS YOU PROVIDE ON THIS FORM. YOU MUST IMMEDIATELY NOTIFY THE BOARD IF YOU CHANGE YOUR ADDRESS.

FAILURE TO ANSWER ANY QUESTION COMPLETELY AND TRUTHFULLY WILL RESULT IN DENIAL OF YOUR APPLICATION AND/OR REVOCATION OF YOUR LICENSE, REGISTRATION, CERTIFICATE OR PERMIT AND MAY SUBJECT YOU TO CRIMINAL PENALTIES UNDER 18 PA. C. S. A. §4903.

ANY PERSON WHO APPLIES FOR AND OBTAINS A LICENSE, REGISTRATION, CERTIFICATE OR PERMIT FROM THE BOARD MAY BE REQUIRED TO SUBMIT TO WARRANTLESS SEARCHES WHEN PRESENT IN A LICENSED GAMING FACILITY PURSUANT TO THE ACT.

CONFIDENTIAL INFORMATION (AS DEFINED IN 58 PA. CODE §401A.3) SUPPLIED TO THE BOARD OR OTHERWISE OBTAINED SHALL NOT BE REVEALED EXCEPT IN THE COURSE OF THE NECESSARY ADMINISTRATION OF THE ACT, OR UPON THE LAWFUL ORDER OF A COURT OF COMPETENT JURISDICTION OR, WITH THE APPROVAL OF THE ATTORNEY GENERAL, TO A DULY AUTHORIZED LAW ENFORCEMENT AGENCY. AN APPLICANT OR LICENSE, REGISTRATION, CERTIFICATE OR PERMIT HOLDER WAIVES ANY LIABILITY OF THE COMMONWEALTH OF PENNSYLVANIA AND ITS INSTRUMENTALITIES AND AGENTS FOR ANY DAMAGES RESULTING FROM ANY DISCLOSURE OR PUBLICATION IN ANY MANNER OTHER THAN A WILLFULLY UNLAWFUL DISCLOSURE OR PUBLICATION.

PURSUANT TO 58 PA. CODE §423A.5, ONCE THE APPLICATION HAS BEEN FILED, THE APPLICANT MAY ONLY WITHDRAW ITS APPLICATION BY FILING A PETITION WITH THE BOARD SEEKING PERMISSION TO WITHDRAW.

A LICENSE, PERMIT, CERTIFICATION OR REGISTRATION ISSUANCE, RENEWAL OR OTHER AUTHORIZATION ISSUED BY THE BOARD IS A REVOCABLE PRIVILEGE. NO PERSON HOLDING A LICENSE, PERMIT, CERTIFICATION OR REGISTRATION, RENEWAL, OR OTHER AUTHORIZATION IS DEEMED TO HAVE ANY PROPERTY RIGHTS RELATED TO THE LICENSE, PERMIT, CERTIFICATION OR REGISTRATION.

AN APPLICATION THAT HAS BEEN ACCEPTED FOR FILING AND ALL RELATED MATERIALS SUBMITTED TO THE BOARD BECOME THE PROPERTY OF THE BOARD AND WILL NOT BE RETURNED TO THE APPLICANT.

THIS IS AN APPLICATION FOR A SLOT MACHINE OR MANAGEMENT COMPANY LICENSE. AN ENTITY INTERESTED IN OFFERING TABLE GAMES MUST FIRST OBTAIN A SLOT MACHINE LICENSE IN ORDER TO BE ELIGIBLE TO FILE A PETITION SEEKING AUTHORIZATION TO CONDUCT TABLE GAMES. ANY REFERENCES TO TABLE GAMES IN THIS APPLICATION ARE FOR INFORMATIONAL PURPOSES ONLY.

IF YOU HAVE ANY QUESTIONS REGARDING THE APPLICATION PACKAGE FORMS OR THE INFORMATION REQUIRED TO COMPLETE ANY APPLICATION, PLEASE CONTACT THE PENNSYLVANIA GAMING CONTROL BOARD - BUREAU OF LICENSING AT (717) 346-8300.

<b>SLOT OPERATOR OR MANAGEMENT COMPANY APPLICANT</b>	
<b>INSERT THE NUMBER OF EACH OF THE FOLLOWING FORMS INCLUDED IN THIS APPLICATION PACKAGE:</b>	
<input type="checkbox"/> 2	SLOT OPERATOR OR MANAGEMENT COMPANY DISCLOSURE INFORMATION FORM (FOR APPLICANT AND EACH OF APPLICANT'S AFFILIATED ENTITIES).
<input type="checkbox"/> 0	REQUEST FOR USE OF ALTERNATIVE CONDITIONAL/CATEGORY 1 LICENSING STANDARDS - ADDENDUM I (FOR CONDITIONAL/CATEGORY 1 APPLICANT REQUESTING THAT THE BOARD UTILIZE THE APPLICATION FILED IN AND LICENSE ISSUED BY ANOTHER JURISDICTION).
<input type="checkbox"/> 16	MULTI - JURISDICTIONAL PERSONAL HISTORY DISCLOSURE FORM (MULTI - JURISDICTIONAL PHD) (FOR EACH NATURAL PERSON WHO IS A PRINCIPAL OR KEY EMPLOYEE).
<input type="checkbox"/> 16	PRINCIPAL/KEY EMPLOYEE FORM - PENNSYLVANIA SUPPLEMENT TO THE MULTI - JURISDICTIONAL PERSONAL HISTORY DISCLOSURE FORM (PA SUPPLEMENT) (FOR EACH NATURAL PERSON WHO IS A PRINCIPAL OR KEY EMPLOYEE).
<input type="checkbox"/> 2	PRINCIPAL ENTITY FORM (FOR EACH ENTITY THAT IS A PRINCIPAL).

APPLICANT'S ORGANIZATION DOCUMENTS		
STATE OF INCORPORATION, REGISTRATION OR OTHER TYPE OF FORMATION Pennsylvania		DATE OF FORMATION 12-16-82
APPLICANT'S BUSINESS NAME AS IT APPEARS ON THE FORMATION DOCUMENTS Penn National Gaming, Inc.		
LIST ALL STATES IN WHICH THE APPLICANT IS CURRENTLY REGISTERED OR AUTHORIZED TO DO BUSINESS Pennsylvania; Mississippi; Nevada; Ohio		
COMPLETE SCHEDULE 1 CONCERNING APPLICANT'S INCORPORATORS/FOUNDERS		
IS APPLICANT REGISTERED OR AUTHORIZED TO DO BUSINESS IN THE COMMONWEALTH OF PENNSYLVANIA? <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO		
APPLICANT'S IDENTIFICATION NUMBERS		
FEDERAL EMPLOYER IDENTIFICATION NUMBER/TIN REDACTED	PA TIME EMPLOYMENT COMPENSATION ACCOUNT NUMBER REDACTED	
PA DEPARTMENT OF REVENUE CORPORATE BOX NUMBER REDACTED	PA LIQUOR CONTROL BOARD LICENSE NUMBER Does not apply	
PA WORKERS COMPENSATION POLICY NUMBER REDACTED	PA DEPARTMENT OF STATE - ENTITY NUMBER 724866	
DOES THE APPLICANT HAVE ANY OUTSTANDING TAX LIABILITIES TO EITHER THE COMMONWEALTH OF PENNSYLVANIA OR ANY OTHER STATE, LOCALITY OR THE FEDERAL GOVERNMENT? REDACTED		
IF YOU ANSWER YES, PROVIDE DETAILS CONCERNING ALL OUTSTANDING TAX LIABILITIES		
APPLICANT'S BILLING CONTACT INFORMATION		
FIRST NAME John	LAST NAME Dietrich	SUFFIX (JR., SR., ETC.)
TITLE Accounts Payable		INDIVIDUAL EMAIL ADDRESS REDACTED
ADDRESS 825 Berkshire Blvd Suite 200		
CITY Wyomissing	STATE/PROVINCE PA	POSTAL CODE 19610
PHONE NUMBER ( ) 610-370-8222	FAX NUMBER ( ) 610-372-1828	
TYPE OF LICENSE APPLICANT IS SEEKING		
<input checked="" type="checkbox"/> CONDITIONAL CATEGORY 1 <input type="checkbox"/> CONDITIONAL CATEGORY 1 AFFILIATE <input type="checkbox"/> CATEGORY 1 <input checked="" type="checkbox"/> CATEGORY 1 AFFILIATE <input type="checkbox"/> CATEGORY 2 <input type="checkbox"/> CATEGORY 2 AFFILIATE <input type="checkbox"/> CATEGORY 3 <input checked="" type="checkbox"/> CATEGORY 3 AFFILIATE <input type="checkbox"/> MANAGEMENT COMPANY <input checked="" type="checkbox"/> MANAGEMENT COMPANY AFFILIATE		
CRIMINAL HISTORY		
THE NEXT SECTION ASKS ABOUT ANY OFFENSES OR CHARGES APPLICANT OR ANY OF ITS PRINCIPALS OR KEY EMPLOYEES MAY HAVE COMMITTED OR HAD FILED AGAINST THEM. PRIOR TO ANSWERING THIS QUESTION, CAREFULLY REVIEW THE DEFINITIONS AND INSTRUCTIONS THAT FOLLOW.		
DEFINITIONS	FOR PURPOSES OF THIS SECTION:	
	<p>A. "CRIME OR OFFENSE" INCLUDES ALL FELONIES AND MISDEMEANORS, AS WELL AS SUMMARY OFFENSES THAT MAY HAVE REQUIRED YOU TO APPEAR BEFORE A LAW ENFORCEMENT AGENCY, STATE OR FEDERAL GRAND JURY, JUSTICE COURT, MUNICIPAL COURT, CITY COURT, MILITARY COURT OR ANY OTHER COURT EXCEPT JUVENILE COURT. INCLUDE ALL DUI/DWI OFFENSES.</p> <p>B. "ARREST" INCLUDES ANY TIME THAT YOU WERE STOPPED BY A POLICE OFFICER OR OTHER LAW ENFORCEMENT OFFICER AND ADVISED THAT YOU WERE UNDER</p>	

	<p>ARREST, DETAINED, HELD FOR QUESTIONING, REQUESTED BY A POLICE OFFICER OR LAW ENFORCEMENT OFFICER TO COME TO A POLICE STATION AND ANSWER QUESTIONS, TAKEN INTO CUSTODY BY ANY POLICE OFFICER OR OTHER LAW ENFORCEMENT OFFICER, FINGERPRINTED, HELD IN JAIL, OR INSTRUCTED TO APPEAR IN COURT OR SUBPOENAED TO ANSWER FOR CONDUCT WHICH IS A CRIME AS HAS BEEN DEFINED IN PARAGRAPH "A."</p> <p>C. "CHARGE" INCLUDES ANY INDICTMENT, COMPLAINT, INFORMATION, SUMMONS, CITATION OR OTHER NOTICE OF THE ALLEGED COMMISSION OF ANY CRIME OR OFFENSE AS DEFINED IN PARAGRAPH "A."</p>
<p>INSTRUCTIONS</p>	<p>1. ANSWER "YES" AND PROVIDE ALL INFORMATION TO THE BEST OF YOUR ABILITY EVEN IF:</p> <p>A. YOU DID NOT COMMIT THE OFFENSE CHARGED;</p> <p>B. THE "ARREST" OR "CHARGES" WERE DISMISSED OR THE CHARGES WERE SUBSEQUENTLY DOWNGRADED TO A LESSER CHARGE;</p> <p>C. YOU PLEADED NOT GUILTY OR NOLO CONTENDERE;</p> <p>D. YOU COMPLETED AN ACCELERATED REHABILITATIVE DISPOSITION ("ARD") OR EQUIVALENT DIVERSIONARY PROGRAM;</p> <p>E. THE CHARGES OR CONVICTION WERE EXPUNGED FROM YOUR RECORD, EVEN IF YOU HAVE EXPUNGEMENT PAPERS;</p> <p>F. YOU WERE NOT CONVICTED OR WERE FOUND "NOT GUILTY";</p> <p>G. YOU DID NOT SERVE ANY TIME IN PRISON OR JAIL;</p> <p>H. THE ARRESTS, CHARGES OR OFFENSES HAPPENED A LONG TIME AGO;</p> <p>I. YOU WERE ARRESTED OR CHARGED IN ANOTHER STATE (A STATE OTHER THAN PENNSYLVANIA);</p> <p>J. YOU WERE NEVER PHYSICALLY TAKEN INTO CUSTODY AND/OR TRANSPORTED TO A POLICE STATION OR JAIL.</p> <p>2. ANSWER "NO" IF:</p> <p>A. YOU HAVE NEVER BEEN ARRESTED OR CHARGED WITH ANY CRIME OR OFFENSE;</p> <p>B. YOUR ARREST HAPPENED WHEN YOU WERE UNDER 18 YEARS OF AGE AND YOUR COURT APPEARANCE WAS IN JUVENILE COURT.</p> <p>FAILURE TO FULLY ANSWER THIS QUESTION MAY RESULT IN THE DENIAL OF YOUR APPLICATION.</p>
<p>1. HAS APPLICANT OR ANY OF ITS PRINCIPALS OR KEY EMPLOYEES EVER BEEN INDICTED, CHARGED WITH OR CONVICTED OF A CRIMINAL OFFENSE OR BEEN A PARTY TO OR NAMED AS AN UNINDICTED CO-CONSPIRATOR IN ANY CRIMINAL PROCEEDING IN THE COMMONWEALTH OR ANY OTHER JURISDICTION?</p>	<p><input type="checkbox"/> YES <input checked="" type="checkbox"/> NO</p>
<p>1. A. HAS APPLICANT OR ANY OF ITS PRINCIPALS OR KEY EMPLOYEES EVER BEEN CONVICTED OF A FELONY?</p>	<p><input type="checkbox"/> YES <input checked="" type="checkbox"/> NO</p>
<p>1. B. HAS APPLICANT OR ANY OF ITS PRINCIPALS OR KEY EMPLOYEES EVER BEEN CONVICTED OF A MISDEMEANOR OR GAMBLING OFFENSE?</p> <p>IF YOU ANSWER YES TO ANY OF THESE QUESTIONS, YOU MUST COMPLETE SCHEDULE 23 CONCERNING CRIMINAL HISTORY.</p>	<p><input checked="" type="checkbox"/> YES <input type="checkbox"/> NO</p>
<p>TESTIMONY, INVESTIGATIONS OR POLYGRAPHS</p>	
<p>2. HAS APPLICANT OR ANY OF ITS PRINCIPALS OR KEY EMPLOYEES EVER BEEN CALLED TO</p>	<p>REDACTED</p>

<p>TENIFY BEFORE, BEEN THE SUBJECT OF AN INVESTIGATION CONDUCTED BY, OR REQUESTED TO TAKE A POLYGRAPH EXAM BY ANY GOVERNMENTAL AGENCY, COURT, COMMITTEE, GRAND JURY, OR INVESTIGATORY BODY (MUNICIPAL, STATE, COUNTY, PROVINCIAL, FEDERAL, NATIONAL, ETC.) OTHER THAN IN RESPONSE TO MINOR TRAFFIC RELATED OFFENSES?</p> <p>IF YOU ANSWER YES, YOU MUST COMPLETE <u>SCHEDULE 24</u> CONCERNING TESTIMONY, INVESTIGATIONS OR POLYGRAPHS.</p>	<p>REDACTED</p>
<p><b>ANTITRUST, TRADE REGULATION &amp; SECURITIES JUDGMENTS, STATUTORY AND REGULATORY VIOLATIONS:</b></p>	
<p>3. HAS APPLICANT, OR ANY OF ITS AFFILIATES, INTERMEDIARIES, SUBSIDIARIES OR HOLDING COMPANIES EVER HAD A JUDGMENT, ORDER, CONSENT DECREE, OR CONSENT ORDER PERTAINING TO A VIOLATION OR ALLEGED VIOLATION OF THE FEDERAL ANITRUST, TRADE REGULATION OR SECURITIES LAWS, OR SIMILAR LAWS OF ANY STATE, PROVINCE OR COUNTRY ENTERED AGAINST IT?</p>	<p><input type="checkbox"/> YES <input checked="" type="checkbox"/> NO</p>
<p>4. IN THE PAST TEN (10) YEARS, HAS APPLICANT, OR ANY OF ITS AFFILIATES, INTERMEDIARIES, SUBSIDIARIES OR HOLDING COMPANIES HAD A JUDGMENT, ORDER, CONSENT DECREE, OR CONSENT ORDER PERTAINING TO ANY STATE OR FEDERAL STATUTE, REGULATION OR CODE THAT RESULTED IN A FINE OR PENALTY OF \$50,000 OR MORE ENTERED AGAINST IT?</p> <p>IF YOU ANSWER YES TO EITHER QUESTION, YOU MUST COMPLETE <u>SCHEDULE 26</u> CONCERNING ANTITRUST, TRADE REGULATION &amp; SECURITY JUDGMENTS, STATUTORY AND REGULATORY VIOLATIONS.</p>	<p><input checked="" type="checkbox"/> YES <input type="checkbox"/> NO</p>
<p><b>BANKRUPTCY OR INSOLVENCY PROCEEDINGS</b></p>	
<p>5. HAS APPLICANT, OR ANY OF ITS AFFILIATES, INTERMEDIARIES, SUBSIDIARIES OR HOLDING COMPANIES HAD ANY PETITION UNDER ANY PROVISION OF THE FEDERAL BANKRUPTCY CODE OR UNDER ANY STATE INSOLVENCY LAW FILED BY OR AGAINST IT IN THE LAST TEN (10) YEAR PERIOD?</p>	<p><input type="checkbox"/> YES <input checked="" type="checkbox"/> NO</p>
<p>6. HAS APPLICANT, OR ANY OF ITS AFFILIATES, INTERMEDIARIES, SUBSIDIARIES OR HOLDING COMPANIES SOUGHT RELIEF UNDER ANY PROVISION OF THE FEDERAL BANKRUPTCY CODE OR UNDER ANY STATE INSOLVENCY LAW IN THE LAST TEN (10) YEAR PERIOD?</p>	<p><input checked="" type="checkbox"/> YES <input type="checkbox"/> NO</p>
<p>7. HAS A COURT APPOINTED ANY RECEIVER, FISCAL AGENT, TRUSTEE, REORGANIZATION TRUSTEE, OR SIMILAR OFFICER FOR APPLICANT, OR ANY OF ITS AFFILIATES, INTERMEDIARIES, SUBSIDIARIES OR HOLDING COMPANIES IN THE LAST TEN (10) YEARS?</p>	<p><input type="checkbox"/> YES <input checked="" type="checkbox"/> NO</p>
<p>IF YOU ANSWER YES TO ANY OF THESE QUESTIONS, YOU MUST COMPLETE <u>SCHEDULE 27</u> CONCERNING BANKRUPTCY OR INSOLVENCY PROCEEDINGS.</p>	
<p><b>APPLICANT'S LICENSES AND PERMITS</b></p>	
<p>8. HAS APPLICANT, OR ANY OF ITS AFFILIATES, INTERMEDIARIES, SUBSIDIARIES OR HOLDING COMPANIES APPLIED FOR ANY LICENSE OR PERMIT BY A GOVERNMENT AGENCY FOR THE COLLECTION OF SALES AND USE TAX, SELLING AND SERVING LIQUOR AND MALT BEVERAGES, PROVIDING OVERNIGHT LODGING SERVICES OR ANY OTHER ACTIVITY REQUIRING A LICENSE OR PERMIT? A GOVERNMENT AGENCY AS USED HERE INCLUDES ANY SUBORDINATE CREATURE OF FEDERAL, STATE, NATIVE AMERICAN OR LOCAL GOVERNMENT, CREATED TO CARRY OUT A GOVERNMENTAL FUNCTION OR TO IMPLEMENT A STATUTE OR STATUTES.</p> <p>IF YOU ANSWER YES, YOU MUST COMPLETE <u>SCHEDULE 28</u> CONCERNING NON-GAMING LICENSES AND PERMITS.</p>	<p><input checked="" type="checkbox"/> YES <input type="checkbox"/> NO</p> <p>Please see attached Schedule 28.</p>

*RL*



<p>9. HAS APPLICANT, OR ANY OF ITS AFFILIATES, INTERMEDIARIES, SUBSIDIARIES OR HOLDING COMPANIES APPLIED FOR ANY LICENSE OR PERMIT BY A GOVERNMENT AGENCY CHARGED WITH REGULATING GAMES OF CHANCE, INCLUDING BUT NOT LIMITED TO SLOT MACHINES, VIDEO LOTTERY TERMINALS, TABLE GAMES, HORSE RACING, JAI ALAI, ETC.? A GOVERNMENT AGENCY AS USED HERE INCLUDES ANY FEDERAL, STATE, NATIVE AMERICAN OR LOCAL GOVERNMENT CREATED TO CARRY OUT A GOVERNMENTAL FUNCTION OR TO IMPLEMENT A STATUTE OR STATUTES.</p> <p>IF YOU ANSWER YES, YOU MUST COMPLETE <u>SCHEDULE 29</u> CONCERNING GAMING LICENSES AND PERMITS.</p>	<p><input checked="" type="checkbox"/> YES <input type="checkbox"/> NO Please see attached Schedule 29</p>
<p><b>APPLICANT'S CONTRIBUTIONS AND DISBURSEMENTS</b></p>	
<p>10. DURING THE LAST TEN (10) YEAR PERIOD, HAS APPLICANT, ITS PARENT COMPANY, OR ANY OF ITS AFFILIATES, INTERMEDIARIES, SUBSIDIARIES, HOLDING COMPANIES, PRINCIPALS, EMPLOYEES OR ANY THIRD PARTIES ACTING FOR OR ON BEHALF OF APPLICANT MADE ANY BRIBES OR KICKBACKS OR MADE ANY PAYMENTS ALLEGED TO HAVE BEEN BRIBES OR KICKBACKS TO ANY EMPLOYEE, PERSON, COMPANY OR ORGANIZATION TO OBTAIN FAVORABLE TREATMENT?</p>	<p>REDACTED</p>
<p>11. DURING THE LAST TEN (10) YEAR PERIOD, HAS APPLICANT, ITS PARENT COMPANY, OR ANY OF ITS AFFILIATES, INTERMEDIARIES, SUBSIDIARIES, HOLDING COMPANIES, PRINCIPALS, EMPLOYEES OR ANY THIRD PARTIES ACTING FOR OR ON BEHALF OF THE APPLICANT MADE ANY BRIBES OR KICKBACKS OR MADE ANY PAYMENTS ALLEGED TO HAVE BEEN BRIBES OR KICKBACKS TO ANY GOVERNMENT OFFICIAL, DOMESTIC OR FOREIGN TO OBTAIN FAVORABLE TREATMENT?</p>	<p>REDACTED</p>
<p>12. DURING THE LAST TEN (10) YEAR PERIOD, HAS APPLICANT, ITS PARENT COMPANY, OR ANY OF ITS AFFILIATES, INTERMEDIARIES, SUBSIDIARIES, HOLDING COMPANIES, PRINCIPALS, EMPLOYEES OR ANY THIRD PARTIES FOR OR ON BEHALF OF APPLICANT LOANED FUNDS FOR THE PURPOSE OF OPPOSING OR SUPPORTING ANY GOVERNMENT, POLITICAL PARTY, CANDIDATE OR COMMITTEE, EITHER DOMESTIC OR FOREIGN?</p>	<p>REDACTED</p>
<p>13. DURING THE LAST TEN (10) YEAR PERIOD, HAS APPLICANT, ITS PARENT COMPANY, OR ANY OF ITS AFFILIATES, INTERMEDIARIES, SUBSIDIARIES, HOLDING COMPANIES, PRINCIPALS, EMPLOYEES OR ANY THIRD PARTIES ACTING FOR OR ON BEHALF OF APPLICANT DONATED OR LOANED PROPERTY OR ANY OTHER THING OF VALUE, OR ORGANIZED, SPONSORED OR PARTICIPATED IN FUNDRAISING ACTIVITIES FOR THE PURPOSE OF OPPOSING OR SUPPORTING ANY GOVERNMENT, POLITICAL PARTY, CANDIDATE OR COMMITTEE, EITHER DOMESTIC OR FOREIGN?</p>	<p>REDACTED</p>
<p>14A. DURING THE LAST TEN (10) YEAR PERIOD, HAS APPLICANT, ITS PARENT COMPANY, OR ANY OF ITS AFFILIATES, INTERMEDIARIES, SUBSIDIARIES OR HOLDING COMPANIES MADE ANY LOANS, DONATIONS OR OTHER DISBURSEMENTS TO PRINCIPALS, EMPLOYEES OR ANY THIRD PARTIES FOR THE PURPOSE OF REIMBURSING SUCH INDIVIDUALS FOR POLITICAL CONTRIBUTIONS EITHER FOREIGN OR DOMESTIC?</p>	<p>REDACTED</p>
<p>14B. DURING THE LAST TEN (10) YEAR PERIOD, HAS APPLICANT, ITS PARENT COMPANY, OR ANY OF ITS AFFILIATES, INTERMEDIARIES, SUBSIDIARIES OR HOLDING COMPANIES FORMED OR CAUSED TO BE FORMED, A POLITICAL ACTION COMMITTEE EITHER UNDER FEDERAL OR STATE ELECTION LAWS?</p>	<p>REDACTED</p>
<p>14C. AS A RESULT OF THE CITIZEN'S UNITED V. FEC DECISION, HAS APPLICANT, ITS PARENT COMPANY, OR ANY OF ITS AFFILIATES, INTERMEDIARIES, SUBSIDIARIES, OR HOLDING COMPANIES MADE "INDEPENDENT EXPENDITURES", AS DEFINED IN SEC. 1621(E) OF THE PENNSYLVANIA ELECTION CODE, FOR THE PURPOSE OF INFLUENCING AN ELECTION COVERED BY THE PENNSYLVANIA ELECTION CODE?</p>	<p>REDACTED</p>

15. DURING THE LAST TEN (10) YEAR PERIOD, HAS APPLICANT, ITS PARENT COMPANY, OR ANY OF ITS AFFILIATES, INTERMEDIARIES, SUBSIDIARIES OR HOLDING COMPANIES MAINTAINED ANY BANK ACCOUNT, DOMESTIC OR FOREIGN, NOT REFLECTED ON THE APPLICANT'S BOOKS OR RECORDS?	REDACTED
16. DURING THE LAST TEN (10) YEAR PERIOD, HAS APPLICANT, ITS PARENT COMPANY, OR ANY OF ITS AFFILIATES, INTERMEDIARIES, SUBSIDIARIES OR HOLDING COMPANIES MAINTAINED ANY NUMBERED ACCOUNT OR ANY ACCOUNT IN THE NAME OF A NOMINEE FOR APPLICANT?	REDACTED
IF YOU ANSWER YES TO ANY OF THESE QUESTIONS, YOU MUST COMPLETE <u>SCHEDULE 30</u> , CONCERNING CONTRIBUTIONS AND DISBURSEMENTS.	

### APPLICATION CHECKLIST

PLACE A CHECKMARK IN THE BOX NEXT TO EACH ITEM APPLICANT HAS ATTACHED TO THIS APPLICATION AND DISCLOSURE INFORMATION FORM.		
EACH ITEM MARKED AS MANDATORY MUST BE COMPLETED AND SUBMITTED AS PART OF THIS APPLICATION FORM. IF ANY ITEM IS MISSING, THE APPLICATION WILL BE CONSIDERED INCOMPLETE AND WILL NOT BE PROCESSED. IF A QUESTION, SCHEDULE OR ADDENDUM DOES NOT APPLY TO THE APPLICANT, YOU MUST WRITE "DOES NOT APPLY" IN EACH FIELD OF THE QUESTION, SCHEDULE OR ADDENDUM.		
<input checked="" type="checkbox"/>	SCHEDULE 1: INCORPORATORS/FOUNDERS	MANDATORY
<input checked="" type="checkbox"/>	SCHEDULE 2: OTHER NAMES USED BY APPLICANT	MANDATORY
<input checked="" type="checkbox"/>	SCHEDULE 3: ADDRESSES CURRENTLY USED BY APPLICANT	MANDATORY
<input checked="" type="checkbox"/>	SCHEDULE 4: ADDRESSES USED BY APPLICANT	MANDATORY
<input checked="" type="checkbox"/>	SCHEDULE 5: CURRENT OFFICERS, DIRECTORS/PARTNERS AND TRUSTEES	MANDATORY
<input checked="" type="checkbox"/>	SCHEDULE 6: FORMER (NO LONGER ACTIVE) OFFICERS, DIRECTORS/PARTNERS AND TRUSTEES	MANDATORY
<input checked="" type="checkbox"/>	SCHEDULE 7: EMPLOYEES EARNING OVER \$250,000 IN ANNUAL COMPENSATION FROM APPLICANT	MANDATORY
<input checked="" type="checkbox"/>	SCHEDULE 8: BONUS, PROFIT SHARING, PENSION RETIREMENT, DEFERRED COMPENSATION & SIMILAR PLANS	MANDATORY
<input checked="" type="checkbox"/>	SCHEDULE 9: STOCK DESCRIPTION (FOR C CORPORATIONS, S-CORPORATIONS, LLCs)	MANDATORY
<input checked="" type="checkbox"/>	SCHEDULE 10: VOTING SHAREHOLDERS (FOR C CORPORATIONS, S-CORPORATIONS, LLCs)	MANDATORY
<input checked="" type="checkbox"/>	SCHEDULE 10A: INTEREST OF CURRENT PARTNERS (FOR PARTNERSHIPS, LLPS, LIMITED PARTNERSHIPS, LLCs)	MANDATORY
<input checked="" type="checkbox"/>	SCHEDULE 10B: INTEREST OF FORMER PARTNERS (FOR PARTNERSHIPS, LLPS, LIMITED PARTNERSHIPS, LLCs)	MANDATORY
<input checked="" type="checkbox"/>	SCHEDULE 11: NON-VOTING SHAREHOLDERS (FOR C CORPORATIONS, S-CORPORATIONS, LLCs)	MANDATORY

<input checked="" type="checkbox"/>	SCHEDULE 12: LONG TERM DEBT	MANDATORY
<input checked="" type="checkbox"/>	SCHEDULE 13: HOLDERS OF LONG TERM DEBT	MANDATORY
<input checked="" type="checkbox"/>	SCHEDULE 14: OTHER INDEBTEDNESS AND SECURITY DEVICES	MANDATORY
<input checked="" type="checkbox"/>	SCHEDULE 15: HOLDER OF OTHER INDEBTEDNESS	MANDATORY
<input checked="" type="checkbox"/>	SCHEDULE 16: SECURITIES OPTIONS	MANDATORY
<input checked="" type="checkbox"/>	SCHEDULE 17: BENEFICIAL OWNER OF OPTIONS	MANDATORY
<input checked="" type="checkbox"/>	SCHEDULE 18: OTHER PRINCIPALS	MANDATORY
<input checked="" type="checkbox"/>	SCHEDULE 19: FINANCIAL INSTITUTIONS	MANDATORY
<input checked="" type="checkbox"/>	SCHEDULE 20: CONTRACTS	MANDATORY
<input checked="" type="checkbox"/>	SCHEDULE 21: STOCK HELD BY APPLICANT	MANDATORY
<input checked="" type="checkbox"/>	SCHEDULE 22: INSIDER TRANSACTIONS	MANDATORY
<input checked="" type="checkbox"/>	SCHEDULE 23: CRIMINAL HISTORY	MANDATORY
<input checked="" type="checkbox"/>	SCHEDULE 24: TESTIMONY, INVESTIGATIONS OR POLYGRAPHS	MANDATORY
<input checked="" type="checkbox"/>	SCHEDULE 25: EXISTING LITIGATION	MANDATORY
<input checked="" type="checkbox"/>	SCHEDULE 26: ANTI-TRUST, TRADE REGULATION AND SECURITY JUDGMENTS, STATUTORY AND REGULATORY VIOLATIONS	MANDATORY
<input checked="" type="checkbox"/>	SCHEDULE 27: BANKRUPTCY OR INSOLVENCY PROCEEDINGS	MANDATORY
<input checked="" type="checkbox"/>	SCHEDULE 28: NON-GAMING LICENSES AND PERMITS	MANDATORY
<input checked="" type="checkbox"/>	SCHEDULE 29: GAMING LICENSES AND PERMITS	MANDATORY
<input checked="" type="checkbox"/>	SCHEDULE 30: APPLICANT'S CONTRIBUTIONS AND DISBURSEMENTS	MANDATORY
<input checked="" type="checkbox"/>	SCHEDULE 31: APPLICANT BACKGROUND PART 1	MANDATORY
<input checked="" type="checkbox"/>	SCHEDULE 32: APPLICANT BACKGROUND PART 2	MANDATORY
<input checked="" type="checkbox"/>	APPLICATION FOR PENNSYLVANIA TAX CLEARANCE REVIEW	MANDATORY
<input checked="" type="checkbox"/>	AFFIDAVIT	MANDATORY
<input checked="" type="checkbox"/>	RELEASE AUTHORIZATION	MANDATORY
<input checked="" type="checkbox"/>	WAIVER OF LIABILITY	MANDATORY
<input checked="" type="checkbox"/>	DIVERSITY PLAN STATEMENT	MANDATORY
<input type="checkbox"/>	CONDITIONAL/CATEGORY 1 APPLICANT'S AFFIRMATION	CATEGORY 1 APPLICANT ONLY

<input type="checkbox"/>	ADDENDUM 1 - REQUEST FOR USE OF ALTERNATIVE CATEGORY 1 SLOT MACHINE LICENSING STANDARDS FORM	CATEGORY 1 APPLICANT ONLY
<input type="checkbox"/>	ALTERNATIVE LICENSING AFFIDAVIT	OPTIONAL CATEGORY 1 APPLICANT ONLY
<input checked="" type="checkbox"/>	LICENSED ENTITY REPRESENTATIVE REGISTRATION	MANDATORY
<input checked="" type="checkbox"/>	ANNUAL CERTIFICATION TO PREVENT VIOLATIONS OF SECTION 1513 FORM	MANDATORY
<input checked="" type="checkbox"/>	PENNSYLVANIA POLITICAL CONTRIBUTIONS FORM	MANDATORY
<input checked="" type="checkbox"/>	FINANCIAL STATEMENT CERTIFICATION	MANDATORY
<input checked="" type="checkbox"/>	MULTI-JURISDICTIONAL PERSONAL HISTORY DISCLOSURE FORM (ONE FOR EACH NATURAL PERSON WHO IS A PRINCIPAL OR KEY EMPLOYEE)	MANDATORY
<input checked="" type="checkbox"/>	PRINCIPAL/KEY EMPLOYEE FORM - PENNSYLVANIA SUPPLEMENT TO THE MULTI-JURISDICTIONAL PERSONAL HISTORY DISCLOSURE FORM (ONE FOR EACH NATURAL PERSON WHO IS A PRINCIPAL OR KEY EMPLOYEE)	MANDATORY
<input checked="" type="checkbox"/>	PRINCIPAL ENTITY FORM (ONE FOR EACH ENTITY THAT IS A PRINCIPAL)	MANDATORY

**APPENDICES**

APPENDICES: THE APPENDICES ARE DOCUMENTS THE APPLICANT MUST PROVIDE OR CREATE. THE APPENDICES ARE NOT REPRESENTED IN THE APPLICATION QUESTIONS OR ITS SCHEDULES OR ADDENDA. EACH APPENDIX SHALL BE PRESENTED IN A TABBED MANNER AND EACH TAB MUST INDICATE THE APPENDIX NUMBER AS LISTED BELOW. IF AN APPENDIX DOES NOT APPLY TO AN APPLICANT, WRITE "DOES NOT APPLY" ON THE APPENDIX PAGE.

<input checked="" type="checkbox"/>	APPENDIX 1: DESCRIPTION OF THE BUSINESS CURRENTLY PERFORMED AND THE BUSINESS INTENDED TO BE PERFORMED IN THE COMMONWEALTH. THIS INFORMATION MUST BE SPECIFIC AND MUST BE ORGANIZED AROUND THE TOPICS SHOWN IN SCHEDULES 31 AND 32. ADDITIONALLY, APPLICANT MUST INDICATE THE RELATIONSHIP BETWEEN IT AND ITS AFFILIATED ENTITIES AS IT RELATES TO THE BUSINESS INTENDED TO BE PERFORMED IN THE COMMONWEALTH IN THE FORM OF AN ORGANIZATION CHART WITH A NARRATIVE DESCRIPTION.	MANDATORY
<input checked="" type="checkbox"/>	APPENDIX 2: DESCRIPTION OF ANY FORMER BUSINESS ENGAGED IN DURING THE LAST TEN (10) YEARS AND THE REASON FOR CESSATION OF THE BUSINESS.	MANDATORY
<input checked="" type="checkbox"/>	APPENDIX 3: DESCRIPTION OF ALL BONUS, PROFIT SHARING, PENSION, RETIREMENT, DEFERRED COMPENSATION AND SIMILAR PLANS. THIS INFORMATION MUST BE PROVIDED IN ADDITION TO THE INFORMATION PROVIDED IN SCHEDULE 8.	MANDATORY
<input checked="" type="checkbox"/>	APPENDIX 4: DESCRIPTION OF LONG TERM DEBT. THIS INFORMATION MUST BE PROVIDED IN ADDITION TO THE INFORMATION PROVIDED IN SCHEDULES 12 AND 13.	MANDATORY
<input checked="" type="checkbox"/>	APPENDIX 5: DESCRIPTION OF OTHER INDEBTEDNESS AND SECURITY DEVICES. THIS INFORMATION MUST BE PROVIDED IN ADDITION TO THE INFORMATION PROVIDED IN SCHEDULES 14 AND 15.	MANDATORY
<input checked="" type="checkbox"/>	APPENDIX 6: DESCRIPTION OF SECURITIES OPTIONS. THIS INFORMATION MUST BE PROVIDED IN ADDITION TO THE INFORMATION PROVIDED IN SCHEDULES 16 AND 17.	MANDATORY
<input checked="" type="checkbox"/>	APPENDIX 7: DESCRIPTION OF EXISTING LITIGATION. THIS INFORMATION MUST BE PROVIDED IN ADDITION TO THE INFORMATION PROVIDED IN SCHEDULE 25.	MANDATORY
<input checked="" type="checkbox"/>	APPENDIX 8: AUDITED FINANCIAL STATEMENT FOR THE LAST FISCAL YEAR. IF THE APPLICANT DOES NOT NORMALLY HAVE ITS FINANCIAL STATEMENTS AUDITED, ATTACH UNAUDITED FINANCIAL STATEMENTS.	MANDATORY
<input checked="" type="checkbox"/>	APPENDIX 9: AUDITED FINANCIAL STATEMENTS FOR THE LAST FIVE (5) YEARS. IF THE APPLICANT DOES NOT NORMALLY HAVE ITS FINANCIAL STATEMENTS AUDITED, ATTACH UNAUDITED FINANCIAL STATEMENTS.	MANDATORY
<input checked="" type="checkbox"/>	APPENDIX 10: ANNUAL REPORTS FOR THE LAST FIVE (5) YEARS.	MANDATORY
<input checked="" type="checkbox"/>	APPENDIX 11A: ANNUAL REPORTS PREPARED ON THE SEC'S 10K FOR THE LAST FIVE (5) YEARS. APPENDIX 11B: COPIES OF ANNUAL OR QUARTERLY FILINGS FOR THE LAST FIVE (5) YEARS REQUIRED UNDER THE LAWS OF A REGULATORY AGENCY OF ANOTHER COUNTRY.	MANDATORY
<input checked="" type="checkbox"/>	APPENDIX 12: A COPY OF THE LAST QUARTERLY UNAUDITED FINANCIAL STATEMENT.	MANDATORY
<input checked="" type="checkbox"/>	APPENDIX 13: A COPY OR COPIES OF ANY INTERIM REPORTS.	MANDATORY

<input checked="" type="checkbox"/>	APPENDIX 14: A COPY OF THE LAST DEFINITIVE PROXY OR INFORMATION STATEMENT (SEC).	MANDATORY
<input checked="" type="checkbox"/>	APPENDIX 15: A COPY OF ALL REGISTRATION STATEMENTS FOR THE LAST FIVE (5) YEARS FILED IN ACCORDANCE WITH THE SECURITIES ACT OF 1933.	MANDATORY
<input checked="" type="checkbox"/>	APPENDIX 16: COPIES OF ALL OTHER REPORTS PREPARED IN THE LAST FIVE (5) YEARS BY INDEPENDENT AUDITORS OF THE APPLICANT.	MANDATORY
<input checked="" type="checkbox"/>	APPENDIX 17: CERTIFIED COPIES OF THE ARTICLES OF INCORPORATION, CHARTER, BYLAWS, PARTNERSHIP AGREEMENT OR OTHER OFFICIAL DOCUMENTS AND ALL AMENDMENTS AND PROPOSED AMENDMENTS.	MANDATORY
<input checked="" type="checkbox"/>	APPENDIX 18: CURRENT OWNERSHIP TABLE OF ORGANIZATION.	MANDATORY
<input checked="" type="checkbox"/>	APPENDIX 19: FUNCTIONAL TABLE OF ORGANIZATION FOR APPLICANT WITH JOB DESCRIPTIONS AND NAMES OF EMPLOYEES EARNING IN EXCESS OF \$250,000 IN ANNUAL COMPENSATION.	MANDATORY
<input checked="" type="checkbox"/>	APPENDIX 20: COPIES OF FEDERAL ENTITY TAX FILINGS, INCLUDING FORMS 1120, 1120-S, 1120-F, 1065, 941 AND ALL OTHER BUSINESS RELATED TAX FORMS FILED WITH THE IRS IN THE LAST FIVE (5) YEARS.	MANDATORY
<input checked="" type="checkbox"/>	APPENDIX 21: COPIES OF 5500 FORMS FILED WITH THE IRS IN THE LAST FIVE (5) YEARS.	MANDATORY
<input checked="" type="checkbox"/>	APPENDIX 22: DESCRIBE CRIMINAL HISTORY OF APPLICANT. THIS INFORMATION MUST BE PROVIDED IN ADDITION TO THE INFORMATION PROVIDED IN SCHEDULE 23. NARRATIVE INFORMATION ABOUT THE NATURE OF CHARGE OR COMPLAINT AND THE DISPOSITION MUST BE PROVIDED.	MANDATORY
<input checked="" type="checkbox"/>	APPENDIX 23: PURSUANT TO §1312 OF THE GAMING ACT, THE BOARD MAY NOT APPROVE AN APPLICATION FOR LICENSURE IF ANY OF ITS PRINCIPALS DO NOT MEET THE CHARACTER REQUIREMENTS OF §1310, ELIGIBILITY REQUIREMENTS, OR PURCHASES A CONTROLLING INTEREST IN A LICENSED GAMING ENTITY IN VIOLATION OF §1328.  HAS THE APPLICANT DIVESTED ALL INTERESTS THAT WOULD PROHIBIT LICENSURE AND ELIMINATED ANY PRINCIPAL WHO DOES NOT MEET THE CHARACTER OR ELIGIBILITY REQUIREMENTS? IF NOT, PROVIDE AN EXPLANATION. IF IT DOES NOT APPLY, WRITE DOES NOT APPLY IN RESPONSE TO THIS APPENDIX.	MANDATORY
<input checked="" type="checkbox"/>	APPENDIX 24: PURSUANT TO §1330 OF THE GAMING ACT, NO LICENSEE, ITS AFFILIATE, INTERMEDIARY, SUBSIDIARY OR HOLDING COMPANY, MAY POSSESS AN OWNERSHIP OR FINANCIAL INTEREST THAT IS GREATER THAN 33.3% OF ANOTHER SLOT MACHINE LICENSEE OR PERSON ELIGIBLE TO APPLY FOR A CATEGORY 1 LICENSE, ITS AFFILIATE, INTERMEDIARY, SUBSIDIARY, OR HOLDING COMPANY.  DOES THE APPLICANT POSSESS AN OWNERSHIP OR FINANCIAL INTEREST THAT IS GREATER THAN 33.3% OF ANOTHER SLOT MACHINE LICENSEE OR PERSON ELIGIBLE TO APPLY FOR A CATEGORY 1 LICENSE, ITS AFFILIATE, INTERMEDIARY, SUBSIDIARY OR HOLDING COMPANY? PROVIDE AN EXPLANATION OR WRITE, DOES NOT APPLY.	MANDATORY
<input checked="" type="checkbox"/>	APPENDIX 25: PURSUANT TO §1512 OF THE GAMING ACT, NO EXECUTIVE-LEVEL STATE EMPLOYEE, PUBLIC OFFICIAL, PARTY OFFICER OR IMMEDIATE FAMILY MEMBER THEREOF SHALL HAVE A FINANCIAL INTEREST IN OR BE EMPLOYED, DIRECTLY OR INDIRECTLY, BY ANY LICENSED RACING ENTITY OR LICENSED GAMING ENTITY, OR ANY HOLDING, AFFILIATE, INTERMEDIARY OR SUBSIDIARY COMPANY, THEREOF, OR ANY SUCH APPLICANT.	MANDATORY

	HAS ANY PUBLIC OFFICIAL OR OTHER PROHIBITED PERSON POSSESSED A FINANCIAL INTEREST IN OR BEEN EMPLOYED DIRECTLY OR INDIRECTLY BY THE APPLICANT OR RELATED ENTITY AT OR FOLLOWING THE EFFECTIVE DATE OF THE PA GAMING ACT?	
<input checked="" type="checkbox"/>	APPENDIX 26: PURSUANT TO §1313 OF THE GAMING ACT, PROVIDE INFORMATION, DOCUMENTATION AND ASSURANCES DEMONSTRATING THAT THE APPLICANT HAS SUFFICIENT BUSINESS ABILITY AND EXPERIENCE TO CREATE AND MAINTAIN A SUCCESSFUL EFFICIENT OPERATION. ALSO PROVIDE BIOGRAPHIES OF THE KNOWN INDIVIDUALS WHO WILL PERFORM EXECUTIVE MANAGEMENT DUTIES AND PROVIDE NAMES OF ALL PROPOSED KEY EMPLOYEES AND A DESCRIPTION OF THEIR RESPECTIVE OR PROPOSED RESPONSIBILITIES AS THEY BECOME KNOWN.	MANDATORY
<input checked="" type="checkbox"/>	APPENDIX 27: PURSUANT TO §1207(16) OF THE GAMING ACT, THE LICENSEE MUST SELL PENNSYLVANIA STATE LOTTERY TICKETS AT ITS FACILITY AS NEAR AS PRACTICABLE TO THE PAY WINDOWS. PROVIDE A PROPOSED FLOOR PLAN SPECIFYING THE LOCATIONS WHERE STATE LOTTERY TICKETS WILL BE SOLD AND THE PROXIMITY OF THOSE LOCATIONS TO PAY WINDOWS. (NOTE: THIS SUBMISSION MUST BE FINALIZED AND APPROVED BY THE BOARD PRIOR TO OPERATION)	MANDATORY
<input checked="" type="checkbox"/>	APPENDIX 28: PROVIDE A LIST OF ANY HOSPITAL, PLACE OF WORSHIP, SCHOOL, CHARITABLE INSTITUTION, PARK, ZOO OR ANY SIMILAR PLACE FREQUENTED BY THE PUBLIC WITHIN 1500 FEET OF THE PROPOSED FACILITY.	MANDATORY
<input checked="" type="checkbox"/>	APPENDIX 29: SUBMIT AN INITIAL NARRATIVE DESCRIPTION OF PROPOSED ADMINISTRATIVE AND ACCOUNTING PROCEDURES, INCLUDING A WRITTEN SYSTEM OF INTERNAL CONTROL, PURSUANT TO §1322 OF THE GAMING ACT (NOTE: THIS SUBMISSION MUST BE FINALIZED AND APPROVED BY THE BOARD PRIOR TO OPERATION).	MANDATORY
<input checked="" type="checkbox"/>	APPENDIX 30: PROVIDE MARKETING PLANS AND PROPOSALS AND DETAILS OF THE PROXIMITY OF THE FACILITY TO ITS MARKETING SERVICE AREA.	MANDATORY
<input checked="" type="checkbox"/>	APPENDIX 31: PROVIDE COPIES OF LOCAL ZONING AND LAND USE APPROVALS OR A DETAILED EXPLANATION OF THE STATUS OF THE REQUEST WITH COPIES OF ALL FILINGS.	MANDATORY
<input checked="" type="checkbox"/>	APPENDIX 32: PURSUANT TO §1322 OF THE GAMING ACT AND/OR BOARD REGULATIONS, SUBMIT A COMPLETE PROPOSED SITE PLAN OF THE PROPOSED LICENSED FACILITY, INCLUSIVE OF TRAFFIC STUDIES AND THE PARKING PLAN, INCLUDING THE NUMBER OF PARKING SPACES, ACCOMPANIED BY ARCHITECTURAL DRAWINGS AND A PROPOSED GAMING FLOOR LAYOUT. THE GAMING FLOOR LAYOUT SHOULD CLEARLY DELINEATE THE SQUARE FOOTAGE OF THE AREA TO BE USED FOR THE PLACEMENT OF SLOT MACHINES AND TABLE GAMES AS WELL AS THE SQUARE FOOTAGE OF THE AREA THAT WILL NOT BE USED FOR THE PLACEMENT OF SLOT MACHINES AND TABLE GAMES. FURTHER, THE GAMING FLOOR LAYOUT SHOULD DELINEATE THE SQUARE FOOTAGE RESERVED FOR ADDITIONAL SLOT MACHINES AND TABLE GAMES PERMITTED PURSUANT TO §1210 AND §13A11 OF THE GAMING ACT. PURSUANT TO §1210, PROVIDE DETAILS OF THE PROPOSED LOCATION OF SLOT MACHINES AND TABLE GAMES AT THE FACILITY AND THE NUMBER OF SLOT MACHINES AND TABLE GAMES REQUESTED. PURSUANT TO §1207 OF THE GAMING ACT, PROPOSED SURVEILLANCE CAMERA LOCATIONS BOTH WITHIN AND OUTSIDE THE PROPOSED LICENSED FACILITY SHOULD ALSO BE CLEARLY DELINEATED ON THE GAMING FLOOR LAYOUT AS WELL AS PROPOSED SECURITY ZONES ON THE GAMING FLOOR AND WITHIN AND OUTSIDE THE LICENSED FACILITY. (NOTE: THE SITE PLAN, GAMING FLOOR LAYOUT AND RELATED SURVEILLANCE AND SECURITY PROPOSALS MUST BE FINALIZED AND APPROVED BY THE BOARD PRIOR TO OPERATION).	MANDATORY

*RF*

✓	APPENDIX 33: PROVIDE DETAILS OF PLANNED RETAIL AND FOOD VENUES FOR THE FACILITY AND THE IDENTIFICATION OF THE OPERATORS OF EACH RETAIL FOOD VENUE.	MANDATORY
✓	APPENDIX 34: PROVIDE A LOCAL IMPACT REPORT, ENGINEERING REPORTS AND TRAFFIC STUDIES, INCLUDING DETAILS OF ANY ADVERSE IMPACT ON TRANSPORTATION, TRANSIT ACCESS, HOUSING, WATER AND SEWER SYSTEMS, LOCAL POLICE AND EMERGENCY SERVICE CAPABILITIES, EXISTING TOURISM, INCLUDING HISTORICAL AND CULTURAL RESOURCES OR OTHER MUNICIPAL SERVICE OR RESOURCE. A COPY OF THE LOCAL IMPACT REPORT SHALL BE PROVIDED TO EACH POLITICAL SUBDIVISION IN WHICH THE LICENSED FACILITY WILL BE LOCATED AT LEAST SEVEN (7) DAYS PRIOR TO THE FILING OF THE APPLICATION FOR A SLOT MACHINE LICENSE. THE APPLICANT SHALL FILE A PROOF OF SERVICE WITH THE BOARD.	MANDATORY
✓	APPENDIX 35: PROVIDE DETAILS OF LAND ACQUISITION COSTS.	MANDATORY
✓	APPENDIX 36: PROVIDE DETAILS OF A COMPULSIVE OR PROBLEM GAMBLING PLAN.	MANDATORY
✓	APPENDIX 37: IF A TEMPORARY FACILITY IS TO BE LICENSED, PROVIDE DETAILS OF THE TEMPORARY FACILITY, AS WELL AS A PLAN FOR HOW THE LICENSEE WILL TRANSITION TO A PERMANENT FACILITY, INCLUDING A DATE FOR THE COMPLETION OF THE PERMANENT FACILITY.	MANDATORY
✓	<p>APPENDIX 38: AS REQUIRED BY §1325 OF THE GAMING ACT, APPLICANT MUST ADDRESS EACH ITEM LISTED IN THIS SECTION. IF AN ITEM DOES NOT APPLY, THE APPLICANT MUST STATE THAT IN RESPONSE TO EACH ITEM LISTED. PROVIDE A PLAN, WITH DETAILS, FOR THE FOLLOWING:</p> <ol style="list-style-type: none"> <li>(1) THE LOCATION AND QUALITY OF THE PROPOSED FACILITY, INCLUDING, BUT NOT LIMITED TO, ROAD AND TRANSIT ACCESS, PARKING AND CENTRALITY TO MARKET SERVICE AREA;</li> <li>(2) THE POTENTIAL FOR NEW JOB CREATION AND ECONOMIC DEVELOPMENT WHICH WILL RESULT FROM GRANTING A LICENSE TO THE APPLICANT;</li> <li>(3) THE APPLICANT'S GOOD FAITH PLAN TO RECRUIT, TRAIN AND UPGRADE DIVERSITY IN ALL EMPLOYMENT CLASSIFICATIONS IN THE FACILITY;</li> <li>(4) THE APPLICANT'S GOOD FAITH PLAN FOR ENHANCING THE REPRESENTATION OF DIVERSE GROUPS IN THE OPERATION OF ITS FACILITY THROUGH THE OWNERSHIP AND OPERATION OF BUSINESS ENTERPRISES ASSOCIATED WITH OR UTILIZED BY ITS FACILITY OR THROUGH THE PROVISION OF GOODS OR SERVICES UTILIZED BY ITS FACILITY AND THROUGH THE PARTICIPATION IN THE OWNERSHIP OF THE APPLICANT. PROVIDE SPECIFIC INFORMATION REGARDING THE DIVERSITY IN OWNERSHIP OF THE APPLICANT, I.E. MINORITIES, WOMEN;</li> <li>(5) THE APPLICANT'S GOOD FAITH EFFORT TO ASSURE THAT ALL PERSONS ARE ACCORDED EQUALITY OF OPPORTUNITY IN EMPLOYMENT AND CONTRACTING BY IT AND ANY CONTRACTORS, SUBCONTRACTORS, ASSIGNEES, LESSEES, AGENTS, GAMING SERVICE PROVIDERS AND SUPPLIERS IT MAY EMPLOY DIRECTLY OR INDIRECTLY;</li> <li>(6) THE HISTORY AND SUCCESS OF THE APPLICANT IN DEVELOPING TOURISM FACILITIES ANCILLARY TO GAMING DEVELOPMENT, IF APPLICABLE TO THE APPLICANT;</li> <li>(7) THE DEGREE TO WHICH THE APPLICANT PRESENTS A PLAN FOR THE PROJECT WHICH WILL LIKELY LEAD TO THE CREATION OF QUALITY, LIVING-WAGE JOBS AND FULL-TIME PERMANENT JOBS FOR RESIDENTS OF THIS COMMONWEALTH GENERALLY AND FOR RESIDENTS OF THE HOST POLITICAL SUBDIVISION IN PARTICULAR;</li> </ol>	MANDATORY



	<p>(8) THE RECORD OF THE APPLICANT AND ITS DEVELOPER IN MEETING COMMITMENTS TO LOCAL AGENCIES, COMMUNITY-BASED ORGANIZATIONS, AND EMPLOYEES IN OTHER LOCATIONS;</p> <p>(9) THE DEGREE TO WHICH POTENTIAL ADVERSE EFFECTS WHICH MIGHT RESULT FROM THE PROJECT, INCLUDING COSTS OF MEETING THE INCREASED DEMAND FOR PUBLIC HEALTH CARE, CHILD CARE, PUBLIC TRANSPORTATION, AFFORDABLE HOUSING AND SOCIAL SERVICES, WILL BE MITIGATED;</p> <p>(10) THE RECORD OF THE APPLICANT AND ITS DEVELOPER REGARDING COMPLIANCE WITH</p> <p>(i) FEDERAL, STATE AND LOCAL DISCRIMINATION, WAGE AND HOUR, DISABILITY AND OCCUPATIONAL AND ENVIRONMENTAL HEALTH AND SAFETY LAWS AS WELL AS</p> <p>(ii) STATE AND LOCAL LABOR RELATIONS AND EMPLOYMENT LAWS;</p> <p>(iii) THE APPLICANT'S RECORD IN DEALING WITH ITS EMPLOYEES AND THEIR REPRESENTATIVES AT OTHER LOCATIONS.</p>	
<input checked="" type="checkbox"/>	<p>APPENDIX 39: PROVIDE INFORMATION DEMONSTRATING ADEQUATE FINANCING FOR THE PROPOSED FACILITY AND TERMS OF FINANCING INCLUDING PAYBACK PERIOD.</p>	<p>MANDATORY</p>
<input checked="" type="checkbox"/>	<p>APPENDIX 40: PROVIDE BUSINESS AND ECONOMIC DEVELOPMENT PLANS AND TIMETABLES; PROJECTED DEBT SERVICE EXPENSES; PROJECTED EBITDA AND INTERNAL RATE OF RETURN; PROJECTED ANNUAL GROSS TERMINAL REVENUE; PROJECTED OPERATING AND CAPITAL EXPENSES AND DEFINED GAMING MARKET AND PROJECTED VISITATION.</p>	<p>MANDATORY</p>
<input checked="" type="checkbox"/>	<p>APPENDIX 41: PROVIDE LETTERS OF REFERENCE FROM LAW ENFORCEMENT AGENCIES HAVING JURISDICTION IN THE APPLICANT'S AND PRINCIPAL'S MAIN PLACE OF RESIDENCE AND PLACE OF BUSINESS INDICATING THAT THE AGENCY DOES NOT HAVE ANY PERTINENT INFORMATION RELATING TO THE APPLICANT OR ITS PRINCIPALS. IF THE LAW ENFORCEMENT AGENCY HAS INFORMATION PERTAINING TO THE APPLICANT OR ITS PRINCIPALS, THE LETTER SHALL SPECIFY THE DETAILS OF THE INFORMATION.</p> <p>IF NO LETTERS ARE RECEIVED WITHIN 30 DAYS OF THE REQUEST, THE APPLICANT OR PRINCIPAL MAY SUBMIT A SWORN OR AFFIRMED STATEMENT THAT THE APPLICANT OR PRINCIPAL IS A CITIZEN IN GOOD STANDING IN HIS JURISDICTION OF RESIDENCE AND PRIMARY PLACE OF BUSINESS.</p>	<p>MANDATORY</p>
<input checked="" type="checkbox"/>	<p>APPENDIX 42: IF THE APPLICANT HAS HELD A GAMING LICENSE IN ANY JURISDICTION, PROVIDE A LETTER OF REFERENCE FROM THE GAMING OR CASINO ENFORCEMENT OR REGULATORY AGENCY IN THE OTHER JURISDICTION, SPECIFYING THE EXPERIENCES OF THE AGENCY WITH THE APPLICANT, THE APPLICANT'S ASSOCIATES AND THE APPLICANT'S GAMING OPERATION.</p> <p>IF NO LETTER IS RECEIVED WITHIN 30 DAYS OF REQUEST BY THE APPLICANT, THE APPLICANT MAY SUBMIT A SWORN OR AFFIRMED STATEMENT THAT THE APPLICANT'S OPERATION IS IN GOOD STANDING WITH THE REGULATORY AGENCY.</p>	<p>MANDATORY</p>
<input checked="" type="checkbox"/>	<p>APPENDIX 43: PROVIDE AN ORIGINAL PAYMENT BOND OR AN ORIGINAL IRREVOCABLE LETTER OF CREDIT THAT INCLUDES A DRAW CERTIFICATE, AT THE APPLICANT'S OPTION, GUARANTEEING THE APPLICANT'S PAYMENT OF THE SLOT MACHINE LICENSE FEE REQUIRED BY §1209 (FOR CATEGORY 1 AND 2) AND §1305 (CATEGORY 3) OF THE GAMING ACT.</p>	<p>MANDATORY</p>
<input checked="" type="checkbox"/>	<p>APPENDIX 44: PROVIDE A CHART OF EXISTING GAMING SERVICE PROVIDERS* INCLUDING THE NAME, ADDRESS, PHONE AND TAX IDENTIFICATION NUMBER OF THE</p>	<p>MANDATORY</p>

	<p>GAMING SERVICE PROVIDERS, TYPES OF GOODS AND/OR SERVICES PROVIDED BY THE GAMING SERVICE PROVIDERS, TOTAL DOLLAR AMOUNT OF BUSINESS WITH GAMING SERVICE PROVIDERS IN THE PAST TWELVE (12) MONTHS AND TOTAL DOLLAR AMOUNT OF BUSINESS EXPECTED TO BE CONDUCTED WITH GAMING SERVICE PROVIDERS IN THE NEXT TWELVE (12) MONTHS.</p> <p>* GAMING SERVICE PROVIDERS IS DEFINED IN 58 PA. CODE §401A.3.</p>	
<input checked="" type="checkbox"/>	<p>APPENDIX 45: PROVIDE A SUMMARY OF ALL PERSONS WHO HOLD AN OWNERSHIP OR OTHER BENEFICIAL INTEREST IN THE APPLICANT AND ANY SUCH INTEREST IN ANY OF ITS PRINCIPAL AFFILIATES OR PRINCIPAL ENTITIES REQUIRED TO BE LICENSED OR PERMITTED IN PENNSYLVANIA, PROVIDED HOWEVER, IF ANY OF THE ENTITIES ARE PUBLICLY TRADED, ONLY INTERESTS EQUAL TO OR EXCEEDING FIVE PERCENT MUST BE DISCLOSED. OWNERSHIP INTEREST SHOULD BE PROVIDED IN A MANNER CONSISTENT WITH THE OWNERSHIP INTEREST REPORT FOUND ON THE BOARD'S WEBSITE UNDER LICENSURE/REPORTS AND GENERAL INFORMATION.</p>	MANDATORY

**CATEGORY 1 APPLICANTS ONLY**

<input type="checkbox"/>	<p>APPENDIX 46: PURSUANT TO §1308(C) OF THE GAMING ACT, THE BOARD AND THE COMMISSIONS SHALL NOT CONSIDER ANY APPLICATION FOR A LICENSE IF THE APPLICANT OR ANY PERSON AFFILIATED WITH OR DIRECTLY RELATED TO THE APPLICANT IS A PARTY IN ANY ONGOING CIVIL PROCEEDING IN WHICH THE PARTY IS SEEKING TO OVERTURN OR OTHERWISE CHALLENGE A DECISION OR ORDER OF THE BOARD OR COMMISSIONS PERTAINING TO THE APPROVAL, DENIAL OR CONDITIONING OF A LICENSE TO CONDUCT THOROUGHBRED OR HARNESS HORSE RACE MEETINGS RESPECTIVELY WITH PARI-MUTUEL WAGERING OR TO OPERATE SLOT MACHINES.</p> <p>IS THE APPLICANT OR AFFILIATED PERSON A PARTY TO ANY ONGOING CIVIL PROCEEDINGS SEEKING TO OVERTURN A DECISION OR ORDER OF THE BOARD OR COMMISSIONS? IF YES, THE BOARD MAY NOT CONSIDER THE APPLICATION. IF NO, PROVIDE A STATEMENT ASSERTING THAT THE APPLICANT IS NOT CHALLENGING THE BOARD OR COMMISSION'S DECISION OR ORDERS.</p>	CATEGORY 1 APPLICANT ONLY
<input type="checkbox"/>	<p>APPENDIX 47: PROVIDE A VERIFICATION FROM THE HORSE RACING COMMISSION OR THE HARNESS RACING COMMISSION STATING THAT THE APPLICANT HAS SATISFIED THE LICENSE ELIGIBILITY REQUIREMENTS UNDER §1302 OF THE GAMING ACT (RELATING TO CONDITIONAL/CATEGORY 1 SLOT MACHINE LICENSE) AND THAT THE APPLICANT SATISFIES THE LIVE RACING REQUIREMENTS UNDER §1303 OF THE GAMING ACT.</p>	CATEGORY 1 APPLICANT ONLY
<input type="checkbox"/>	<p>APPENDIX 48: PROVIDE A STATEMENT DETAILING THE APPLICANT'S REGULATORY HISTORY AS A LICENSED RACING ENTITY UNDER THE JURISDICTION OF THE PENNSYLVANIA HORSE RACING COMMISSION OR STATE HARNESS RACING COMMISSION, INCLUDING THE APPLICANT'S HISTORY OF SUITABILITY AND COMPLIANCE WITH THE RACE HORSE INDUSTRY REFORM ACT IN THE OPERATION OF THE RACE TRACK AND NONPRIMARY LOCATIONS AND THE CONDUCT OF PARI-MUTUEL WAGERING.</p>	CATEGORY 1 APPLICANT ONLY
<input type="checkbox"/>	<p>APPENDIX 49: PROVIDE A DETAILED PLAN FOR THE MANAGEMENT OF ACCOUNTS CREATED FROM FUNDS ALLOCATED UNDER §1406 OF THE GAMING ACT (RELATING TO DISTRIBUTIONS FROM PENNSYLVANIA RACE HORSE DEVELOPMENT FUND).</p>	CATEGORY 1 APPLICANT ONLY
<input type="checkbox"/>	<p>APPENDIX 50: PROVIDE A DETAILED PLAN FOR THE MANAGEMENT AND USE OF BACKSIDE AREA IMPROVEMENT AND MAINTENANCE ACCOUNTS UNDER §1404 OF THE GAMING ACT (RELATING TO DISTRIBUTION FROM LICENSEE'S REVENUE RECEIPTS).</p>	CATEGORY 1 APPLICANT ONLY

CATEGORY 3 APPLICANTS ONLY

<input type="checkbox"/>	<p>APPENDIX 51: PROVIDE A STATEMENT DETAILING THE PROPOSED PLANS AND LOCATION OF THE LICENSED FACILITY AND EXPLAIN HOW THE FACILITY WILL BE LOCATED AT A WELL-ESTABLISHED RESORT HOTEL (AS DEFINED IN BOARD REGULATIONS). INCLUDE A STATEMENT OF THE NUMBER OF ROOMS UNDER COMMON OWNERSHIP, AND HOW EACH ROOM IS HELD, I.E. NON-DEEDED TIME SHARE, DEEDED TIME SHARE AND STANDARD HOTEL ROOM. ALSO INCLUDE IN THE STATEMENT A LIST OF THE SUBSTANTIAL YEAR-ROUND RECREATIONAL GUEST AMENITIES OFFERED. THE STATEMENT MUST ALSO DEMONSTRATE COMPLIANCE WITH THE GEOGRAPHICAL REQUIREMENTS OF §1305(h) OF THE GAMING ACT (RELATING TO CATEGORY 3 SLOT MACHINE LICENSE) WHICH PROVIDES THAT NO CATEGORY 3 LICENSEE SHALL BE LOCATED WITHIN 15 LINEAR MILES OF ANOTHER LICENSED FACILITY.</p>	<p>CATEGORY 3 APPLICANT ONLY</p>
<input type="checkbox"/>	<p>APPENDIX 52: PROVIDE DOCUMENTATION TO THE BOARD PROVING THAT THE APPLICANT IS THE OWNER OF THE WELL-ESTABLISHED RESORT HOTEL OR IS A WHOLLY OWNED SUBSIDIARY OF THE OWNER OF THE WELL-ESTABLISHED RESORT HOTEL.</p>	<p>CATEGORY 3 APPLICANT ONLY</p>
<input type="checkbox"/>	<p>APPENDIX 53: PROVIDE A STATEMENT DETAILING THE APPLICANT'S PROPOSED AMENITIES PLAN. EXPLAIN THE AMENITIES THAT THE APPLICANT INTENDS TO MAKE AVAILABLE AT THE RESORT HOTEL AND THE COSTS OF THE AMENITIES TO PATRONS OF THE RESORT HOTEL.</p>	<p>CATEGORY 3 APPLICANT ONLY</p>
<input type="checkbox"/>	<p>APPENDIX 54: PROVIDE A PROPOSED FEE SCHEDULE FOR EACH AMENITY OFFERED AT THE WELL-ESTABLISHED RESORT AND A JUSTIFICATION FOR HOW THE FEES MEET THE DEFINITION OF NON-DE MINIMIS CONSIDERATION, (AS DEFINED IN BOARD REGULATIONS). THE FEE SCHEDULE SHOULD INCLUDE PROPOSED FEES FOR SEASONAL OR YEAR-ROUND MEMBERSHIPS.</p>	<p>CATEGORY 3 APPLICANT ONLY</p>
<input type="checkbox"/>	<p>APPENDIX 55: PROVIDE A PLAN DETAILING HOW THE APPLICANT, AS PART OF ITS OPERATIONAL PLAN, WILL MONITOR THE GAMING AREA TO ENSURE COMPLIANCE WITH REGULATIONS RELATING TO SELF-EXCLUSION, PERSONS REQUIRED TO BE EXCLUDED AND UNDERAGE GAMING AND THAT ONLY THE FOLLOWING PERSONS ARE PERMITTED TO ENTER THE GAMING AREA: (1) REGISTERED OVERNIGHT GUESTS; (2) PATRONS OF ONE OR MORE AMENITIES (AS PATRON OF THE AMENITIES IS DEFINED IN BOARD REGULATIONS); (3) AUTHORIZED EMPLOYEES; (4) ANY OTHER PERSONS AUTHORIZED BY THE BOARD. THE PLAN SHOULD INCLUDE METHODS FOR CONTROLLING ACCESS TO THE GAMING FLOOR BY THOSE INDIVIDUALS HOLDING VALID SEASONAL OR YEAR-ROUND MEMBERSHIPS AND PATRONS OF THE AMENITIES, SEEKING TO ACCESS THE GAMING FLOOR WITHIN 72 HOURS OF THE USE OF THE AMENITY.</p>	<p>CATEGORY 3 APPLICANT ONLY</p>

SCHEDULE 1: INCORPORATORS/FOUNDERS

FIRST NAME		MIDDLE NAME		NAME AND ADDRESS		LAST NAME		SUFFIX (JR, SR, ETC.)	
Please refer to Schedule 1									
OCCUPATION		TITLE							
ADDRESS LINE 1		ADDRESS LINE 2		CITY		STATE/PROVINCE		POSTAL CODE	
ADDRESS LINE 3		CITY		PHONE NUMBER ( )		FAX NUMBER ( )			
COUNTRY		E-MAIL ADDRESS							
MULTI-JURISDICTIONAL PERSONAL HISTORY DISCLOSURE FORM ATTACHED?		MULTI-JURISDICTIONAL PERSONAL HISTORY DISCLOSURE FORM ATTACHED?							
PRINCIPAL/KEY EMPLOYEE FORM - PENNSYLVANIA SUPPLEMENT TO THE MULTI-JURISDICTIONAL PERSONAL HISTORY DISCLOSURE FORM ATTACHED?		PRINCIPAL/KEY EMPLOYEE FORM - PENNSYLVANIA SUPPLEMENT TO THE MULTI-JURISDICTIONAL PERSONAL HISTORY DISCLOSURE FORM ATTACHED?							
FIRST NAME		MIDDLE NAME		NAME AND ADDRESS		LAST NAME		SUFFIX (JR, SR, ETC.)	
OCCUPATION		TITLE							
ADDRESS LINE 1		ADDRESS LINE 2		CITY		STATE/PROVINCE		POSTAL CODE	
ADDRESS LINE 3		CITY		PHONE NUMBER ( )		FAX NUMBER ( )			
COUNTRY		E-MAIL ADDRESS							
MULTI-JURISDICTIONAL PERSONAL HISTORY DISCLOSURE FORM ATTACHED?		MULTI-JURISDICTIONAL PERSONAL HISTORY DISCLOSURE FORM ATTACHED?							
PRINCIPAL/KEY EMPLOYEE FORM - PENNSYLVANIA SUPPLEMENT TO THE MULTI-JURISDICTIONAL PERSONAL HISTORY DISCLOSURE FORM ATTACHED?		PRINCIPAL/KEY EMPLOYEE FORM - PENNSYLVANIA SUPPLEMENT TO THE MULTI-JURISDICTIONAL PERSONAL HISTORY DISCLOSURE FORM ATTACHED?							

MAKE ADDITIONAL COPIES AND ATTACH ADDITIONAL PAGES AS NECESSARY.

Initials:



### **Schedule 1**

The following individuals are listed on the original Articles of Incorporation:

William Goodrick  
H. Robert Fischer  
W.M. McCune  
S.H. Nichols  
Earl O. Chaffee

These individuals are no longer affiliated with the Applicant.

**SCHEDULE 3: ADDRESSES CURRENTLY USED BY APPLICANT**

ADDRESSES									
ADDRESS PURPOSE	ADDRESS LINE 1	ADDRESS LINE 2	CITY	STATE/PROVINCE	POSTAL CODE	PHONE NUMBER	FAX NUMBER	COUNTRY	EMAIL ADDRESS
Business Operations	825 Berkshire Blvd		Wyomissing	PA	19610			USA	
Business Operations	875 Berkshire Blvd		Wyomissing	PA	19610	610-373-2400		USA	
Business Operations	855 Berkshire Blvd		Wyomissing	PA	19610	610-373-2400	610-373-2804	USA	

Initials: R.F.

SCHEDULE 4: ADDRESSES USED BY APPLICANT

PROVIDE ALL ADDRESSES, OTHER THAN THOSE LISTED ON SCHEDULE 3, WHICH APPLICANT HAS USED OR FROM WHICH IT WAS CONDUCTING BUSINESS DURING THE LAST TEN (10) YEAR PERIOD, AND PROVIDE THE APPROXIMATE DATES DURING WHICH SUCH ADDRESSES WERE USED.

ADDRESS PURPOSE	ADDRESS USED FROM	ADDRESS USED TO
ADDRESS LINE 1 Please see attached Schedule 4	ADDRESS LINE 2 CITY	ADDRESS USED TO STATE/PROVINCE POSTAL CODE
ADDRESS LINE 3	PHONE NUMBER	FAX NUMBER
COUNTRY	EMAIL ADDRESS	
ADDRESS PURPOSE	ADDRESS USED FROM	ADDRESS USED TO
ADDRESS LINE 1	ADDRESS LINE 2 CITY	ADDRESS USED TO STATE/PROVINCE POSTAL CODE
ADDRESS LINE 3	PHONE NUMBER	FAX NUMBER
COUNTRY	EMAIL ADDRESS	
ADDRESS PURPOSE	ADDRESS USED FROM	ADDRESS USED TO
ADDRESS LINE 1	ADDRESS LINE 2 CITY	ADDRESS USED TO STATE/PROVINCE POSTAL CODE
ADDRESS LINE 3	PHONE NUMBER	FAX NUMBER
COUNTRY	EMAIL ADDRESS	

Initials: *RL*



#### **Schedule 4**

*Provide all addresses, other than those listed on schedule 3, which applicant has used or from which it was conducting business during the last ten (10) year period, and provide the approximate dates during which such addresses were used.*

Penn National Gaming, Inc. has operated out of its existing office complex for over ten years. Affiliates of Penn operate casino and racing facilities all over North America. A summary of the addresses of these locations is provided on the attached.





**Penn National Gaming, Inc. Application  
Lawrence Downs Casino and Racing Resort**

**Schedule 4**

**Affiliated Operating Racing and/or Gaming Entities**

4/3/2013

Enterprise Name	DBA Name	Address	Location City	State	Zip	Licensing Agency
<b>GAMING ONLY</b>						
Empress Casino Joliet Corporation	Empress Casino Joliet	777 Hollywood Blvd.	Joliet	Illinois	60436	Illinois Gaming Board
Alton Gaming Company	Argosy Casino Alton	1 Piassa St	Alton	Illinois	62002	Illinois Gaming Board
Hollywood Casino-Aurora, Inc	Hollywood Casino Aurora	49 West Galena Blvd	Aurora	Illinois	60506	Illinois Gaming Board
Belle of Sioux City, L.P.	Argosy Casino Sioux City	100 Larsen Park Rd	Sioux City	Iowa	51102	Iowa Racing & Gaming Commission
BSL, Inc.	Hollywood Casino Bay St. Louis	711 Hollywood Blvd	Bay St. Louis	Mississippi	39520	Mississippi Gaming Commission
BTN, Inc	Boontown Casino Biloxi	676 Bayview Av.	Biloxi	Mississippi	39530	Mississippi Gaming Commission
Louisiana Casino Cruises	Hollywood Casino Baton Rouge	1717 River Rd. North	Baton Rouge	Louisiana	70802	Louisiana Gaming Control Board
Indiana Gaming Company, LP	Argosy Lawrenceburg	777 Argosy Parkway	Lawrenceburg	Indiana	47025	Indiana Gaming Commission
HWCC-Tunica, Inc	Hollywood Casino Tunica	1150 Casino Strip Blvd.	Tunica Resorts	Mississippi	38664	Mississippi Gaming Commission
Penn Bullpen, Inc.	Bullwhackers Casinos	101 Gregory St.	Black Hawk	Colorado	80422	Colorado Division of Gaming
Penn Silver Hawk, Inc.	Bullwhackers Casinos	101 Gregory St.	Black Hawk	Colorado	80422	Colorado Division of Gaming
Penn Bullwhackers, Inc.	Bullwhackers Casinos	101 Gregory St.	Black Hawk	Colorado	80422	Colorado Division of Gaming
The Missouri Gaming Company	Argosy Casino Riverside	777 N.W. Argosy Casino Parkway	Riverside	Missouri	64150	Missouri Gaming Commission
St. Louis Gaming Ventures, LLC	Hollywood Casino St. Louis	777 Casino Center Dr.	Maryland Heights	Missouri		
CHC Casinos Canada Limited	Casino Rama (PNG manages but does not own this property)	5899 Rama Rd.	Rama	Ontario	L0K1T0	Alcohol & Gaming Commission of Ontario
Penn Cecil Maryland, Inc.	Hollywood Casino Perryville	1200 Chesapeake Overlook Parkway	Perryville	Maryland	21903	Maryland Lottery
Kansas Entertainment, Inc.	Hollywood Casino at Kansas Speedway (50 % joint venture with affiliate of International	At the Speedway. Address TBD	Kansas City	Kansas	66111	Kansas Racing & Gaming Commission and Kansas Lottery

Enterprise Name		DBA Name	Address	Location City	State	Zip	Licensing Agency
Central Ohio Gaming Ventures, Inc.		Hollywood Casino Columbus	200 Georgesville Rd.	Columbus	Ohio	43228	Ohio Casino Control Commission
Toledo Gaming Ventures, Inc.		Hollywood Casino Toledo	1968 Miami St.	Toledo	Ohio	43605	Ohio Casino Control Commission
<b>GAMING AND RACING</b>							
Bangor Historic Track, Inc.		Hollywood Slots at Bangor	427 Main St.	Bangor	Maine	04401	Maine Gambling Control Board & Maine State Harness Racing Commission
Mountainview Thoroughbred Racing Assn.		Hollywood Casino at Penn National Race Course	777 Hollywood Blvd	Grantville	Pennsylvania	17028	Pennsylvania Gaming Control Board & Pennsylvania State Horse Racing Commission
PNG Charles Town Gaming, LLC		Charles Town Races & Slots	US Route 340	Charles Town	West Virginia	25414	West Virginia Lottery & West Virginia Racing Commission
Zia Park, LLC		Black Gold Casino, Zia Park	3901 W. Millen Dr.	Hobbs	New Mexico	88240	New Mexico Gaming Control Board & New Mexico Racing Commission
<b>RACING ONLY</b>							
Beulah Park Gaming Ventures, Inc.		Beulah Park	3811 Southwest Blvd.	Grove City	Ohio	43123	Ohio State Racing Commission
Houston Gaming Ventures, Inc		Sam Houston Race Park (50% owned by PNG and managed by PNG)	7575 N. Sam Houston Parkway West	Houston	Texas	77064	Texas Racing Commission
SOKC, LLC		Sanford Orlando Kennel Club	301 Dog Track Road	Longwood	Florida	32750	Florida State Racing Commission
Prince George's Racing Ventures, Inc.		Rosecroft Raceway	6336 Rosecroft Dr.	Ft. Washington	Maryland		Maryland Racing Commission
Raceway Park, Inc.		Raceway Park	5700 Telegraph Rd.	Toledo	Ohio	43612	Ohio State Racing Commission
FR Park Racing, L.P.		Freehold Race (49.95% owned by PNG but not managed by PNG)	130 Park Av.	Freehold	New Jersey	07728	New Jersey Racing Commission

#### NEW DEVELOPMENTS

#### Ohio

The applicant is currently developing two VL/T/Racetrack facilities in Ohio. Penn has applications pending with Ohio Lottery and Ohio State Racing Commission to relocate its existing Beulah Park and Raceway Park parimutual racing facilities to Austintown (Youngstown area) and Dayton, Ohio respectively. These newly constructed VL/T/Racetrack facilities are expected to open in 2014 pending all regulatory approvals.

**SCHEDULE 5: CURRENT OFFICERS, DIRECTORS/PARTNERS AND TRUSTS**  
**REQUIRED TO BE LICENSED AS A PRINCIPAL UNDER THIS CHAPTER.**

FIRST NAME		MIDDLE NAME		LAST NAME		SUFFIX (Jr., Sr., Etc.)		DATE OF BIRTH	
Please see attached Schedule 5									
ADDRESS LINE 1		ADDRESS LINE 2		ADDRESS LINE 3		CITY		STATE/PROVINCE	
ADDRESS LINE 1		ADDRESS LINE 2		ADDRESS LINE 3		CITY		STATE/PROVINCE	
COUNTRY		EMAIL ADDRESS		PHONE NUMBER		FAX NUMBER		POSTAL CODE	
COUNTRY		EMAIL ADDRESS		PHONE NUMBER		FAX NUMBER		POSTAL CODE	
APPLICANT NAME: Penn National Gaming, Inc.		CURRENT TITLE OR POSITION: n/a		CITY: Wyomissing		STATE/PROVINCE: PA		POSTAL CODE: 19610	
ADDRESS LINE 1: 825 Berkshire Blvd		ADDRESS LINE 2:		ADDRESS LINE 3:		CITY:		STATE/PROVINCE:	
COUNTRY: USA		EMAIL ADDRESS: pngaming.com		PHONE NUMBER: (610) - 373 - 2400		FAX NUMBER: ( )		POSTAL CODE:	
FROM DATE	TO DATE	DATES AND/OR POSITIONS HELD (STARTING WITH CURRENT POSITION AND WORKING BACKWARDS)	ANNUAL COMPENSATION \$ VALUE	TITLE OR POSITION	COMPOSITION OF COMPENSATION (SPECIFY SALARY, WAGES, COMMISSIONS, FEES, BONUS OR OTHER)	MULTI-JURISDICTIONAL PERSONAL HISTORY DISCLOSURE FORM ATTACHED?			
						<input type="checkbox"/> YES <input type="checkbox"/> NO <input type="checkbox"/> YES <input type="checkbox"/> NO			
						<input type="checkbox"/> YES <input type="checkbox"/> NO <input type="checkbox"/> YES <input type="checkbox"/> NO			
						<input type="checkbox"/> YES <input type="checkbox"/> NO <input type="checkbox"/> YES <input type="checkbox"/> NO			
						<input type="checkbox"/> YES <input type="checkbox"/> NO <input type="checkbox"/> YES <input type="checkbox"/> NO			

\* MAKE ADDITIONAL COPIES AND ATTACH ADDITIONAL PAGES AS NECESSARY.



## Schedule 5

*Provide the following information for all officers, directors/partners, trustees, grantors or beneficiaries of a trust that is required to be licensed as a principal under this chapter.*

Please see the attached information for Officers and Directors of Penn. For additional personal information, please refer to each individual's Multi-Jurisdictional Personal History Disclosure Form filed. Please also refer to the Principal/Key Employee Waiver Form filed for David Handler.



### Schedule 5

*Provide the following information for all officers, directors/partners; trustees, grantors or beneficiaries of a trust that is required to be licensed as a principal under this chapter.*

Please see the attached information for Officers and Directors of Applicant. For additional personal information, please refer to each individual's Multi-Jurisdictional Personal History Disclosure Form filed. Please also refer to the Principal/Key Employee Waiver Form filed for David Handler.

Executive Officers:

Peter M. Carlino - Chairman of the Board and Chief Executive Officer  
REDACTED

Dates: From 1994 To Present

Timothy J. Wilmott - President and Chief Operating Officer  
REDACTED

Dates: From 2008 To Present

William J. Clifford - Sr. Vice President, Finance and Chief Financial Officer  
REDACTED

Dates: From 2001 To Present

Robert S. Ippolito - Vice President, Secretary, and Treasurer  
REDACTED

Dates: From 2001 To Present

Jordan B. Savitch - Sr. Vice President and General Counsel  
REDACTED

Dates: From 2002 To Present



Penn National Gaming, Inc. Application  
Lawrence Downs Casino and Racing Resort

Directors:

Peter M. Carlino  
(information listed above)

Harold Cramer  
REDACTED

Dates: From 1994 To Present

Wesley R. Edens  
REDACTED

Dates: From 2008 To Present

David A. Handler  
REDACTED

Dates: From 1994 To Present

John M. Jacquemin  
REDACTED

Dates: From 1995 To Present

Robert P. Levy  
REDACTED

Dates: From 1995 To Present

Barbara Z. Shattuck  
REDACTED

Dates: From 2004 To Present

Saul Reibstein  
REDACTED

Dates: From 2011 To Present



Schedule 6

**FORMER OFFICERS, DIRECTORS/PARTNERS AND TRUSTEES**

*Provide the following information for all officers, directors/partners and trustees who are no longer actively involved with Applicant but who held a position during the last ten (10) year period.*

NAME	LAST KNOWN ADDRESS	DATE OF BIRTH	POSITION	DATES		REASON FOR LEAVING
				From (MO/YR)	To (MO/YR)	
Kevin DeSanctis	REDACTED	REDACTED	President & COO	02/01	02/07	REDACTED
Leonard DeAngelo	REDACTED	REDACTED	Ex. V.P. of Operations	07/03	08/08	REDACTED
William J. Bork	REDACTED	REDACTED	Chief Operating Officer & Director	06/99	03/03	REDACTED
Joseph A. Lashinger, Jr.	REDACTED	REDACTED	V. P./General Counsel	06/97	04/02	REDACTED
Robert E. Abraham	REDACTED	REDACTED	V. P./Controller	01/97	12/05	REDACTED
George A. Connolly	REDACTED	REDACTED	V. P./Human Resources	04/98	07/07	REDACTED



**SCHEDULE 7: EMPLOYEES EARNING OVER \$250,000 IN ANNUAL COMPENSATION FROM APPLICANT**  
 PROVIDE THE FOLLOWING INFORMATION FOR ALL EMPLOYEES EARNING OVER \$250,000 IN ANNUAL COMPENSATION FROM APPLICANT. DO NOT INCLUDE PERSONS ALREADY LISTED ON SCHEDULE 5.

FIRST NAME: Please see attached Schedule 7		MIDDLE NAME		NAME AND HOME ADDRESS		LAST NAME		SUPER (MR, SR, ETC.)		DATE OF BIRTH	
ADDRESS LINE 1		ADDRESS LINE 2		CITY		STATE/PROVINCE		POSTAL CODE			
ADDRESS LINE 3		COUNTRY		EMAIL ADDRESS		PHONE NUMBER		FAX NUMBER			
APPLICANT NAME:		APPLICANT ADDRESS		CURRENT TITLE OR POSITION:							
ADDRESS LINE 1		ADDRESS LINE 2		CITY		STATE/PROVINCE		POSTAL CODE			
ADDRESS LINE 3		COUNTRY		EMAIL ADDRESS		PHONE NUMBER		FAX NUMBER			
FROM DATE		TO DATE		DATES/TITLES AND/OR POSITIONS HELD (STARTING WITH CURRENT POSITION AND WORKING BACKWARDS)		ANNUAL COMPENSATION & VALUE		COMPOSITION OF COMPENSATION (SPECIFY SALARY, WAGES, COMMISSIONS, FEES, BONUS OR OTHER)			

\* MAKE ADDITIONAL COPIES AND ATTACH ADDITIONAL PAGES AS NECESSARY

Initials: *RF*



Penn National Gaming, Inc. – Lawrence Downs Casino and Racing Resort

**Schedule 7**

REDACTED

Confidential

REDACTED

SCHEDULE B: BONUS, PROFIT SHARING, PENSION RETIREMENT, DEFERRED COMPENSATION & SIMILAR PLANS

PROVIDE THE FOLLOWING INFORMATION AND ATTACH A DESCRIPTION OF PLANS AS APPENDIX 3. ADDITIONALLY ATTACH AS APPENDIX 21 COPIES OF APPLICANT'S 5500 FORMS FILED WITH THE IRS FOR THE PAST FIVE (5) YEARS.

REDACTED

PGCB-CA-0312

27

Initials:

*RF*

PROVIDE THE FOLLOWING INFORMATION FOR ALL OF APPLICANT'S STOCK  
REDACTED

SCHEDULE 9: STOCK DESCRIPTION (FOR C CORPORATIONS, S-CORPORATIONS, LLCs)

\_\_\_\_\_

PGCB-CA-0912

28.

Initials:

*RL*

SCHEDULE 10: VOTING SHAREHOLDERS OR MEMBERS (FOR C CORPORATIONS, S-CORPORATIONS, LLCs)

PROVIDE THE FOLLOWING INFORMATION FOR EACH PERSON WHO HAS A CONTROLLING INTEREST AS THAT TERM IS DEFINED IN §1103 OF THE GAMING ACT, 56 PA. CODE §401A.3 AND PROVIDED IN THE INSTRUCTIONS ON PAGE V.

REDACTED



SCHEDULE 10A: INTEREST OF CURRENT PARTNERS (FOR PARTNERSHIPS, L.P.s, LIMITED PARTNERSHIPS, LLCs)  
PROVIDE THE FOLLOWING INFORMATION FOR EACH PARTNER.  
REDACTED

PGCB-CAS-312

30

Initials

*RH*

SCHEDULE 10B: INTEREST OF FORMER PARTNERS (FOR PARTNERSHIPS, L.P.S, LIMITED PARTNERSHIPS, LLCs)

PROVIDE THE FOLLOWING INFORMATION FOR EACH FORMER PARTNER FOR THE LAST TEN (10) YEARS.  
REDACTED

PGCB-CA10812

31

Initials: KA

SCHEDULE 11: NON-VOTING SHAREHOLDERS OR MEMBERS (FOR C CORPORATIONS, S-CORPORATIONS, LLCs)  
PROVIDE THE FOLLOWING INFORMATION FOR EACH PERSON WHO HAS CONTROLLING INTEREST AS THAT TERM IS DEFINED IN §1103 OF THE GAMING ACT, 58  
PA. CODE §4071A.3:  
REDACTED

PGCB/C&I/0912

32

Initials

*RJ*



**SCHEDULE 12: LONG TERM DEBT**

DESCRIBE THE NATURE, TYPE, COVENANTS AND PRIORITIES OF ALL OUTSTANDING BONDS, LOANS, MORTGAGES, TRUST DEEDS, NOTES, DEBENTURES OR OTHER FORMS OF INDEBTEDNESS ISSUED OR EXECUTED (INCLUDING LOANS MADE BY SHAREHOLDERS) OR TO BE ISSUED OR EXECUTED BY THE APPLICANT, WHICH MATURE MORE THAN ONE YEAR FROM THE DATE OF ISSUANCE OR WHICH, BY THEIR TERMS, ARE RENEWABLE FOR A PERIOD OF MORE THAN ONE (1) YEAR FROM THE DATE OF ISSUANCE. ATTACH DESCRIPTION AND DOCUMENTATION AS APPENDIX 4.

LINE	LONG TERM DEBT INSTRUMENT TYPE		LONG TERM DEBT INSTRUMENT		ANNUAL INTEREST RATE	RENEWABLE?	DESCRIPTION AND DOCUMENTATION ATTACHED?
	LONG TERM DEBT INSTRUMENT TYPE	ISSUE DATE	REPAYMENT DUE DATE	PRINCIPLE			
	Please refer to Appendix 4.						
	<input type="checkbox"/> BOND <input type="checkbox"/> LOAN <input type="checkbox"/> MORTGAGE <input type="checkbox"/> TRUST DEED					<input type="checkbox"/> YES <input type="checkbox"/> NO	<input type="checkbox"/> YES <input type="checkbox"/> NO
	TERMS, COVENANTS, CONDITIONS AND PRIORITIES FOR THIS DEBT INSTRUMENT						
	<input type="checkbox"/> BOND <input type="checkbox"/> LOAN <input type="checkbox"/> MORTGAGE <input type="checkbox"/> TRUST DEED					<input type="checkbox"/> YES <input type="checkbox"/> NO	<input type="checkbox"/> YES <input type="checkbox"/> NO
	TERMS, COVENANTS, CONDITIONS AND PRIORITIES FOR THIS DEBT INSTRUMENT						

Initials:

**SCHEDULE 13: HOLDERS OF LONG TERM DEBT**

PROVIDE THE FOLLOWING INFORMATION FOR EACH PERSON OR ENTITY HOLDING ANY OUTSTANDING BONDS, LOANS, MORTGAGES, TRUST DEEDS, NOTES, CERTIFICATES, OR OTHER FORMS OF INDEBTEDNESS EXECUTED OR ISSUED BY APPLICANT WHICH MATURE MORE THAN ONE (1) YEAR FROM THE DATE OF ISSUANCE OR WHICH BY THEIR TERMS ARE RENEWABLE FOR A PERIOD OF MORE THAN ONE (1) YEAR FROM THE DATE OF ISSUANCE.

FIRST NAME		MIDDLE NAME		LAST NAME		NAME AND ADDRESS		DATE OF BIRTH	
ADDRESS LINE 1		ADDRESS LINE 2		CITY		STATE/PROVINCE		POSTAL CODE	
ADDRESS LINE 3		CITY		PHONE NUMBER		FAX NUMBER		DOLLAR AMOUNT OF DEBT HELD	
COUNTRY		EMAIL ADDRESS		TYPE AND CLASS OF DEBT		NAME AND ADDRESS		DOLLAR AMOUNT OF DEBT HELD	
LINE	TYPE AND CLASS OF DEBT	NAME AND ADDRESS		DOLLAR AMOUNT OF DEBT HELD		DATE OF BIRTH		DOLLAR AMOUNT OF DEBT HELD	
1	LONG TERM DEBT HELD BY PERSON NAMED ABOVE								
2									
3									
4									
5									
6									
7									
8									
9									
10									
11									
12									
13									
14									
15									
16									
17									
18									
19									
20									

MULTI-JURISDICTIONAL PERSONAL HISTORY DISCLOSURE FORM ATTACHED?  YES  NO  
 PENNSYLVANIA KEY EMPLOYEE FORM PENNSYLVANIA SUPPLEMENT TO THE MULTI-JURISDICTIONAL PERSONAL HISTORY DISCLOSURE FORM ATTACHED?  YES  NO  
 PENNSYLVANIA KEY EMPLOYEE FORM ATTACHED?  YES  NO

MAKE ADDITIONAL COPIES AND ATTACH ADDITIONAL PAGES AS NECESSARY.

Initials *RB*

**SCHEDULE 14: OTHER INDEBTEDNESS AND SECURITY DEVICES**

DESCRIBE THE NATURE, TYPE, TERMS, CONDITIONS AND COVENANTS OF ALL OUTSTANDING LOANS, MORTGAGES, TRUST DEEDS, PLEDGES, LINES OF CREDIT, OR OTHER EVIDENCE OF INDEBTEDNESS OR SECURITY DEVICES UTILIZED BY APPLICANT OTHER THAN THOSE DESCRIBED IN SCHEDULE 12. ATTACH DESCRIPTION AND DOCUMENTATION AS APPENDIX 5.

REDACTED

SCHEDULE 15: HOLDER OF OTHER INDEBTEDNESS.  
PROVIDE THE FOLLOWING INFORMATION FOR EACH HOLDER OF ANY OUTSTANDING LOAN, MORTGAGE, TRUST DEED, PLEDGE OR OTHER EVIDENCE OF  
INDEBTEDNESS OR SECURITY DEVICES UTILIZED BY APPLICANT AND DESCRIBED IN RESPONSE TO SCHEDULE 14:  
REDACTED

RGCBCA-0912

Initials

*PK*

**SCHEDULE 16: SECURITIES OPTIONS**

PROVIDE THE FOLLOWING INFORMATION AND ATTACH AS APPENDIX 6 A DETAILED DESCRIPTION OF ANY OPTIONS EXISTING OR TO BE CREATED WITH RESPECT TO SECURITIES ISSUED BY APPLICANT WHICH DESCRIPTION SHALL INCLUDE, BUT NOT BE LIMITED TO, THE TITLE AND AMOUNT OF SECURITIES SUBJECT TO OPTION, THE YEAR OR YEARS DURING WHICH THE OPTIONS WERE OR WILL BE GRANTED, THE CONDITIONS UNDER WHICH THE OPTIONS WERE OR WILL BE GRANTED, THE CONSIDERATION FOR GRANTING THE OPTION AND THE YEAR OR YEARS DURING WHICH, AND THE TERMS UNDER WHICH, OPTIONEES BECAME OR WILL BECOME, ENTITLED TO EXERCISE THE OPTIONS, AND WHEN SUCH OPTIONS EXPIRE. (OR INCLUDE COPIES OF ANY OUTSTANDING OPTION PLANS OR PROXY STATEMENTS THAT PROVIDE THE REQUESTED INFORMATION.) NOTE: FOR THE PURPOSE OF THIS SCHEDULE, OPTION SHALL MEAN RIGHT, WARRANT OR OPTION TO SUBSCRIBE TO OR PURCHASE ANY SECURITIES ISSUED BY APPLICANT.

REDACTED





Ownership

Penn National Gaming, Inc.			
Ownership and Control			
03/31/2013			
Owners and Associated Persons	Title or Position	Investment	Ownership
Common Stock	REDACTED		
Carlino, Peter M.			
Jordan Savitch			
Ippolito, Robert S.			
Levy, Robert P			
Cramer, Harold			
Handler, David A			
Jacquemin, John M.			
Shattuck Barbara			
Wesley Edens			
Saul Reibstein			
Clifford, William			
Timothy Wilmott			
Thomas Burke			
John Finimore			
Steven Snyder			
Jay Snowden			
The Carlino Family Trust			
Gary Gilbert Trust			
BAMCO, Inc			
Harris Associates L. P.			
TIAA-CREF Investment Management, LLC			
All other shareholders of publicly traded stock, each holding less than 5% ownership			
<b>Total Common Stock (February 20, 2013 per 10K)</b>		<b>77,703,480</b>	<b>100.000%</b>
Series B Redeemable Preferred Stock	REDACTED		
FIF V PFD LLC (Fortress)			
Centerbridge Capital Partners, L. P.			
Centerbridge Capital Partners Strategic, L. P.			
Centerbridge Capital Partners SBS, L. P.			
<b>Total Series B Redeemable Preferred Stock</b>			

CONFIDENTIAL







REDACTED

Penn National Gaming, Inc. Application  
Lawrence Downs Casino and Racing Resort

Schedule 19

Confidential

SCHEDULE 20: CONTRACTS

PROVIDE THE FOLLOWING INFORMATION WITH RESPECT TO ALL CONTRACTS OR AGREEMENTS, (WHETHER WRITTEN OR ORAL) THAT APPLICANT HAS ENTERED INTO WITHIN THE PAST SIX (6) MONTHS, FOR GOODS AND/OR SERVICES IN EXCESS OF \$100,000. CONTRACTS AND AGREEMENTS DISCLOSED ELSEWHERE IN THIS APPLICATION NEED NOT BE PROVIDED ON THIS SCHEDULE.

REDACTED

PGCB-CA-0912

41

Initials



## Schedule 20

*Provide the following information with respect to all contracts or agreements (whether written or oral) that applicant has entered into within the past six (6) months, for goods and/or services in excess of \$100,000. Contracts and agreements disclosed elsewhere in this application need not be provided on this schedule.*

REDACTED





Penn National Gaming, Inc. -Lawrence Downs Casino and Racing Resort

## SCHEDULE 21

*Provide the following information with respect to each company in which Applicant holds stock.*

REDACTED

SCHEDULE 22: INSIDER TRANSACTIONS

PROVIDE THE FOLLOWING INFORMATION FOR EACH CHANGE IN THE BENEFICIAL OWNERSHIP OF THE EQUITY SECURITIES OF APPLICANT ON THE PART OF ANY PERSON WHO IS INDIRECTLY OR DIRECTLY A BENEFICIAL OWNER OF MORE THAN TEN PERCENT (10%) OF ANY CLASS OF AN EQUITY SECURITY OF APPLICANT OR WHO IS OR WAS WITHIN THAT PERIOD A DIRECTOR OR OFFICER OF APPLICANT THAT OCCURRED WITHIN THE FIVE (5) YEARS PRECEDING THIS APPLICATION. (INCLUDE CHANGES RESULTING FROM (A) GIFT (B) PURCHASE (C) SALE (D) EXERCISE OF AN OPTION TO PURCHASE (E) EXERCISE OF AN OPTION TO SELL (F) GRANT OR RECEIPT OF A PUT OR (G) GRANT OR RECEIPT OF A CALL.)

FIRST NAME		MIDDLE NAME		LAST NAME		NAME AND HOME ADDRESS		SUFFIX (JR, SR, ETC.)	DATE OF BIRTH
ADDRESS LINE 1		ADDRESS LINE 2		ADDRESS LINE 3		CITY	STATE/PROVINCE	POSTAL CODE	
COUNTRY		EMAIL ADDRESS		PHONE NUMBER		FAX NUMBER			
POSITION	DATE OF TRANSACTION	NATURE OF TRANSACTION	NUMBER OF SHARES INVOLVED	INSIDER TRANSACTION DESCRIPTION	DOLLAR VALUE OF TRANSACTION	OTHER PARTIES (NAMES & POSITIONS)			

MAKE ADDITIONAL COPIES AND ATTACH ADDITIONAL PAGES AS NECESSARY.

Initials *RL*



Penn National Gaming, Inc. Application  
Lawrence Downs Casino and Racing Resort

Schedule 22

INSIDER TRANSACTIONS (CORPORATION)

Provide the following information for each change in the beneficial ownership of the equity securities of applicant on the part of any person who is indirectly or directly a beneficial owner of more than ten percent (10%) of any class of an equity security of applicant or who is or was within that period a director or officer of applicant that occurred within the five (5) years preceding this application. [Include changes resulting from (a) gift, (b) purchase, (c) sale, (d) exercise of an option to purchase, (e) exercise of an option to sell, (f) grant or receipt of a put or (g) grant or receipt of a call.]

Date	Nature of Transaction	Parties to Transaction (Include Positions)	Number of Securities Involved	Market Value	Price Range
5/6/13	REDACTED		10,000	\$416,200	41.62 - 41.62
5/6/13			10,000	\$587,700	\$58.77 - \$58.77
5/1/13			40,000	\$2,336,400	\$58.41 - \$58.41
5/1/13			40,000	\$1,014,000	\$25.35 - \$25.35
4/23/13			20,000	\$584,400	\$29.22 - \$29.22
4/23/13			20,000	\$1,175,000	\$58.75 - \$58.75
4/23/13			400	\$230,002	\$58.50 - \$58.51
4/18/13			50,000	\$1,656,000	\$33.12 - \$33.12
4/18/13			50,000	\$2,937,000	\$58.74 - \$58.74
4/17/13			22,500	\$12,940,002	\$57.00 - \$58.00
4/17/13			10,000	\$292,200	\$29.22 - \$29.22
4/17/13			22,500	N/A	\$11.88 - \$21.38
4/17/13			10,000	\$575,000	\$57.50 - \$57.50
4/15/13			35,000	\$1,984,500	\$56.70 - \$56.70
4/15/13			35,000	\$748,300	\$21.38 - \$21.38
4/8/13			10,000	\$550,000	\$55.00 - \$55.00
4/8/13			10,000	\$292,200	\$29.22 - \$29.22
3/31/13			174,778	\$2,185,013	\$29.22 - \$29.22
3/31/13			174,778	\$4,085,122	\$54.63 - \$54.63
3/27/13			5,222	\$284,599	\$54.50 - \$54.50
3/27/13			5,222	\$152,586	\$29.22 - \$29.22
3/17/13			30,000	\$0	---
3/17/13			8,000	\$0	---
3/17/13			14,000	\$0	---
3/17/13			5,000	\$0	---
3/17/13			8,000	\$0	---
3/17/13			4,000	\$0	---
3/17/13			8,000	\$0	---
3/17/13			14,000	\$0	---
3/17/13			40,000	\$0	---
3/13/13			10,000	\$416,200	\$41.62 - \$41.62
3/13/13			10,000	\$535,500	\$53.55 - \$53.55
3/10/13			10,000	\$529,000	\$52.90 - \$52.90
3/10/13			32,900	\$703,402	\$21.38 - \$21.38
3/10/13			10,000	\$416,200	\$41.62 - \$41.63
3/10/13			32,900	\$1,732,185	\$52.65 - \$52.65
3/10/13			30,000	\$876,600	\$29.22 - \$29.22
3/10/13			30,000	\$1,581,600	\$52.72 - \$52.72
3/7/13			2,100	\$44,898	\$21.38 - \$21.38
3/7/13			2,100	\$110,271	\$52.51 - \$52.51
2/19/13			1,200	\$0	---
2/19/13			1,200	\$0	---
2/18/13			624	\$31,886	\$51.10 - \$51.10
2/18/13			5,444	\$276,609	\$50.81 - \$50.81
2/18/13			4,722	\$241,294	\$51.10 - \$51.10
2/18/13			637	\$32,550	\$51.10 - \$51.10
2/18/13			587	\$29,995	\$51.10 - \$51.10
2/18/13			421	\$21,513	\$51.10 - \$51.10
2/14/13			37,080	\$1,905,541	\$51.39 - \$51.39
2/14/13			37,080	\$450,522	\$12.15 - \$12.15
2/6/13			1,065	\$0	---
2/5/13			571	\$0	---
2/5/13			9,634	\$496,151	\$51.50 - \$51.50
2/5/13			6,846	\$0	---

2/5/13 REDACTED	2,033	\$104,699	\$51.50 - \$51.50
2/5/13	2,075	\$0	----
2/5/13	2,201	\$0	----
2/5/13	2,201	\$113,351	\$51.50 - \$51.50
2/5/13	9,634	\$0	----
2/5/13	3,000	\$153,420	\$51.14 - \$51.14
2/5/13	14,145	\$0	----
2/5/13	2,075	\$106,862	\$51.50 - \$51.50
2/5/13	14,145	\$728,467	\$51.50 - \$51.50
2/5/13	6,846	\$352,569	\$51.50 - \$51.50
2/5/13	2,033	\$0	----
2/5/13	571	\$29,406	\$51.50 - \$51.50
2/5/13	1,761	\$90,691	\$51.50 - \$51.50
2/5/13	1,274	\$65,611	\$51.50 - \$51.50
2/5/13	1,274	\$0	----
2/5/13	1,761	\$0	----
2/5/13	706	\$0	----
2/5/13	706	\$36,359	\$51.50 - \$51.50
2/3/13	500	\$25,250	\$50.50 - \$50.50
1/2/13	4,013	\$201,813	\$50.29 - \$50.29
1/2/13	1,642	\$0	----
1/2/13	4,013	\$0	----
1/2/13	4,013	\$0	----
1/2/13	4,013	\$0	----
1/2/13	4,013	\$201,813	\$50.29 - \$50.29
1/2/13	4,013	\$0	----
1/2/13	4,013	\$201,813	\$50.29 - \$50.29
1/2/13	4,013	\$0	----
1/2/13	4,013	\$201,813	\$50.29 - \$50.29
1/2/13	1,642	\$82,576	\$50.29 - \$50.29
1/2/13	4,013	\$201,813	\$50.29 - \$50.29
1/2/13	4,013	\$201,813	\$50.29 - \$50.29
1/2/13	4,013	\$0	----
12/23/12	2,504	\$0	----
12/18/12	190,140	\$0	----
12/18/12	231,380	\$0	----
12/17/12	5,749	\$0	\$29.87 - \$41.62
12/13/12	10,000	\$480,500	\$48.05 - \$48.05
12/11/12	21,659	\$0	----
12/11/12	21,659	\$0	----
12/11/12	2,100	\$0	----
12/11/12	20,000	\$971,000	\$48.55 - \$48.55
12/10/12	20,000	\$978,200	\$48.91 - \$48.91
12/9/12	25,000	\$1,237,250	\$49.49 - \$49.49
12/6/12	400	\$0	----
12/5/2012	12,300	\$113.3 K	49.28 - 49.28
12/5/2012	311,000	\$0	----
12/5/2012	188,964	\$0	0.00 - 0.00
12/5/2012	13,388	\$400 K	29.87 - 29.87
12/3/2012	12,500	\$340 K	27.19 - 27.19
12/3/2012	12,500	\$644 K	51.49 - 51.49
11/29/2012	30,000	\$1.2 M	41.62 - 41.62
11/21/2012	43,000	\$2 M	46.89 - 49.89
11/20/2012	10,000	\$293 K	29.34 - 29.34
11/20/2012	10,000	\$469 K	46.94 - 46.94
11/16/2012	604	N/A	0.00 - 0.00
11/16/2012	604	\$23 K	37.61 - 37.61
11/16/2012	20,000	\$544 K	27.19 - 27.19
11/16/2012	20,000	\$1 M	50.00 - 50.00
11/16/2012	30,000	\$877 K	29.22 - 29.22
11/16/2012	30,000	\$1.5 M	49.32 - 49.32
11/16/2012	40,000	\$1.2 M	29.22 - 29.22
11/16/2012	40,000	\$2 M	48.97 - 48.97
11/16/2012	125,000	\$1.3 M	50.00 - 50.00
11/14/2012	110,000	\$3.4 M	29.12 - 33.12
11/9/2012	1,342	\$52 K	38.62 - 38.62
11/9/2012	1,426	\$55 K	38.62 - 38.62
11/9/2012	75,000	\$596 K	7.95 - 7.95
11/7/2012	15,000	\$119.3 K	7.95 - 7.95
10/19/2012	14,912	\$0	0.000 - 0.000
10/19/2012	14,912	\$626 K	41.98 - 41.98
10/19/2012	1,342	\$0	0.000 - 0.000





1/3/2012	REDACTED	2,371	\$0	0.000 - 0.000
1/3/2012		2,371	\$0	0.000 - 0.000
1/3/2012		2,371	\$0	0.000 - 0.000
1/3/2012		2,371	\$0	0.000 - 0.000
1/3/2012		6,000	\$228.4 K	----
1/3/2012		2,371	\$90.3 K	38.07 - 38.07
1/3/2012		8,436	\$324.5 K	38.07 - 38.62
12/15/2011		15,000	\$119.3 K	7.95 - 7.95
12/15/2011		15,000	\$530.3 K	----
12/15/2011		15,000	\$535.4 K	35.69 - 35.69
11/9/2011		1,195	\$41.2 K	34.50 - 34.50
10/31/2011		301,535	\$0	0.000 - 0.000
10/20/2011		10,157	\$0	0.000 - 0.000
10/20/2011		1,972	\$0	0.000 - 0.000
10/20/2011		2,013	\$0	0.000 - 0.000
10/20/2011		1,342	\$0	0.000 - 0.000
10/20/2011		2,320	\$0	0.000 - 0.000
10/20/2011		5,219	\$0	0.000 - 0.000
10/20/2011		14,912	\$0	0.000 - 0.000
10/20/2011		1,856	\$0	0.000 - 0.000
10/20/2011		1,647	\$0	0.000 - 0.000
10/3/2011		9,500	\$316.3 K	----
9/1/2011		2,500	\$97.5 K	----
8/30/2011		1,276	\$51.0 K	----
8/30/2011		11,276	\$51.0 K	40.00 - 40.00
8/15/2011		15,982	\$198.1 K	33.12 - 33.12
8/15/2011		15,982	\$228.8 K	38.25 - 38.25
8/1/2011		15,000	\$320.7 K	21.38 - 21.38
8/1/2011		10,000	\$213.8 K	21.38 - 21.38
8/1/2011		15,000	\$622.1 K	----
8/1/2011		15,000	\$632.9 K	42.19 - 42.19
7/29/2011		4,018	\$133.1 K	33.12 - 33.12
7/29/2011		4,018	\$169.8 K	42.25 - 42.25
7/21/2011		64,704	\$2.8 M	----
7/21/2011		64,704	\$2.9 M	----
7/21/2011		3,709	\$161.4 K	----
7/5/2011		10,000	\$213.8 K	21.38 - 21.38
7/5/2011		10,000	\$414.6 K	----
7/5/2011		10,000	\$414.0 K	41.40 - 41.40
6/21/2011		25,000	\$989.3 K	----
6/1/2011		10,000	\$400.0 K	----
5/27/2011		12,500	\$414.0 K	33.12 - 33.12
5/27/2011		12,500	\$504.9 K	----
5/27/2011		12,500	\$504.9 K	40.39 - 40.39
5/24/2011		2,600	\$0	0.000 - 0.000
5/2/2011		15,000	\$320.7 K	21.38 - 21.38
5/2/2011		15,000	\$595.1 K	39.67 - 39.67
4/27/2011		3,000	\$119.7 K	----
4/27/2011		3,000	\$119.9 K	39.98 - 39.98
4/25/2011		12,003	\$480.1 K	----
4/15/2011		20,728	\$0	0.000 - 0.000
4/15/2011		4,025	\$0	0.000 - 0.000
4/15/2011		4,109	\$0	0.000 - 0.000
4/15/2011		2,739	\$0	0.000 - 0.000
4/15/2011		4,735	\$0	0.000 - 0.000
4/15/2011		10,652	\$0	0.000 - 0.000
4/15/2011		30,434	\$0	0.000 - 0.000
4/15/2011		3,788	\$0	0.000 - 0.000
4/15/2011		1,448	\$0	0.000 - 0.000
3/10/2011		1,276	\$47.5 K	----
3/1/2011		10,000	\$361.0 K	----
2/18/2011		1,384	\$49.8 K	----
2/18/2011		1,595	\$57.4 K	36.01 - 36.01
2/18/2011		4,200	\$151.2 K	36.00 - 36.00
2/18/2011		444	\$16.0 K	36.00 - 36.00
1/24/2011		40,201	N/A	----
1/24/2011		340,811	N/A	----
1/24/2011		3,000	\$108,000	----
1/18/2011		45,000	\$546,750	\$12.15
1/18/2011		45,000	\$1,568,700	\$34.84
1/12/2011		12,425	\$437,360	----
1/12/2011		5,000	\$178,150	----

1/12/2011	REDACTED	7,000	\$249,339	---
1/3/2011		2,920	\$35,478	\$12.15
1/3/2011		2,920	\$102,725	---
12/1/2010		50,000	\$607,500	\$12.15
12/1/2010		3,000	\$36,450	\$12.15
12/1/2010		50,000	\$1,776,000	\$35.52 - \$35.52
12/1/2010		3,000	\$106,560	\$35.52 - \$35.52
11/30/2010		19,280	\$234,252	\$12.15
11/30/2010		19,280	\$667,088	\$34.60
11/29/2010		40,720	\$494,748	\$12.15
11/29/2010		40,720	\$1,407,690	\$34.57
11/12/2010		10,000	\$293,400	---
11/12/2010		10,000	\$353,200	\$35.32
11/9/2010		14,690	\$178,483	\$12.15
11/9/2010		27,162	\$950,670	---
11/9/2010		12,392	\$83,456	---
11/9/2010		13,587	\$123,536	---
11/9/2010		11,572	\$403,168	\$34.60
11/9/2010		14,690	\$512,681	\$34.86
11/9/2010		4,135	\$144,766	\$34.90
11/9/2010		3,308	\$116,176	\$35.12
11/1/2010		50,000	\$607,500	\$12.15
11/1/2010		3,000	\$36,450	\$12.15
11/1/2010		20,310	\$246,766	\$12.15
11/1/2010		20,310	\$668,402	\$32.91
11/1/2010		50,000	\$1,663,500	\$33.27
11/1/2010		3,000	\$99,840	\$33.28
10/29/2010		7,500	\$89,100	\$11.88
10/26/2010		17,500	\$3,620,002	---
10/26/2010		17,500	\$590,625	\$33.75
10/21/2010		3,000	\$23,850	---
10/21/2010		12,000	\$390,000	---
10/21/2010		3,000	\$97,500	\$32.50
10/11/2010		3,000	\$96,000	---
10/5/2010		16,000	\$194,400	\$12.15
10/5/2010		16,000	\$494,400	\$30.90
10/4/2010		4,000	\$48,600	\$12.15
10/4/2010		4,000	\$123,600	\$30.90
10/1/2010		3,000	\$36,450	\$12.15
10/1/2010		3,000	\$36,450	\$12.15
10/1/2010		3,000	\$89,220	\$29.74
10/1/2010		3,000	\$89,220	\$29.74
9/1/2010		3,000	\$36,450	\$12.15
9/1/2010		3,000	\$85,950	\$28.65
8/2/2010		3,000	\$36,450	\$12.15
8/2/2010		3,000	\$83,190	\$27.73
7/26/2010		10,000	\$116,600	\$11.66
7/26/2010		10,000	\$271,200	\$27.12
7/7/2010		10,000	\$121,500	\$12.15
7/1/2010		3,000	\$36,450	\$12.15
7/1/2010		3,000	\$69,450	\$23.15 - \$23.15
5/4/2010		17,944	N/A	---
5/4/2010		17,944	\$555,007	\$30.93
4/27/2010		10,000	\$116,600	\$11.66
4/27/2010		10,000	\$312,400	\$31.24
4/14/2010		3,000	\$23,850	---
4/14/2010		3,000	\$90,000	\$30.00
3/31/2010		5,056	\$40,953	---
3/25/2010		15,000	\$121,500	---
3/25/2010		15,000	\$422,250	\$28.15
3/15/2010		10,000	\$116.6 K	11.66 - 11.66
3/15/2010		10,000	\$247.8 K	---
3/15/2010		10,000	\$245.1 K	24.51 - 24.51
3/1/2010		9,000	\$209.9 K	---
2/18/2010		1,332	\$0	0.00 - 0.00
2/18/2010		3,826	\$0	0.00 - 0.00
2/18/2010		30,739	\$0	0.00 - 0.00
2/18/2010		10,759	\$0	0.00 - 0.00
2/18/2010		4,783	\$0	0.00 - 0.00
2/18/2010		2,766	\$0	0.00 - 0.00
2/18/2010		4,150	\$0	0.00 - 0.00
2/18/2010		4,065	\$0	0.00 - 0.00

2/18/2010	REDACTED	20,936	\$0	0.00 - 0.00
1/21/2010		3,000	\$90.0 K	----
1/21/2010		3,000	\$90.0 K	----
1/21/2010		3,000	\$90.0 K	30.00 - 30.00
1/21/2010		3,000	\$90.0 K	30.00 - 30.00
1/15/2010		10,000	\$291.1 K	----
1/13/2010		8,000	\$225.2 K	----
1/13/2010		10,000	\$282.5 K	----
1/13/2010		8,000	\$225.1 K	28.14 - 28.14
1/12/2010		12,500	\$363.0 K	----
1/12/2010		4,000	\$115.0 K	----
1/12/2010		12,500	\$358.1 K	28.65 - 28.65
1/12/2010		4,000	\$115.0 K	28.75 - 28.75
12/31/2009		9,195	\$0	0.00 - 0.00
12/31/2009		9,195	\$0	0.00 - 0.00
12/31/2009		9,195	\$0	0.00 - 0.00
12/31/2009		9,195	\$0	0.00 - 0.00
12/31/2009		9,195	\$0	0.00 - 0.00
12/31/2009		9,195	\$0	0.00 - 0.00
12/2/2009		23,422	\$186.2 K	7.95 - 7.95
12/2/2009		23,422	\$650.6 K	----
12/2/2009		23,422	\$650.6 K	27.78 - 27.78
12/1/2009		10,000	\$273.2 K	----
11/12/2009		10,000	\$0	0.00 - 0.00
11/12/2009		10,000	\$116.6 K	11.66 - 11.66
11/12/2009		10,000	\$116.6 K	11.66 - 11.66
11/12/2009		10,000	\$285.2 K	----
11/12/2009		10,000	\$280.5 K	28.06 - 28.06
11/9/2009		9,922	\$0	0.00 - 0.00
11/9/2009		27,900	\$0	0.00 - 0.00
11/9/2009		12,403	\$0	0.00 - 0.00
11/9/2009		7,174	\$0	0.00 - 0.00
11/9/2009		10,761	\$0	0.00 - 0.00
11/9/2009		10,542	\$0	0.00 - 0.00
11/9/2009		54,292	\$0	0.00 - 0.00
11/4/2009		11,000	\$87.5 K	7.95 - 7.95
11/4/2009		15,000	\$121.4 K	8.10 - 8.10
11/4/2009		11,000	\$302.4 K	----
11/4/2009		15,000	\$412.3 K	----
11/4/2009		11,000	\$302.4 K	27.49 - 27.49
11/4/2009		15,000	\$412.4 K	27.49 - 27.49
10/28/2009		12,000	\$97.1 K	8.10 - 8.10
10/21/2009		9,000	\$252.0 K	----
10/1/2009		11,000	\$87.5 K	7.95 - 7.95
10/1/2009		11,000	\$299.9 K	----
10/1/2009		11,000	\$299.9 K	27.26 - 27.26
9/4/2009		24,232	\$247.0 K	10.20 - 10.20
9/3/2009		11,000	\$310.0 K	----
9/1/2009		31,950	\$992.0 K	----
8/5/2009		11,000	\$87.5 K	7.95 - 7.95
8/5/2009		11,000	\$358.0 K	----
8/5/2009		11,000	\$358.0 K	32.55 - 32.55
8/3/2009		15,000	\$121.4 K	8.10 - 8.10
8/3/2009		15,000	\$476.2 K	31.74 - 31.74
7/1/2009		10,000	\$291.1 K	----
6/5/2009		50,000	N/A	----
6/3/2009		12,000	\$0	0.00 - 0.00
6/3/2009		12,000	N/A	----
6/1/2009		40,200	\$1.3 M	----
5/27/2009		70,000	\$2.1 M	----
5/27/2009		70,000	\$2.1 M	30.30 - 30.30
5/27/2009		70,000	\$2,121,000	30.3
5/6/2009		18,000	\$585.5 K	----
5/5/2009		7,000	\$244.6 K	----
5/5/2009		7,000	\$244.7 K	34.95 - 34.95
5/5/2009		7,000	\$244,850	34.95
5/4/2009		5,850	\$227.8 K	----
5/1/2009		15,000	\$121.4 K	8.10 - 8.10
5/1/2009		15,000	\$502.5 K	----
5/1/2009		15,000	\$498.7 K	33.25 - 33.25
4/29/2009		30,000	\$876.6 K	29.22 - 29.22
4/29/2009		30,000	\$1.0 M	----

**SCHEDULE 23: CRIMINAL HISTORY**  
 IF APPLICANT ANSWERED YES TO QUESTIONS 1 OR 1A ON PAGE 7, PROVIDE THE FOLLOWING INFORMATION:

CRIMINAL HISTORY INCIDENT						
NAME OF CASE & DOCKET NUMBER	NATURE OF CHARGE OR COMPLAINT	DATE OF CHARGE OR COMPLAINT	DISPOSITION (ACQUITTED, CONVICTED, DISMISSED, ETC.)	NAME AND ADDRESS OF LAW ENFORCEMENT AGENCY OR COURT INVOLVED	SENTENCE	NAME OF OFFICER, DIRECTOR, PARTNER, TRUSTEE OR KEY EMPLOYEE
Does not apply						

Initials *PL*

**SCHEDULE 24: TESTIMONY, INVESTIGATIONS OR POLYGRAPHS**

IF APPLICANT ANSWERED YES TO QUESTION 2 ON PAGES 7 AND 8, PROVIDE THE FOLLOWING INFORMATION:

NAME AND ADDRESS OF COURT OR OTHER AGENCY	TESTIMONY, INVESTIGATION OR POLYGRAPH INCIDENT		APPROXIMATE TIME PERIOD OF INVESTIGATION
	WAS TESTIMONY GIVEN?	DATE ON WHICH TESTIMONY WAS GIVEN	
Please see attached Schedule 24	YES <input type="checkbox"/> NO <input type="checkbox"/>		
NATURE OF PROCEEDINGS OR INVESTIGATION AND NAME OF CHIEF, DIRECTOR, PARTNER, TRUSTEE, KEY EMPLOYEE OR KEY EMPLOYEE QUALIFIER INVOLVED.			
	TESTIMONY, INVESTIGATION OR POLYGRAPH INCIDENT		
NAME AND ADDRESS OF COURT OR OTHER AGENCY	WAS TESTIMONY GIVEN?	DATE ON WHICH TESTIMONY WAS GIVEN	APPROXIMATE TIME PERIOD OF INVESTIGATION
	YES <input type="checkbox"/> NO <input type="checkbox"/>		
NATURE OF PROCEEDINGS OR INVESTIGATION AND NAME OF CHIEF, DIRECTOR, PARTNER, TRUSTEE, KEY EMPLOYEE OR KEY EMPLOYEE QUALIFIER INVOLVED.			
	TESTIMONY, INVESTIGATION OR POLYGRAPH INCIDENT		
NAME AND ADDRESS OF COURT OR OTHER AGENCY	WAS TESTIMONY GIVEN?	DATE ON WHICH TESTIMONY WAS GIVEN	APPROXIMATE TIME PERIOD OF INVESTIGATION
	YES <input type="checkbox"/> NO <input type="checkbox"/>		
NATURE OF PROCEEDINGS OR INVESTIGATION AND NAME OF CHIEF, DIRECTOR, PARTNER, TRUSTEE, KEY EMPLOYEE OR KEY EMPLOYEE QUALIFIER INVOLVED.			

Initials *RL*



SCHEDULE 24

REDACTED

**SCHEDULE 25: EXISTING LITIGATION**

PROVIDE THE FOLLOWING INFORMATION AND ATTACH AS APPENDIX 7-A DESCRIPTION OF ALL EXISTING CIVIL LITIGATION TO WHICH APPLICANT, ITS PARENT, AFFILIATE, OR SUBSIDIARY IS PRESENTLY A PARTY, WHETHER IN THIS COMMONWEALTH OR IN ANOTHER JURISDICTION. DO NOT INCLUDE ANY LITIGATION IN WHICH THE DAMAGES MAY NOT REASONABLY BE EXPECTED TO EXCEED \$100,000 FOR LITIGATION IN WHICH DAMAGES MAY BE EXPECTED TO EXCEED \$100,000, BUT WHICH INVOLVES CLAIMS AGAINST APPLICANT WHICH ARE FULLY AND COMPLETELY COVERED UNDER AN INSURANCE POLICY HELD BY THE APPLICANT WITH A LICENSED INSURANCE CARRIER. THIS DESCRIPTION MUST INCLUDE THE TITLE AND DOCKET NUMBER OF THE LITIGATION, THE NAME AND LOCATION OF THE COURT BEFORE WHICH IT IS PENDING, THE IDENTITY OF ALL PARTIES TO THE LITIGATION AND THE GENERAL NATURE OF ALL CLAIMS BEING MADE.

NAME OF CASE AND DOCKET NUMBER	EXISTING LITIGATION LOCATION AND NAME OF COURT BEFORE WHICH LITIGATION IS PENDING
Please see Appendix 7	
NAMES OF ALL PARTIES TO LITIGATION	
NATURE OF THE CLAIMS	
NAME OF CASE AND DOCKET NUMBER	EXISTING LITIGATION LOCATION AND NAME OF COURT BEFORE WHICH LITIGATION IS PENDING
NAMES OF ALL PARTIES TO LITIGATION	
NATURE OF THE CLAIMS	

Initials 



Schedule 25

Matter	Description of Claim
Belle of Sioux City v. Iowa Racing and Gaming Commission (Polk County, Iowa) Nos. CV9254, CV9316	Argosy Sioux City
Belle of Sioux City v. Missouri River Historical Development, Inc. (Polk County, Iowa) No. CL 128161	Argosy Sioux City has filed suit against MRHD, its qualified sponsoring organization and non-profit partner, seeking to enforce MRHD from disavowing the 2015 extension agreement it signed and the exclusivity obligations in the agreement.
Board of Education of the South-Western City Schools v. Baulah Park Gaming Ventures, Inc.	Baulah Park This matter includes two separate complaints against the valuation of real property.
Franklin, Tom v. BSL, Inc.	Hollywood Casino Bay St. Louis Defendant in debt collection action to collect \$144,000 filed counter-claim for breach of oral contract with his band.
Board of Education of the Columbus City Schools v. Columbus Gaming Ventures, Inc.	Hollywood Casino Columbus This matter concerns a complaint filed against the valuation of real property filed by the School Board for tax year 2008.
OCP Contractors v. Smoot Construction and Central Ohio Gaming Ventures, et al (Court of Common Pleas, Franklin County Ohio)	Subcontractors used by Smoot in the construction of Hollywood Casino Columbus allege that they sustained damages due to Smoot's inefficient management of the project.
PNGL Charles Town Gaming v. West Virginia Department of Revenue	Hollywood Casino at Charles Town Races Charles Town is refusing to pay a sales tax recently imposed on the casino pursuant to a recent interpretation of the state tax code.
Empress Casino Joliet vs. Rod Blagojevich, et al. (USDC ND IL)	Hollywood Casino Joliet (Chicago), Joliet, IL Claim by four Nevadaans that Illinois former governor Rod Blagojevich conspired with track owner John Johnston to pass the 2008 and 2008 laws imposing the 3% surcharge on the riverboats. Claim is made under RICO for civil damages.
Empress v. W.E. ONell Construction et al. (No. L 12077 Cook County Circuit Court, Illinois)	Hollywood Aurora Case brought to recover damages from roofing fire.
HCA v. Aurora Metropolitan Auditorium and Office Building Authority (Kane County) No. 2012 CH 49	Hollywood Aurora Claim for unjust enrichment brought by Hollywood against City agency for its refusal to return payments made by the Casino on the financing of the parking garage Hollywood leases from the City.

SCHEDULE 26: ANTITRUST, TRADE REGULATION & SECURITY JUDGMENTS; STATUTORY AND REGULATORY VIOLATIONS

IF APPLICANT ANSWERED YES TO QUESTIONS 3 OR 4 ON PAGE 8, PROVIDE THE FOLLOWING INFORMATION:

NAME OF CASE & DOCKET NUMBER	DATE OF JUDGMENT, ORDER OR DECREE	VIOLATION:	NAME AND ADDRESS OF AGENCY OR COURT INVOLVED
see attached			
NATURE OF OFFENSE			
DISPOSITION <input type="checkbox"/> ACCQUITED <input type="checkbox"/> CONVICTED <input type="checkbox"/> DISMISSED <input type="checkbox"/> OTHER _____			
NATURE OF JUDGMENT, DECREE OR ORDER			
NAME OF CASE & DOCKET NUMBER	DATE OF JUDGMENT, ORDER OR DECREE	VIOLATION:	NAME AND ADDRESS OF AGENCY OR COURT INVOLVED
NATURE OF OFFENSE			
DISPOSITION <input type="checkbox"/> ACCQUITED <input type="checkbox"/> CONVICTED <input type="checkbox"/> DISMISSED <input type="checkbox"/> OTHER _____			
NATURE OF JUDGMENT, DECREE OR ORDER			

Initials RL



## Schedule 26

*In the past ten (10) years, has applicant, or any of its affiliates, intermediaries, subsidiaries or holding companies had a judgment, order, consent decree or consent order pertaining to any state or federal statute, regulation or code that resulted in a fine or penalty of \$50,000 or more entered against it?*

*If you answer yes to either question, you must complete Schedule 26 concerning antitrust, trade regulation & security judgments; statutory and regulatory violations.*

As a gaming company licensed and operating in many jurisdictions, affiliates of Penn National are periodically subject to disciplinary action for regulatory violations. A summary of those violations are attached.



## **DISCIPLINARY ACTION SUMMARY**

**May 2013**

The only licensing restriction that had been placed upon the Company was the Company's agreement with the Illinois Gaming Board to sell the Empress Joliet property by mid-2008. However, at its public meeting of February 19, 2008, the Illinois Gaming Board removed the request that Penn National Gaming, Inc. divest of its interest in the property. The following is a summary of administrative actions that resulted in the imposition of fines against the Company or its subsidiaries:

### **Penn National Gaming, Inc.**

On August 27, 2003, the Casino Gaming Division of the Louisiana State Police issued a Significant Action/Violation Report regarding the company's account wagering operations within Louisiana. The matter was concluded with the Division issuing a warning letter to the company.

On May 10, 2013, the Missouri Gaming Commission staff's informal Disciplinary Review Board has recommended to the MGC that discipline be commenced to the Class A Corporate license of Penn National Gaming, Inc. due to monthly remote access logs not submitted to the MGC. On January 28, 2013, Aristocrat Technologies, Inc. (ATI) had remote access into the Hollywood St. Louis slot accounting system via a temporary Penn National Corporate IT account. This account was established before the Harrah's/Hollywood St. Louis acquisition occurred and was not disabled following the opening of Hollywood St. Louis. The remote access permitted ATI to remote into the slot accounting system without the local IT dept. having to authenticate the session. By ATI using the Penn National Corporate IT account, the Hollywood St. Louis local IT dept. was unaware of the remote access and did not submit the required monthly remote access logs to the MGC. This matter is pending and a \$5,000 penalty was imposed.

### **Argosy Alton**

In July of 2006, Argosy Alton paid a \$75,000 fine for its employees' failure to change out surveillance tapes on two occasions occurring in May and June of 2006.

In April 2007, Argosy Alton paid a \$50,000 fine for an incident wherein twelve bill validator boxes were taped shut rather than being locked.

In November 2008, the Coast Guard fined Argosy Alton \$500 for the discharge of diesel into a navigable water way on May 14, 2008.



### **Beulah Park**

On May 11, 2011, the racetrack entered into an informal settlement agreement with the U.S. Department of Labor, Occupational Safety and Health Administration for the sum of \$2,000. This matter related to safety issues for track employees.

### **Hollywood Casino Joliet (formerly Argosy Empress)**

In July of 2006, Empress Casino Joliet paid a \$150,000 fine for violation of its due diligence procedures in early 2005.

In May, 2011, the Illinois Gaming Board issued a disciplinary complaint against the property, its General Manager and Compliance Manager. A penalty of \$50,000 is sought against the property and three day suspensions with respect to the individuals. The complaint alleges that the property altered its organizational structure without Board approval. On July 19, 2012, an Appellate Judge ruled in favor of the IGB regarding Disciplinary Complaint #DC-11-22. This matter was settled on August 24, 2012 for \$50,000.

On July 13, 2011, the Illinois Gaming Board issued a one-count complaint against Hollywood Casino Joliet for having revoked software in three slot machines. The matter was settled on July 19, 2011 for \$25,000.

### **Hollywood Casino Lawrenceburg**

The property entered into a Settlement Agreement with the Indiana Gaming Commission whereby it paid \$65,000 for failing to properly instruct its executives regarding the disclosure of confidential information. This incident and the settlement thereof occurred prior to the Company's acquisition of Argosy.

The property entered into a Settlement Agreement in November, 2005, with the Indiana Gaming Commission regarding a self-excluded patron receiving five credit card advances during the two days preceding being identified by Cage personnel. The property paid a fine of \$20,000.

The property entered into a Settlement Agreement in March, 2006, with the Indiana Gaming Commission whereby it paid \$22,500 for allowing 15 employees to work at the facility with expired licenses.

The property paid \$20,000 to settle two incidents that occurred in April of 2006. The first incident occurred during the IGC's slot program audit wherein 10 revoked EPROMs were found inside slot machines on the casino floor. The second incident involved a direct mail piece being sent to a self-excluded person.



In September 2007, the property entered into a settlement agreement with the Indiana Gaming Commission whereby it paid \$7500 for permitting a patron to cash checks in excess of an approved check cashing limit.

In November 2007, the property entered into a Settlement Agreement with the Indiana Gaming Commission in the amount of \$12,500. There were two incidents that were the subject of the settlement. The first incident occurred on June 20, 2007 when a Gaming Agent observed a Dealer on a roulette table calling “no more bets” while his back was to the table and a patron made an illegal bet. The second incident occurred when the Director of Table Games Supervisor failed to inspect all six decks of cards on June 25, 2007 when opening the game and on July 6, 2007 when a Security Supervisor informed a Gaming Agent that a box of playing cards had not been completely destroyed.

In March 2008, the property entered into a settlement agreement with the Indiana Gaming Commission in the amount of \$5,000 for have a six of spades missing from a blackjack game.

In May, 2008, the Indiana Gaming Commission proposed a disciplinary complaint in the amount of \$44,500 for, among other things, permitting two minors to enter the gaming facility; the untimely submission of employee termination forms to the Gaming Commission, and deficient surveillance camera coverage. This matter was settled in May, 2008.

In August, 2008, the property paid the sum of \$33,500 to settle a complaint with the Indiana Gaming Commission for violating several regulatory provisions: indirectly permitting the presence of an underage person on a riverboat, only having one slot attendant present during a slot token drop, leaving a roulette wheel cover unsecured, leaving an unsecured door on an electronic gaming device, and failing to timely notify gaming agents of a terminated employee.

In November 2008, the property paid the sum of \$33,500 to settle a complaint with the Indiana Gaming Commission for violating several regulatory provisions; permitting two dealers to work with expired badges, untimely notice of employee termination to the regulators, the failure of a roulette dealer to waive off “no more bets”, failure of security to seal off a drop area, failure of surveillance to observe table fill; and permitting a person under 21 to be on the riverboat.

In March 2009, the property settled a five count regulatory matter with the Indiana Gaming Commission for \$27,500. Three of the counts related to “sensitive keys”, one count to solicitation of tips, and the final count to an employee working with an expired license.

In May 2009, the property received a three count regulatory complaint involving a minor on the boat, faulty tip boxes, and a failure to reconcile meters. The matter was settled for \$26,500 in June, 2009.

In September, 2009, the property settled a six count complaint with the Indiana Gaming Commission for \$57,500. The matter involved surveillance deficiencies, a faulty deck of cards, late filing of termination paperwork, failure of a person to wear a badge, a missing die, and an underage person on the riverboat.



In November, 2009, the property settled a five count complaint with the Indiana Gaming Commission for \$17,500. The matter related to an unsecured gaming table, late filing of paperwork with the regulators, a missing card, an underage person on the riverboat, and permitting a self-excluded person in the casino.

In March 2010, the Indiana Gaming Commission settled a seven count regulatory complaint against the property for \$36,500. The matter related to: late paperwork filing; underage person on casino floor; failure to secure sensitive keys; failure to secure non-value chips at Roulette table; slot machine door issue; and missing cards from Blackjack deck.

In June, 2010, the Indiana Gaming Commission settled a five count regulatory complaint against the property for \$70,000. The violations related to filing of late paperwork, presence of underage persons on the riverboat, missing cards, an unlocked poker storage room, and deficiencies in a promotional drawing.

In September, 2010, the Indiana Gaming Commission settled a seven count regulatory complaint against the property for \$31,500. The violations related to failure to coin test on a slot machine, late filing of paperwork, failure of certain employees to wear gaming badges, unattended decks of cards, failure to turn in lost chips, an internal control violation, and failure to timely verify certain variances.

In November, 2010, the Indiana Gaming Commission settled a nine count regulatory complaint against the property for \$115,500. The violations related to late filing of termination paperwork, employees working with expired badges, accepting a wager from a self-excluded person, acceptance of cash tips by a poker dealer, unattended poker cards, minor permitted on casino floor, delivery of dice without proper notification, insufficient staffing in surveillance room, and failure to reconcile cage variances.

In February, 2011, the Indiana Gaming Commission filed a three count regulatory complaint against the property for filing of late paperwork, permitting several employees to work with expired badges, and permitting an underage person in the casino. This matter was settled on March 17, 2011 for \$27,500.

In May, 2011, Hollywood Casino Lawrenceburg paid a \$500 fine to the Indiana Alcohol and Tobacco Commission relating to an incident which occurred on March 4, 2011, where a bartender served alcohol to a minor. The bartender was immediately terminated by Hollywood Casino Lawrenceburg.

On June 2, 2011, Hollywood settled a 3 count regulatory complaint (11-HW-03) with the Indiana Gaming Commission for \$18,500. The matter related to an underage gambler on the riverboat, a float lid left unsecured and incorrect calculation of number of patrons entering the riverboat through the turnstile.

On June 2, 2011, Hollywood Casino Lawrenceburg settled a 16 count regulatory complaint (11-HW-02) with the Indiana Gaming Commission for \$109,000. The matter related to: late filing of employec termination paperwork, failure to request approval to return a tournament over to regular gaming play, entry of a patron into the casino not through a turnstile, failure to regularly



seek approval of tournament play, failure to properly open a roulette table, a poker table float lid was left unsecured, error in log relating to cancelled deck of cards, dealers walking through a drop area, failure to report a possible bet capping incident, failure to complete paperwork properly regarding credit issuance, failure to reconcile a cage variance, failure to record a \$10,000 transaction on the multiple transaction log, underage patron on casino floor, exceeding maximum patron capacity in a nightclub, failure of certain patrons to exit casino through turnstiles, and failure of certain employees to update personal information.

The Indiana Gaming Commission filed a complaint relating to several incidents that occurred in the 2<sup>nd</sup> and 3<sup>rd</sup> quarters of 2011 (11HW-04). The subjects of the complaint were: failing to properly verify a single table fill, late filing of termination paperwork for one employee, an improper chip exchange transaction, an underage person gaining access to the casino, one instance of failure to file a W-2G and one instance of failing to properly void a fill slip. The Commission is seeking a penalty of \$31,000. This matter has been settled on October 11, 2011 in the amount of \$31,000.

In November 2011, Hollywood Casino Lawrenceburg settled a seven count regulatory complaint (11HW-05) with the Indiana Gaming Commission for \$72,000. The matters related to: a single employee working without an occupational license, allowing patrons to walk through drop areas, holding a poker tournament that was not approved by the IGC, performing a single inaccurate table fill, leaving the door to the MIS server room open, a single instance an having unsecured table game chip tray lid, one incident of an underage patron on casino floor.

In February 2012, the property entered into a settlement agreement with the Indiana Gaming Commission in the amount of \$8,000 relating to the following disciplinary actions: Count I - on December 1, 2011, a Lead Slot Floorperson walked to the yellow barrier of the drop zone and proceeded to walk through the drop zone; a Count room Attendant asked to stop and exit the area; on December 8, 2011; a patron was in the drop area when the drop began and was not asked to leave. A security officer observed the patron and asked her to leave; Count II - on January 5, 2012, suspicious entries on the Keying Room Entry Log were discovered; errors range from incorrect times, licensees signing each other out of the Keying room, missing date entries and forgetting to sign in or out of the Keying room. The property agrees to pay the Commission \$5,000 for Count I and \$3,000 for Count II. This matter was settled for \$8,000 on April 2, 2012.

In February, March, and April, 2012, the property entered into a settlement agreement with the Indiana Gaming Commission for allowing a person less than the age of 21 to be present in the area of the Riverboat where gambling is being conducted. On February 5, 2012, a Gaming Agent observed a security officer having an issue over identification; the underage person admitted he was 20yrs old but had earlier entered the casino within a group of people and was not identified. On March 30, 2012, a Gaming Agent notified Security Dispatch that an underage person possibly entered the casino floor and was trying to regain entry; the surveillance video shows that the underage person's identification was presented, viewed, swiped, and handed back and the Security Officer allowed the underage person on to the casino floor. On April 4, 2012, a Gaming Agent was notified by Security Dispatch that a patron was attempting to use another person's driver's license to gain access to the casino. The patron was discovered to be underage and had been previously granted access to the casino floor; he did not resemble the identification that he borrowed from his friend. This matter was settled on August 21, 2012 for \$10,500.





In October, 2012, the property entered into a three count settlement agreement with the Indiana Gaming Commission (12-HW-03) in the amount of \$23,000 for the following disciplinary actions: Count I - on May 25, 2012, a Gaming Agent was called by a Security Manager regarding an identification issue with a person who was underage. The minor then told the Agent that he had been to the casino numerous times using the same identification. On May 15, 2012, the same minor cashed in \$12,000 of gaming chips and the Cage Cashier asked for identification for the CTR report and filled out the report using incorrect information presented by the minor (fine of \$18,500). Count II - On May 25, 2012, a Gaming Agent observed a float lid that did not appear to be secured. The Agent was manually able to remove the lid exposing the chip tray (fine of \$1,500). Count III - on May 6, 2012, a Gaming Agent discovered the MEAL books for all fourteen machines had not been filled out; after reviewing surveillance, the Agent observed the Table Games Shift Manager assisted the Shuffle Master Technician in the access, shutdown and movement of machines. On June 11, 2012, a Gaming Agent was notified by a Slot Tech that the main door of a slot machine was unsecured; after reviewing surveillance, the Agent observed that a Slot Tech had entered the machine to access the option settings and then walked away from the machine without securing the door and also failed to enter his employee card into the machine and did not fill out the MEAL book. On July 4, 2012, a Gaming Agent found several incomplete MEAL entries during a slot machine move; all three were missing the reason for entry (fine \$3,000). This matter was settled on December 7, 2012 in the amount of \$23,000.

On March 21, 2013, the property entered into a Settlement Agreement with the Indiana Gaming Commission (13-HW-01) for \$1,500. On November 3, 2012, two gaming agents finished an audit of the MEAL books for the MIMO machines and found numerous entries that violated the MIMO internal controls which include: using a number code which was not recognized by the Commission; at least 48 entries where the security officer did not sign the book (dual entries are required, one from a Cage employee and one from a Security employee) and not signing the correct information in the designated area; entries were found that used the gaming day and others that used the calendar day. This matter has been settled for \$1,500.

### **Argosy Riverside**

The property received a \$5,000 fine relating to the facility's failure to replace a revoked EPROM in one of the slot machines.

In September 2007, the Missouri Gaming Commission issued a preliminary order for Disciplinary action and sought a \$10,000 monetary penalty for permitting certain patrons to improperly access the casino gaming floor. This matter was settled for \$5,000 in February 2008.

The property had been issued a Preliminary Order for Disciplinary Action by the Missouri Gaming Commission and was seeking a \$5,000 penalty fee for not removing casino funds from eight electronic gaming devices that had been converted from coin operation to a ticket-in/ticket-out operation in March, 2007. The matter was settled for \$4500 with the Missouri Gaming Commission in January, 2008.



In March 2008, the property was issued a preliminary order for disciplinary action by the Missouri Gaming Commission and was seeking a \$5,000 penalty for failing to timely update its list of terminated employees. This matter was settled for the sum of \$4,500 in August, 2008.

In June, 2008, the property was issued a preliminary order for disciplinary action by the Missouri Gaming Commission. The Commission originally sought a \$10,000 civil penalty against the property for failing to remove revoked software from 43 electronic gaming devices. This matter was settled for the sum of \$9,000 in August, 2008.

In January, 2009, the property was issued a preliminary order for disciplinary action by the Missouri Gaming Commission. The Commission originally sought a penalty of \$20,000 for failing to control an intoxicated person. In June, 2009, the matter was settled for \$18,000.

In October, 2009, the property settled a regulatory complaint with the Missouri Gaming Commission for \$9,000 for permitting a jackpot to be paid to a self-excluded person.

In February, 2010, two regulatory complaints were settled with the Missouri Gaming Commission. One complaint related to failing to inspect poker cards. The second complaint related to two slot machines having revoked software in them. A penalty of \$9,000 for each complaint was imposed.

In March, 2010, the Missouri Gaming Commission settled a regulatory complaint with the property for serving alcohol beverages to an intoxicated patron. A penalty of \$18,000 was imposed.

In March, 2010, the Missouri Gaming Commission settled a regulatory complaint with the property for serving an intoxicated person. A penalty of \$45,000 was imposed.

In August, 2010, the Missouri Gaming Commission filed a complaint against the property for permitting two underage patrons to gamble on the riverboat. The matter was settled for \$20,000 on February 11, 2011.

In September, 2010, the Missouri Gaming Commission filed a complaint against the property for permitting a self-excluded person to be rated at a table game and who played poker and blackjack. This matter was settled for \$10,000 on February 11, 2011.

On May 25, 2011, Argosy settled a regulatory complaint with the Missouri Gaming Commission for \$10,000. The matter related to an underage person playing a table game in November, 2010.

In July, 2011, the Missouri Gaming Commission issued a one-count complaint against the property for allegedly improperly replacing progressive jackpot funds. A \$5,000 penalty is sought. This matter was settled for \$5,000 on August 2, 2011.

In January, 2012, the Missouri Gaming Commission issued a Preliminary Order for Disciplinary Action against the property for having software in a single slot machine that had been previously revoked by the Commission. A penalty of \$5,000 was sought. This matter was settled for \$5,000 on February 7, 2012.



In January, 2012, the Missouri Gaming Commission issued a Preliminary Order for Disciplinary Action against the property for a failing to return to the casino floor, within the required 30 days period, progressive jackpot funds that had been temporarily removed from the casino floor. A penalty of \$5,000 was sought. This matter was settled for \$5,000 on February 7, 2012.

In March, 2012, the Missouri Gaming Commission staff's informal Disciplinary Review Board recommended to the MGC that discipline be commenced against the property for failing to keep prior Player Reward Program rules on record for promotional activity for a minimum of 2 years. On January 2, 2012, the property initiated a new Player Rewards Program and cancelled the old one; on January 19, 2012, after receiving several customer complaints about cancellation of reward points, the MGC asked to see the old rules for the previous program and was told they were unable to be located. This matter was settled for \$7,500 on July 3, 2012.

In April, 2012, the Missouri Gaming Commission staff's informal Disciplinary Review Board recommended to the MGC that discipline be commenced against the property for two repeat audit findings. The findings were originally noted in Audit report 10-18; during a follow-up audit in August, 2011 Commission auditors noted that between the dates of March 1, 2011 and May 26, 2011, the key access of three of twenty-four separated employees was not disabled within 72 hours and that two employees with non-supervisory level positions were granted the ability to void point redemptions. A penalty of \$10,000 was proposed. This matter was settled for \$10,000 on May 1, 2012.

In August, 2012, the Missouri Gaming Commission staff's informal Disciplinary Review Board recommended to the MGC that discipline be commenced against the property in relation to a follow-up Audit that was performed originally on March 1-28, 2012, regarding employees granted unauthorized access to key rings containing sensitive keys and Count team members did not clear their hands when moving them to and from count tables on which loose currency was present. This matter was settled for \$10,000 on October 15, 2012.

In August, 2012, the Missouri Gaming Commission issued a Preliminary Order for Disciplinary Action against the property for failure to abide by the law, rules, and regulations governing the Casino's admission count and requirement to promptly report violations to the Commission. The licensee failed to notify the Commission's Tax Section of a discrepancy in the calculation of admission taxes; failure to conduct a manual count of passengers at the end of the gaming day and failure to keep accurate records resulted in adjusting admission taxes to include surveillance counts due to the altered board and exit readings of the 4:00 and 5:00 a.m. session. This matter was settled for \$10,000 on September 6, 2012.

In November, 2012, the Missouri Gaming Commission staff's informal Disciplinary Review Board issued a proposed discipline to the Missouri Gaming Commission for an untimely movement of progressive funds on May 29, 2012 and did not transfer the funds to another progressive jackpot within the required 30 day limit. A penalty of \$10,000 is proposed; matter is pending.

On April 17, 2013, the Missouri Gaming Commission issued a Preliminary Order for Disciplinary Action against the property for failure to abide by the law, rules and regulations



governing the casino's admission count and requirement to promptly report violations thereof to the Commission. On May 24, 2012, a Slot Repair Shift Manager supervised the removal of 14 stand along progressive EGD's from the casino floor and removed \$1,241.31 in progressive jackpot from the 14 machines. On May 28<sup>th</sup>, the Shift Manager notified the Commission of the removal of the machines but not the progressive jackpot amount. This amount was not distributed to another progressive bank until July 12, 2012. This matter was settled for \$10,000 on May 7, 2013.

### **Argosy Sioux City**

The property paid a \$500 fine for the improper licensing of two employees. This incident and the settlement thereof occurred prior to the Company's acquisition of Argosy.

The property paid a \$1,000 fine for serving alcohol prior to 8:00 a.m. on two occasions in August and September of 2005 (total fine of \$2,000).

In August, 2006, the property paid a fine of \$10,000 for allowing a minor to access the casino.

On November 13, 2008, the Iowa Racing and Gaming Commission imposed a \$3,000 fine on the property for failing to timely update self exclusion data bases.

On March 8, 2012, the Iowa Racing and Gaming Commission imposed a \$20,000 fine on the property for allowing a minor to access the casino. This matter was settled on April 3, 2012 for \$20,000.

### **Boomtown Biloxi**

Although the property has received Notices of Violations issued by the Mississippi Gaming Commission, it has not been the subject of a disciplinary action by the MGC.

### **Bullwhackers**

A CoDOG audit revealed that the property had 14 games containing revoked software. The property paid a \$7,000 fine to resolve the matter in 2006.

In December 2007, the property received two written warnings from the Colorado Division of Gaming. No penalties were assessed. One was for permitting an employee to work under an expired license; the other involved one slot machine operating with revoked bill validator software.



### **Casino Rama**

The property paid a fine of \$60,000 (Canadian) in August of 2001 for permitting a person under the age of 19 to gamble.

### **Hollywood Casino Baton Rouge (formerly Casino Rouge):**

The property paid a \$20,000 fine in April 2002 for key control violations that occurred prior to Penn ownership of the property.

On two separate incidents in April and May of 2002, a minor gained access to the casino floor. The property paid a \$10,000 fine.

In June of 2002, the property paid a \$10,000 fine for permitting an employee to continue working while his license was expired.

The property paid a \$5,000 fine in October of 2002 for conducting business with an entity whose license application had been denied by the Division.

The property paid a \$50,000 fine for various violations relating to cage, land vault and credit procedures during the timeframe of May 2001 to December 2001.

The property was cited for paying a non-permitted vendor in excess of \$100,000 during the 2003 calendar year. The property paid a \$2,000 fine.

The property reached an agreement with the Louisiana Attorney General's Office and the Louisiana Division of Gaming regarding settlement of the Notice of Administrative Hearing alleging that the casino failed to properly post the gambling hotline number on its billboards. The property paid a fine of \$6,000.

The property was cited for paying five jackpots to a self-excluded patron in April of 2003. The property paid a fine of \$50,000 with an additional \$9,000 paid to a compulsive gambling fund.

The property received a *Notice of Violation* assessing a fine of \$608,500 relating to an employee slot scam that took place in 2003. This matter was settled in June 2007 for \$224,500.

### **Hollywood Casino at Charles Town Races (formerly Charles Town Races and Slots)**

During 2003, Charles Town Races & Slots was fined by the liquor control agency on three occasions for serving underage patrons.



### **Hollywood Aurora**

In September of 2002, the property paid a \$25,000 fine for failing to follow established procedures in issuing chips relative to a marker.

In July of 2006, the property paid a \$200,000 for violations of its self-exclusion procedures in late 2004 and early 2005.

On May 19, 2008, the Illinois Gaming Board voted to issue a disciplinary complaint against the property in the amount of \$800,000 and also sought individual license suspensions against two marketing individuals and the general manager of the property. The matter was settled in June, 2008. The property paid a civil penalty in the amount of \$800,000. Two marketing individuals received license suspensions of 14 days and 10 days, respectively. The general manager received a three day suspension. This matter involved mailing promotional materials to self-excluded persons.

In July, 2008, pursuant to a consent order with the Illinois Attorney General, the property paid a fine of \$5,000 for permitting a sealant spill into a local river while a parking deck was being cleaned.

On January 25, 2011, the Illinois Gaming Board issued a disciplinary complaint against the property for violation of an internal control and accounting procedure by two former employees of the property. The matter was settled for \$50,000 in February, 2011.

### **Hollywood Casino Bay St. Louis**

In 2003, the property paid a \$10,000 fine for submitting an altered junketeer contract

### **Hollywood Slots Hotel and Raceway (Maine)**

In March 2009, the property entered into a Consent Agreement with the State of Maine, Department of Environmental Protection and agreed to pay the sum of \$1500 to settle the matter. The matter arose from the fact that the property installed a diesel powered generator in May 2008 without an Air Emissions license.

### **Hollywood Tunica**

Although the property has received Notices of Violations issued by the Mississippi Gaming Commission, it has not been the subject of a disciplinary action by the MGC.



## Hollywood Casino at Penn National Race Course

The property received a *Citation and Notification of Penalty* from OSHA regarding an incident involving the death of an assistant starter. The property was cited for (1) not providing a place of employment free from recognized hazards by allowing employees to ride on the starting gate while it was moving and (2) not using safety signs where there was a need for general instructions and suggestions relating to the employees' safety. The total assessed fine was \$12,600 and was paid in 2005/2006.

The property paid a fine of \$50,000 for Pennsylvania political contributions made by outside directors after the July 2004 enactment of the gambling law. Outside Director, Harold Cramer, paid the sum of \$2,500 while outside Director, Robert Levy, paid the sum of \$3,306 to Pennsylvania. In May 2009, the Pennsylvania Supreme Court found the political contribution prohibition in Pennsylvania to be unconstitutional.

The Johnstown OTW received a Warning from the Pennsylvania Bureau of Liquor Control regarding noise emanating from the facility.

The Johnstown OTW received a Warning from the Pennsylvania Bureau of Liquor Control indicating that the facility violated regulations by hosting a Super Bowl event that was co-sponsored by a local radio station.

In September, 2008, the property entered into a Consent Agreement with the Pennsylvania Gaming Control Board and paid the sum of \$5,000 for permitting a person under the age of 21 to gamble at a slot machine.

In October, 2009, the property entered into a Consent Agreement with the Pennsylvania Gaming Control Board for permitting persons under the age of 21 to gamble at a slot machine. The Consent Agreement contemplates the payment of \$24,000. The Board approved the settlement in November, 2009.

In December, 2009, the Pennsylvania Liquor Control Board issued a citation against the licensee for permitting a 20 year old female to be served alcohol in October, 2009. This matter was settled in July, 2010 for the sum of \$1,250.

In August, 2010, the property entered into consent agreements with the Pennsylvania Gaming Control Board for permitting persons under the age of 21 to gamble at a slot machine. The property has agreed to pay a penalty of \$65,000. The Board approved the consent agreements in October, 2010.

The property entered into a settlement agreement with the Pennsylvania Gaming Control Board for \$40,000 which was approved on July 20, 2011. The settlement related to an underage individual gambling in November, 2010. This settlement for \$40,000 was paid on July 29, 2011.

In June, 2012, the property entered into a Consent Agreement and Stipulation of Settlement with the PA Gaming Control Board for a self-exclusion violation. The PGCB is proposing a penalty of \$5,000. This settlement for \$5,000 was paid on July 11, 2012.



### **Raceway Park**

In July, 2009, the property entered into two separate Settlement Agreements with the Ohio State Racing Commission. The settlement related to Mr. Bill McLaughlin and Mr. Anthony Clark; each received a penalty in the amount of \$1,000 for allowing the hiring of a “lasix vet” to act as the track veterinarian on June 6, 2009. This matter was settled on July 19, 2009.

### **Sanford Orlando Kennel Club**

In December, 2008, two consent orders were entered by the State of Florida, Department of Business and Professional Regulation, Division of Pari-Mutuel Wagering against the property for failing to timely file a Uniform Annual Report. Each order imposed a fine of \$100.

In March, 2010, three consent orders were entered into between the racetrack and the Florida Division of Pari-Mutuel Wagering for certain late paperwork filings and failing to timely distribute charity proceeds. The aggregate amount of the fines was \$500.

In April, 2011, a consent agreement was entered into between the racetrack and the Florida Division of Pari-Mutuel for the late payment of daily license fees for two charity performances. A fine of \$200 was imposed and paid on April 26, 2011.

In November, 2011, a consent order was entered into between the racetrack and the Florida Division of Pari-Mutuel Wagering for failing to timely pay a daily license fee for charity performances held the week of October 10-16, 2011. The payment of the license fee was received nine business days late. A fine of \$300 was imposed and paid on November 28, 2011.

In June, 2012, a consent order was entered into between the racetrack and the Florida Division of Pari-Mutuel Wagering for failing to timely file the Charity Day Report for the period ending December 31, 2010. The report was received one hundred thirty-three days late. A fine of \$250 was imposed and paid on July 14, 2012.

### **Zia Park – New Mexico**

In September, 2011, Zia Park LLC, settled a 13 count regulatory complaint with the New Mexico Gaming Control Board for \$20,000 for regulatory violations occurring between October, 2009 and September, 2011. The matter related to an instance of unsecured keys, failure to timely notify regulator of a regulatory infraction, six instances of minors discovered on the casino floor, two instances of alcohol consumption on the casino floor, one instance of leaving the surveillance room unattended, installing unapproved software on the casino management system, operating a single slot machine that was not connected to the central monitoring system, and for an employee found not wearing their work permit. This matter was paid on October 13, 2011 in the amount of \$20,000.





In April, 2012, Zia Park entered into a Settlement Agreement with the New Mexico Gaming Control Board for various Citations and Cause Nos. that were issued between September, 2011 and November, 2011. These citations were acknowledged by the property and the property implemented a progressive employee disciplinary policy to improve employee compliance with Board rules and the property has made changes to its hiring practices to improve employee retention and compliance with Board rules. The following Cause Nos. were given a \$500 penalty fee each: 11-014-SA, 11-016-SA, 11-018-SA, 11-020-SA for a total payment of \$2,000. After payment is received Citation Nos 1987, 1989, and 1991 will be dismissed by the Board. This matter is pending until payment in the amount of \$2,000 is received.

#### **Miscellaneous**

A formal order was entered by the US Environmental Protection Agency (EPA) on June 8, 2011 pursuant to a consent agreement between Penn National Gaming, Inc. and a number of its subsidiaries that had disposed of gaming chips manufactured by Gaming Partners International that contained lead. A number of Penn National Gaming, Inc. subsidiaries paid a total penalty of \$5,404 for this self-reported matter.

**SCHEDULE 27: BANKRUPTCY OR INSOLVENCY PROCEEDINGS**

IF APPLICANT ANSWERED YES TO QUESTIONS 5, 6 AND/OR 7 ON PAGE 8, PROVIDE THE FOLLOWING:

NAME OF CASE & DOCKET NUMBER	DATE PETITION FILED OR RELIEF SOUGHT	BANKRUPTCY OR INSOLVENCY PROCEEDINGS	NAME AND ADDRESS OF AGENCY OR COURT INVOLVED
Does not apply			
NATURE OF JUDGMENT OR RELIEF			

Initials:

*RF*

SCHEDULE 28: NON-GAMING LICENSES AND PERMITS

IF APPLICANT ANSWERED YES TO QUESTION 8 ON PAGE 8, PROVIDE THE FOLLOWING INFORMATION FOR THE LAST TEN (10) YEAR PERIOD:

APPLICANT LICENSING (GOVERNMENT ISSUED - NON-GAMING)					
TYPE OF LICENSE OR PERMIT	NAME AND LOCATION OF GOVERNMENT AGENCY	APPLICATION NUMBER	DISPOSITION	DATE OF DISPOSITION	IF GRANTED, PROVIDE THE LICENSE/PERMIT NUMBER AND EXPIRATION DATE. IF DENIED, PENDING, EXPIRED, SUSPENDED, CONDITIONED, WITHDRAWN OR REVOKED, PROVIDE DETAILS.
Business Privilege License	Borough of Wyomissing 22 Reading Blvd Wyomissing, PA 19610	n/a	<input checked="" type="checkbox"/> GRANTED <input type="checkbox"/> DENIED <input type="checkbox"/> PENDING <input type="checkbox"/> EXPIRED <input type="checkbox"/> SUSPENDED <input type="checkbox"/> CONDITIONED <input type="checkbox"/> WITHDRAWN <input type="checkbox"/> REVOKED	March 2013	License #L1201075; Exp 12/2013
			<input type="checkbox"/> GRANTED <input type="checkbox"/> DENIED <input type="checkbox"/> PENDING <input type="checkbox"/> EXPIRED <input type="checkbox"/> SUSPENDED <input type="checkbox"/> CONDITIONED <input type="checkbox"/> WITHDRAWN <input type="checkbox"/> REVOKED		
			<input type="checkbox"/> GRANTED <input type="checkbox"/> DENIED <input type="checkbox"/> PENDING <input type="checkbox"/> EXPIRED <input type="checkbox"/> SUSPENDED <input type="checkbox"/> CONDITIONED <input type="checkbox"/> WITHDRAWN <input type="checkbox"/> REVOKED		
			<input type="checkbox"/> GRANTED <input type="checkbox"/> DENIED <input type="checkbox"/> PENDING <input type="checkbox"/> EXPIRED <input type="checkbox"/> SUSPENDED <input type="checkbox"/> CONDITIONED <input type="checkbox"/> WITHDRAWN <input type="checkbox"/> REVOKED		

Initials

*PL*

**SCHEDULE 29: GAMING LICENSES AND PERMITS**

IF APPLICANT ANSWERED YES TO QUESTION 9 ON PAGE 9, PROVIDE THE FOLLOWING INFORMATION FOR THE LAST TEN (10) YEAR PERIOD:

APPLICANT LICENSING/ GOVERNMENT ISSUED GAMING					
TYPE OF LICENSE OR PERMIT	NAME AND LOCATION OF GOVERNMENT AGENCY	APPLICATION NUMBER	DISPOSITION	DATE OF DISPOSITION	EXPIRATION DATE, IF DENIED, PENDING, EXPIRED, SUSPENDED, CONDITIONED, WITHDRAWN OR REVOKED, PROVIDE DETAILS.
Please see attached Schedule 29			<input type="checkbox"/> GRANTED <input type="checkbox"/> DENIED <input type="checkbox"/> PENDING <input type="checkbox"/> EXPIRED <input type="checkbox"/> SUSPENDED <input type="checkbox"/> CONDITIONED <input type="checkbox"/> WITHDRAWN <input type="checkbox"/> REVOKED		
			<input type="checkbox"/> GRANTED <input type="checkbox"/> DENIED <input type="checkbox"/> PENDING <input type="checkbox"/> EXPIRED <input type="checkbox"/> SUSPENDED <input type="checkbox"/> CONDITIONED <input type="checkbox"/> WITHDRAWN <input type="checkbox"/> REVOKED		
			<input type="checkbox"/> GRANTED <input type="checkbox"/> DENIED <input type="checkbox"/> PENDING <input type="checkbox"/> EXPIRED <input type="checkbox"/> SUSPENDED <input type="checkbox"/> CONDITIONED <input type="checkbox"/> WITHDRAWN <input type="checkbox"/> REVOKED		
			<input type="checkbox"/> GRANTED <input type="checkbox"/> DENIED <input type="checkbox"/> PENDING <input type="checkbox"/> EXPIRED <input type="checkbox"/> SUSPENDED <input type="checkbox"/> CONDITIONED <input type="checkbox"/> WITHDRAWN <input type="checkbox"/> REVOKED		

Initials AK



Penn National Gaming, Inc. Application  
Lawrence Downs Casino and Racing Resort

Schedule 29

CASINO AND RACETRACK LICENSES HELD

Rev. 05/22/13

Licensed Entity	DBA	State	Regulatory Authority	Regulatory Agency Address	Type of License	Year PNGI Acquired/Built	License Exp. Date (Mo-Yr)
Pen Bulpen, Inc.	Bulpen Casino/Bulwhackers	CO	CO Division of Gaming	1881 Pierce Street, Suite 112 Lakewood, CO 80214 303.205.1355	Limited Gaming License	2002	April, 2015
Penn Bulwhackers, Inc.	Bulwhackers Casino	CO	CO Division of Gaming	See above	Limited Gaming License	2002	April, 2015
Penn Bulwhackers, Inc.	Bulwhackers Casino	CO	CO Division of Gaming	See above	Mfg/Distributor - Type 2	2002	April, 2015
Penn Sanford, LLC	Sanford-Orlando Kennel Club	FL	Florida Dept of Pari-Mutuel Wagering	Northwood Centre 1940 North Monroe Street Tallahassee, FL 32399	Greyhound Racing	2007	June, 2013
Belle of Sioux City L.P.	Argosy Sioux City	IA	Iowa Racing & Gaming Commission	717 East Court, Suite B Des Moines, Iowa 50309 515.281.7352	Riverboat Casino License	2005	Pending
Empress casino Joliet Corp.	Hollywood Casino Joliet	IL	Illinois Gaming Board	160 N. LaSalle, 3rd Floor Chicago, IL 60601 312.814.4710	Riverboat Gaming License	2005	Jul-14
Hollywood Casino Aurora, Inc.	Hollywood Casino Aurora	IL	Illinois Gaming Board	See above	Riverboat Gaming License	2003	December, 2014



Penn National Gaming, Inc. Application  
Lawrence Downs Casino and Racing Resort

Schedule 29

CASINO AND RACETRACK LICENSES HELD

Rev. 05/22/13

Licensed Entity	DBA	State	Regulatory Authority	Regulatory Agency Address	Type of License	Year PNGI Acquired/Built	License Exp. Date (Mo-Yr)
Alton Gaming Co.	Argosy Casino/Alton	IL	Illinois Gaming Board	See above	Riverboat Gaming License	2005	October, 2015
Indiana Gaming Company L.P.	Hollywood Casino - Lawrenceburg	IN	Indiana Gaming Commission	101 W. Washington Street East Tower, Suite 1600 Indianapolis, IN 46204 317.233.0046	Riverboat Owner's License	2005	December, 2013.
Kansas Entertainment, Inc.	Hollywood Casino Kansas (50% Joint venture with affiliate of International Speedway Co)	KS	Kansas Racing & Gaming Commission	700 SW Harrison, Suite 500, Topeka, KS 66603-3754	Found Suitable	2012	Pending Renewal
Kansas Entertainment, Inc.	Hollywood Casino Kansas (50% Joint venture with affiliate of International Speedway Co)	KS	Kansas Lottery	128 N. Kansas Ave., Topeka, KS 66603	Lottery Facility Manager	2012	Pending Renewal
Louisiana Casino Cruises	Hollywood Casino Baton Rouge	LA	Louisiana Gaming Control Board	7919 Independence Blvd. Baton Rouge, LA 70806 225.922.2534	Riverboat Casino License	2001	Jul-15
Springfield Gaming and Redevelopment, LLC		MA	Massachusetts Gaming Commission	84 State St., Suite 720, Boston, MA 02109, 617-979-8400	Gaming License	submitted license app in 2013- pending	
Maryland Racing Ventures, LLC	Maryland Jockey Club (49% Interest)	MD	Maryland Racing Commission	500 N. Calvert, Suite 201, Baltimore, MD 21202	Horse Race License	2010	N/A



Penn National Gaming, Inc. Application  
Lawrence Downs Casino and Racing Resort

Schedule 29

CASINO AND RACETRACK LICENSES HELD

Rev. 06/22/13

Licensed Entity	DBA	State	Regulatory Authority	Regulatory Agency Address	Type of License	Year PNGI Acquired/Built	License Exp. Date (Mo-Yr)
Prince George's Racing Ventures, LLC	Rosecroft Raceway	MD	Maryland Racing Commission	500 N. Calvert, Suite 201, Baltimore, MD 21202	Horse Race License	2011	Yearly
Penn Cecil Maryland, Inc.	Hollywood Casino Peryville	MD	Maryland State Lottery Agency	1800 Washington Blvd., Suite 330, Baltimore, MD 21230	Video Lottery Operator License	2010	9/1/2025
Bangor Historic Track, Inc.	Hollywood Slots, Hotel & Raceway	ME	Maine Harness Racing Commission	28 State House Station, Augusta, Maine 04333-0028 207.287.3221	Live Racing	2004	December, 2013
Bangor Historic Track, Inc.	Hollywood Slots, Hotel & Raceway	ME	Maine Gambling Control Board	45 Commerce Drive, 87 SHS, Augusta, Maine 04333-0087 207.626.3900	Slot Operator License	2004	February, 2013
The Missouri Gaming Company	Argosy Casino Riverside	MO	Missouri Gaming Commission	3417 Knipp Drive, Jefferson City, MO 65109 573.526.4080	Class B Gaming License	2005	February, 2014
St. Louis Gaming Venture, LLC	Hollywood Casino St. Louis	MO	Missouri Gaming Commission	3417 Knipp Drive, Jefferson City, MO 65109 573.526.4080	Class B Gaming License	2012	Nov-13
HWCC-Tunica, Inc.	Hollywood Casino Tunica	MS	Mississippi Gaming Commission	620 North Street, Suite 200 Lodges, MS 39202	Gaming License	2003	October, 2013
BTN, Inc.	Boomtown Casino Biloxi	MS	Mississippi Gaming Commission	See above	Gaming License	2000	August, 2015
BSL, Inc	Hollywood Casino Bay St. Louis	MS	Mississippi Gaming Commission	See above	Gaming License	2000	August, 2015



Penn National Gaming, Inc. Application  
Lawrence Downs Casino and Racing Resort

Schedule 29

CASINO AND RACETRACK LICENSES HELD

Rev. 05/22/13

Licensed Entity	DBA	State	Regulatory Authority	Regulatory Agency Address	Type of License	Year PNGI Acquired/Built	License Exp. Date (Mo-Yr)
FR Park Racing, L.P.	Freshold Race (49.95% owned by PNG, but not managed by PNG)	NJ	New Jersey Racing Commission	140 East Front Street 4th Floor PO Box 088 Trenton, NJ 08625	Horse Race License		December, 2013
Zia Park, LLC	Zia Park	NM	New Mexico Gaming Control Board	4900 Alameda Boulevard NE Albuquerque, NM 87113 505.841.9700	Operator License	2007	Pending
Zia Park, LLC	Zia Park	NM	Racing Commission of the State of NM	4900 Alameda Boulevard NE Suite A	Simulcast License	2007	December, 2013
Zia Park, LLC	Zia Park	NM	Racing Commission of the State of NM	See above.	Horse Race License	2007	December, 2013
LV Gaming Ventures, Inc. d/b/a M Resort Spa and Casino.	M Resort Spa and Casino	NV	NV Gaming Control Board	555 E. Washington Ave., Suite 2600, Las Vegas, NV 89101, 702-486-2000	Gaming License - nonrestricted	2010	No expiration date
Raceway Park, Inc	Raceway Park	OH	Ohio State Racing Commission	77 S. High St. - 18th Floor Columbus, OH 43215-6108 614.466.2757	Permit to Conduct A Commercial Horse Race Meeting	2005	August, 2013
Toledo Maumee Raceway Park, Inc	Raceway Park	OH	Ohio State Racing Commission	77 S. High St. - 18th Floor Columbus, OH 43215-6108 614.466.2757	Permit to Conduct A Commercial Horse Race Meeting	2005	Pending
Beulah Park Gaming Ventures, Inc.	Beulah Park	OH	Ohio State Racing Commission	77 S. High St. - 18th Floor Columbus, OH 43215-6108 614.466.2757	Horse Race License	2010	December, 2013





Penn National Gaming, Inc. Application  
Lawrence Downs Casino and Racing Resort

Schedule 29

CASINO AND RACETRACK LICENSES HELD

Rev. 05/22/13

Licensed Entity	DBA	State	Regulatory Authority	Regulatory Agency Address	Type of License	Year PNGI Acquired/Built	License Exp. Date (Mo-Yr)
Central Ohio Gaming Ventures, LLC	Hollywood Casino Columbus	OH	Ohio Casino Control Commission	10 W. Broad St., 6th Floor Columbus, OH 43215; 855-800-0058	Gaming	2011	May-15
Toledo Gaming Ventures, LLC	Hollywood Casino Toledo	OH	Ohio Casino Control Commission	10 W. Broad St., 6th Floor Columbus, OH 43215; 855-800-0058	Gaming	2011	May-15
CHC Casino Canada, Ltd	Casino Rama	Ontario	Alcohol and Gaming Commission of Ontario	20 Dundas Street West, 10th Floor Toronto, Ontario M5G 2N6	Gaming Related Supplier-Operator	2001	Pending
Mountainview Thoroughbred Racing Association	Hollywood Casino at Penn National Race Course	PA	Pennsylvania Gaming Control Board	PO Box 69060 Harrisburg, PA 17106-9060 717-346-8300	Gaming	2008	Pending
Mountainview Thoroughbred Racing Association	Hollywood Casino at Penn National Race Course	PA	Pennsylvania State Horse Racing Commission	Agricultural Building, Room 304 2301 N. Cameron, St. Harrisburg, PA 17110 717-787-6902	Horse Race License	2008	Pending
Houston Gaming Ventures, Inc.	Sam Houston Race Park (Houston Gaming Ventures,	TX	Texas Racing Commission	8505 Cross Park Dr. #110, Austin, TX 78754; 512-833-6699	Horse Race License	2011	No expiration date
PNGI Charles Town Gaming, Inc	Hollywood Casino at Charles Town Races	WV	West Virginia Racing Commission	310 Lee Road Follansbee, WV 26037 304.558.2150	Race Meeting	1997	December, 2013
PNGI Charles Town Gaming, Inc	Hollywood Casino at Charles Town Races	WV	West Virginia Lottery Commission	312 MacCorkle Avenue, S.E. Charleston, WV 25327	Video Lottery Operator License	1997	June, 2013

PENDING OR EXPECTED FUTURE LICENSES



Penn National Gaming, Inc. Application  
Lawrence Downs Casino and Racing Resort

Schedule 29

CASINO AND RACETRACK LICENSES HELD

Rev. 05/22/13

Licensed Entity	DBA	State	Regulatory Authority	Regulatory Agency Address	Type of License	Year PNCI Acquired/Built	License Exp. Date (Mo-Yr)
Beulah Park Gaming Ventures, Inc.	Hollywood Slots at Mahoning Valley Racecourse	OH	Ohio Lottery Commission	615 W. Superior Ave. Cleveland, OH 44113	Video Lottery Sales Agent	Expected 2014	n/a
Raceway Park, Inc.	Hollywood Slots at Dayton Raceway	OH	Ohio Lottery Commission	615 W. Superior Ave. Cleveland, OH 44113	Video Lottery Sales Agent	Expected 2014	n/a
PA Gaming Ventures, LLC	Hollywood Casino Philadelphia	PA	Pennsylvania Gaming Control Board	PO Box 69060 Harrisburg, PA 17106-9060 717.346.8300	Gaming	Pending selection over competing proposals	n/a
Prince George's Racing Ventures, LLC	Hollywood Casino Resort at Rosecroft Raceway	MD	Maryland Lottery	Montgomery Park Business Ctr 1800 Washington Blvd. Suite 330 Baltimore, MD 21230	Lottery Facility Manager	Pending selection over competing proposals	n/a





SCHEDULE 30

REDACTED





**DIVERSITY PLAN STATEMENT**

SLOT MACHINE LICENSE APPLICANT NAME Penn National Gaming, Inc.

SLOT MACHINE LICENSE APPLICANT MAILING ADDRESS 825 Berkshire Blvd. Wyomissing, PA 19610

SLOT MACHINE LICENSE APPLICANT PHONE NUMBER 610-373-2400

EQUAL OPPORTUNITY OFFICER Carl Soltosant

DATE SUBMITTED 5/31/13

PURSUANT TO SECTION 1325(B)(1) OF THE PENNSYLVANIA RACE HORSE DEVELOPMENT AND GAMING ACT:

**APPLICANT HAS DEVELOPED AND IMPLEMENTED A DIVERSITY PLAN.**

**A COPY OF THIS PLAN IS** included in the Category 1 Application of Endeka Entertainment, LP.

  
SIGNATURE OF CEO-Applicant

Robert Polito  
PRINTED NAME

5,31,13  
DATE



**Pennsylvania Gaming Control Board**  
**Licensed Entity Representation Registration**

A Licensed Entity Representative includes any person acting on behalf of or representing the interest of any applicant, licensee, permittee or registrant, including, but not limited to an attorney (outside counsel representing the applicant/licensee); agent or lobbyist regarding any matter which may reasonably be expected to come before the Pennsylvania Gaming Control Board ("PGCB"). Please include representatives from law firms; public relations firms; representatives from government relations firms and traffic experts. If any law firms were sub-contracted, individuals from these firms who directly represented the applicant/licensee must also complete this form.

NAME:	Frank Donaghue
FIRM:	Penn National Gaming, Inc.
ADDRESS:	825 Berkshire Blvd.
CITY:	Wyomissing
STATE AND ZIP CODE:	PA 19610
TELEPHONE:	610-373-2400
ENTITY REPRESENTED:	Western PA Gaming Ventures, LLC

Pursuant to 4 Pa.C.S., §1202.1(b), I am required to register as a licensed entity representative with the PGCB. I have an ongoing duty to regularly update this information and failure to do so could subject my firm and me to a penalty. I also acknowledge that by signing this document, all information contained herein will be made available for review by the public and that such information will be posted on the PGCB website pursuant to 4 Pa.C.S., §1202.1(3).

SIGNATURE: \_\_\_\_\_

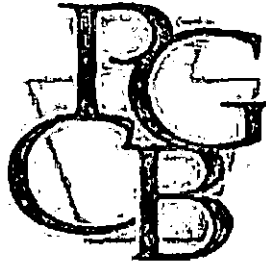
A handwritten signature in black ink, appearing to be 'F. Donaghue', written over a horizontal line.

DATE: \_\_\_\_\_

5/31/13

Handwritten initials in black ink, possibly 'FD', written over a horizontal line.





**Pennsylvania Gaming Control Board**  
**Licensed Entity Representation Registration**

A Licensed Entity Representative includes any person acting on behalf of or representing the interest of any applicant, licensee, permittee or registrant, including but not limited to an attorney (outside counsel representing the applicant/licensee), agent or lobbyist regarding any matter which may reasonably be expected to come before the Pennsylvania Gaming Control Board ("PGCB"). Please include representatives from law firms, public relations firms, representatives from government relations firms and traffic experts. If any law firms were sub-contracted, individuals from these firms who directly represented the applicant/licensee must also complete this form.

**NAME:** Carl Sottosanti  
**FIRM:** Penn National Gaming, Inc.  
**ADDRESS:** 825 Berkshire Blvd.  
**CITY:** Wyomissing  
**STATE AND ZIP CODE:** PA 19610  
**TELEPHONE:** 610-373-2400  
**ENTITY REPRESENTED:** Western PA Gaming Ventures, LLC

Pursuant to 4 Pa.C.S. §1202.1(b), I am required to register as a licensed entity representative with the PGCB. I have an ongoing duty to regularly update this information and failure to do so could subject my firm and me to a penalty. I also acknowledge that by signing this document, all information contained herein will be made available for review by the public and that such information will be posted on the PGCB website pursuant to 4 Pa.C.S. §1202.1(3).

**SIGNATURE:** \_\_\_\_\_

*CS*

**DATE:** \_\_\_\_\_

*May 31, 2011*

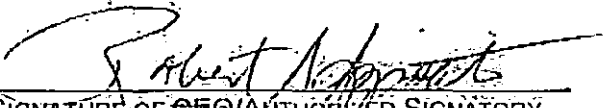
**PENNSYLVANIA POLITICAL CONTRIBUTIONS FORM**

IN THE CHART BELOW, PROVIDE THE REQUIRED INFORMATION FOR ALL POLITICAL CONTRIBUTIONS, MONETARY OR IN-KIND, TO A CANDIDATE FOR NOMINATION OR ELECTION TO ANY PUBLIC OFFICE IN THIS COMMONWEALTH, OR TO ANY POLITICAL COMMITTEE OR STATE PARTY IN THIS COMMONWEALTH OR TO ANY GROUP, COMMITTEE OR ASSOCIATION ORGANIZED IN SUPPORT OF ANY SUCH CANDIDATE, POLITICAL COMMITTEE OR STATE PARTY ON OR AFTER THE DATE YOUR ENTITY'S APPLICATION WAS SUBMITTED TO THE PENNSYLVANIA GAMING CONTROL BOARD (BOARD). THE APPLICANT OR LICENSEE MUST LIST POLITICAL CONTRIBUTIONS BY ITS AFFILIATES, INTERMEDIARIES, SUBSIDIARIES, HOLDING COMPANIES, PRINCIPALS AND KEY EMPLOYEES WHO HOLD SIMILAR GAMING LICENSES IN OTHER JURISDICTIONS. DO NOT INCLUDE CONTRIBUTIONS TO CANDIDATES FOR FEDERAL OFFICES OR TO COMMITTEES OR GROUPS ORGANIZED SOLELY IN SUPPORT OF FEDERAL CANDIDATES.

IF THERE IS MORE THAN ONE CONTRIBUTION TO THE SAME CANDIDATE, POLITICAL COMMITTEE, STATE PARTY, ETC., SEPARATE ENTRIES MUST BE LISTED FOR EACH CONTRIBUTION.

NOTE: IF YOU NEED SPACE FOR ADDITIONAL ENTRIES, PLEASE MAKE ADDITIONAL COPIES OF THIS FORM.

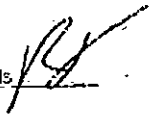
DATE OF CONTRIBUTION	NAME AND ADDRESS OF THE CANDIDATE, POLITICAL COMMITTEE OR STATE PARTY, OR GROUP, COMMITTEE OR ASSOCIATION ORGANIZED IN SUPPORT OF SUCH CANDIDATE, POLITICAL COMMITTEE OR STATE PARTY	AMOUNT OR VALUE OF CONTRIBUTION
	None	

  
 SIGNATURE OF CEO/AUTHORIZED SIGNATORY

5/31/13  
 DATE SIGNED

Robert Jppolito - VP, Secretary / Treasurer  
 PRINTED NAME OF CEO/AUTHORIZED SIGNATORY - TITLE

IF A PERSON OTHER THAN THE CEO OF THIS ENTITY IS DESIGNATED TO EXECUTE THIS DOCUMENT, THE BOARD MUST BE PROVIDED WITH A RESOLUTION OR AN AFFIDAVIT, CERTIFIED AS TRUE AND CORRECT, IDENTIFYING THE INDIVIDUAL SO DESIGNATED, AUTHORIZING THAT INDIVIDUAL TO EXECUTE THE DOCUMENT ON BEHALF OF BOTH THE ENTITY AND THE CEO.

Initials 



## Appendix 1

*Description of the business currently performed and the business intended to be performed in the commonwealth. This information must be specific and must be organized around the topics shown in schedules 31 and 32. Additionally, applicant must indicate the relationship between it and its affiliated entities as it relates to the business intended to be performed in the commonwealth in the form of an organization chart with a narrative description.*

### **Description of Present Business in the Commonwealth**

The Applicant Penn National Gaming Inc. is a large diversified owner operator of casino and pari-mutuel racing facilities with 29 such properties in 19 separate jurisdictions. Its corporate headquarters is in Wyomissing, Pennsylvania. In Pennsylvania, the Applicant, through its Pennsylvania National Turf Club, Inc. and Mountainview Thoroughbred Racing Association subsidiaries operates a thoroughbred racing track and casino in Grantville Pennsylvania as well as several OTB facilities throughout the state. Additionally, the company has an application pending before the PA Gaming Control Board (as manager and 1/3rd owner for a Category 2 facility in Philadelphia, Hollywood Casino Philadelphia.

### **Description of Competitive Conditions**

The Applicant operates casinos and racing properties in many different jurisdictions. The level of competition varies by property location. Generally, competitive pressure at many of Penn National's casino properties has been increasing as more and more states legalize or expand gambling and/or increase gaming taxes. The Applicant's Grantville, Pennsylvania based Hollywood Casino at Penn National Race Course has shown consistent revenue growth since it opened in February of 2008. The recent business recession has negatively impacted the earnings and ability to borrow for many gaming companies which has caused many of them to have trouble meeting financial obligations. Penn National Gaming with its diversified operations and disciplined management is considered to have one of the best balance sheets in the gaming industry and has weathered the current recession well. The enterprise has and will continue to meet ongoing competitive challenges through superior customer service and continued investment in property upgrades and expansions.

Penn National's horse and greyhound racing operations face competition from other racing operations as well as from casinos, lotteries and other forms of entertainment. In general, the racing operations at Penn racetracks and most other racetracks around the country have seen a general downturn in business which has only been marginally offset at some properties by purse subsidies provided by casino operations. This is primarily caused by a historical shift of customer preference away from racing and towards other forms of entertainment. Penn National remains committed to its racing operations and has invested significant capital in improving the facilities it operates.



**Principal Products Produced and/or Services Rendered**

The Applicant, Penn National Gaming, Inc. ("PNG") is in the business of operating casino and racetrack facilities throughout the United States and Canada.

Each facility serves the local populace as well as area tourists and those just passing through.

**Availability of Raw Materials, Critical Technology & Employees**

Since a casino resort is primarily a service business it is not generally susceptible to shortages of raw material. With unemployment at around 8% in the state we would expect few problems in hiring and training qualified employees for most positions.

**Intellectual Property Owned by Applicant & Importance to Business Trademarks**

Penn National Gaming, Inc., has trademarks which are important to the company for purposes of brand recognition, facility theming and customer good will. We own a number of trademarks registered with the U.S. Patent and Trademark Office ("U.S. PTO"), including but not limited to, "Telebet," "The World Series of Handicapping," and "Players' Choice." We also have a number of trademark applications pending with the U.S. PTO.

BTN, Inc., our wholly-owned subsidiary, entered into a License Agreement with Boomtown, Inc., dated August 8, 2000 pursuant to which it uses "Boomtown" and other trademarks.

As a result of our acquisitions of Hollywood Casino Corporation and Argosy, we own the service marks "Hollywood Casino" and "Argosy" which are registered with the U.S. Patent and Trademark Office. We have been informed that our rights to the "Hollywood Casino" and "Argosy" service marks are well established and have competitive value to the Hollywood Casino and Argosy properties. We have also acquired other trademarks used by the Hollywood Casino and Argosy facilities and their related services. These marks are either registered or are the subject of pending applications with the U.S. PTO. We have recently service marked the term Hollywood Poker Open

**Description of Business Developments, Including Bankruptcy, Receivership or Similar Proceedings**

None

**Description of Any Other Material Reorganization, Readjustment or Succession of Applicant or Any of Its Subsidiaries or Acquisitions**

None to date; however, Penn National Gaming announced on November 16, 2012 that it intends to pursue a plan to separate its gaming operating assets and real-property assets into two publicly-traded companies including an operating entity, PNG, and through a tax-free spin-off of its real estate assets to holders of Penn National Gaming common stock, a newly-formed publicly-traded real estate investment trust ("REIT") called Gaming and Leisure Properties, Inc. "GLPI" or "PropCo"), subject to required gaming regulatory body approvals. See Appendix 1A for the Form 8-K filed on November 16, 2012.



### **History of Previous Business Conducted By Applicant**

The enterprise, Penn National Gaming, Inc., operates casinos and racetracks offering pari-mutuel racing. PNG has been in business since 1972 and has operated Class III casinos since 1997 when it opened its first slot machines at Charles Town Races and Slots in West Virginia. Since that time, PNG has expanded the size and scope of its operations so that it now owns or operates twenty-nine casinos and/or racetracks in nineteen different jurisdictions. In 2012, combined annual EBITDA (earnings before interest depreciation and amortization) generated by the company's casino and horse racing operations totaled over \$711 million.

Penn National Gaming, Inc. is one of the largest most diversified gaming companies in the world and has the internal resources, experienced executives and technical staff necessary to operate any gaming facility in the world. It continually seeks out new business opportunities in the casino and racing industries.

**Relationship between Applicant and its affiliated entities as it relates to the business intended to be performed in the commonwealth in the form of an organization chart with a narrative description.**

The applicant provides general corporate support to its operating casino and racing subsidiaries. Support includes construction services, financing, marketing assistance, information technology services, internal auditing oversight, compliance and licensing support, legal services, accounting support and oversight, and purchasing support.

The Applicant is the owner of Western PA Gaming Ventures, LLC. Western PA Gaming Ventures, LLC will construct and provide operational consulting services to the proposed Lawrence Downs Casino and Racing Resort. See **Appendix 18** for an organization chart reflecting the Applicant's ownership of Western PA Gaming Ventures, LLC, which also shows the relationship of the parties involved with Lawrence Downs Casino and Racing Resort.

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
WASHINGTON, D.C. 20549

**FORM 8-K**

**CURRENT REPORT**

**Pursuant to Section 13 or 15 (d) of the  
Securities Exchange Act of 1934**

Date of Report – November 15, 2012  
(Date of earliest event reported)

**PENN NATIONAL GAMING, INC.**  
(Exact name of registrant as specified in its charter)

**Pennsylvania**  
(State or other jurisdiction  
of incorporation)

**0-24206**  
(Commission File Number)

**23-2234473**  
(IRS Employer  
Identification  
Number)

**825 Berkshire Blvd., Suite 200, Wyomissing Professional Center, Wyomissing, PA**  
(Address of principal executive offices)

**19610**  
(Zip Code)

**Area Code (610) 373-2400**  
(Registrant's telephone number)

Check the appropriate box below if the form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2 to Form 8-K):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

**Item 8.01. Other Events.**

Penn National Gaming, Inc. (the "Company") announced on November 16, 2012 that it intends to pursue a plan to separate its gaming operating assets and real property assets into two publicly traded companies including an operating entity, Penn National Gaming ("PNG"), and, through a tax-free spin-off of its real estate assets to holders of Penn National Gaming common stock, a newly formed, publicly traded real estate investment trust ("REIT") ("PropCo"), subject to required gaming regulatory body approvals.

Under the plan, PropCo will initially own substantially all of the Company's real property assets and will lease most of those assets back to PNG pursuant to a "triple net" 35 year master lease agreement (including extension renewals). It is expected that PNG would pay approximately \$450 million to PropCo in rent, which would result in a rent coverage ratio of approximately 2.0 times earnings before interest, taxes, depreciation, amortization and rent ("EBITDAR"). After the proposed separation, PNG would operate the leased gaming facilities and own and operate other assets, which include a casino management contract, a 50% joint venture interest in Hollywood Casino at Kansas Speedway, seven non-casino racetracks and gaming licenses and equipment.

Based on the Company's current real estate portfolio, PropCo is expected to initially own 17 casino facilities; which have a total of over 3,200 acres of land, 6.9 million square feet of building space and 20,000 structured parking spaces, as well as two new facilities to be constructed in Ohio. Through its rent structure, which is partially based on the performance of the facilities, PropCo would expect to grow organically by participating in PNG's growing revenue base. In addition, PropCo would focus on expanding its gaming and leisure sector real estate portfolio through acquisitions, and thereby diversify its asset base and tenant base over time.

After the proposed separation, PropCo will declare a dividend to its shareholders to distribute any accumulated earnings and profits attributable to any pre-REIT years to comply with certain REIT qualification requirements. The Company estimates that the dividend will total approximately \$1.4 billion. The dividend will be paid in a combination of cash and PropCo stock, which the Company expects will consist of approximately 35% cash and 65% stock. In addition, going forward, PropCo is expected to distribute at least 90% of its annual taxable income as dividends. Based on pro forma guidance provided in the press release included as an exhibit to this Current Report, the dividend would be \$2.36 per share for fiscal year 2013. The Company also provided full year guidance in the press release for the Company for 2013 as well as pro forma guidance for each of PNG and PropCo for the same period.

The Company has received a private letter ruling from the Internal Revenue Service relating to the tax treatment of the separation and the qualification of PropCo as a REIT. The private letter ruling is subject to certain qualifications and based on certain representations and statements made by the Company. If such representations and statements are untrue or incomplete in any material respect (including as a result of a material change in the proposed transaction or other relevant facts), the Company may not be able to rely on the private letter ruling.

Additional details regarding the transaction, the treatment of certain 10% shareholders, compliance with certain REIT requirements, the treatment of employee incentive awards and summary of master lease terms are included in the attached press release and related investor presentation slides.

The Company anticipates filing a registration statement relating to the proposed transaction with the U.S. Securities and Exchange Commission in the second quarter of 2013. The completion of the proposed transaction is contingent on receipt of regulatory approvals, which the Company expects to receive over the next nine to twelve months, the receipt of final approval by the Company's Board of Directors, execution of definitive documentation by certain holders of the Company's Series B

Redeemable Preferred Stock (as described in the press release), and other customary conditions. The Company may, at any time until the proposed separation is complete, abandon the separation or modify or change the terms of the separation.

This Current Report contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Actual results may vary materially from expectations. Although the Company and its subsidiaries (collectively, the "Company") believe that our expectations are based on reasonable assumptions within the bounds of our knowledge of our business and operations, there can be no assurance that actual results will not differ materially from our expectations. Meaningful factors that could cause actual results to differ from expectations include, but are not limited to, risks related to the following: the proposed separation of PropCo from the Company, including our ability to receive, or delays in obtaining, all necessary consents and approvals, the anticipated timing of the proposed separation, the expected tax treatment of the proposed transaction, the ability of each of the Company (post-spin) and PropCo to conduct and expand their respective businesses following the proposed spin-off, and the diversion of management's attention from regular business concerns; our ability to receive, or delays in obtaining, the regulatory approvals required to own, develop and/or operate our facilities, or other delays or impediments to completing our planned acquisitions or projects, including favorable resolution of any related litigation, including the recent appeal by the Ohio Roundtable addressing the legality of video lottery terminals in Ohio; our ability to secure state and local permits and approvals necessary for construction; construction factors, including delays, unexpected remediation costs, local opposition and increased cost of labor and materials; our ability to successfully integrate Harrah's St. Louis into our existing business; our ability to reach agreements with the thoroughbred and harness horseman in Ohio and to otherwise maintain agreements with our horseman, pari-mutuel clerks and other organized labor groups; the passage of state, federal or local legislation (including referenda) that would expand, restrict, further tax, prevent or negatively impact operations in or adjacent to the jurisdictions in which we do or seek to do business (such as a smoking ban at any of our facilities); the effects of local and national economic, credit, capital market, housing, and energy conditions on the economy in general and on the gaming and lodging industries in particular; the activities of our competitors and the emergence of new competitors (traditional and internet based); increases in the effective rate of taxation at any of our properties or at the corporate level; our ability to identify attractive acquisition and development opportunities and to agree to terms with partners for such transactions; the costs and risks involved in the pursuit of such opportunities and our ability to complete the acquisition or development of, and achieve the expected returns from, such opportunities; our expectations for the continued availability and cost of capital; the outcome of pending legal proceedings; changes in accounting standards; our dependence on key personnel; the impact of terrorism and other international hostilities; the impact of weather; and other factors as discussed in the Company's Annual Report on Form 10-K for the year ended December 31, 2011, subsequent Quarterly Reports on Form 10-Q and Current Reports on Form 8-K as filed with the SEC. The Company does not intend to update publicly any forward-looking statements except as required by law.

**Item 9.01. Financial Statements and Exhibits.**

(d) Exhibits

Exhibit No.	Description
99.1	Press release dated November 15, 2012.
99.2	Investor presentation slides.



**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Dated: November 16, 2012

PENN NATIONAL GAMING, INC.

By: /s/ Robert S. Ippolito  
Robert S. Ippolito  
Vice President, Secretary and Treasurer

**EXHIBIT INDEX**

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press release dated November 15, 2012.
99.2	Investor presentation slides.

## News Announcement



## Conference Call, Webcast &amp; Management PowerPoint Presentation

**Conference Call:** Friday, November 16, 2012 at 8:30 a.m. ET  
**Dial-in number:** 212/271-4657  
**Webcast:** www.pngaming.com (select "Investors" / "Events")  
**Presentation:** www.pngaming.com (select "Investors" / "Presentations")

*Replay details provided below*

**CONTACT:**  
 William J. Clifford  
 Chief Financial Officer  
 610/373-2400

Joseph N. Jaffoni, Richard Land  
 JCIR  
 212/835-8500 or penn@jcir.com

**PENN NATIONAL GAMING ANNOUNCES INTENT TO PURSUE THE SEPARATION OF ITS REAL ESTATE ASSETS FROM ITS OPERATING ASSETS**

- First Gaming Company to Split its Businesses into Two Separate Publicly Traded Companies, a Gaming Focused REIT and a Gaming Operator -
- REIT Would Own 17 Casino Facilities Encompassing Over 3,200 Acres of Land, 6.9 Million Square Feet of Building Space and 20,000 Structured Parking Spaces -
- Establishes 2013 Full Year Guidance for Penn National Gaming as well as Pro Forma Guidance for the Operating Entity, Penn National Gaming, and Publicly Traded Real Estate Investment Trust -

Wyomissing, Penn., (November 15, 2012) — Penn National Gaming, Inc. (PENN: Nasdaq) ("PENN") announced today that it intends to pursue a plan to separate its gaming operating assets and real property assets into two publicly traded companies including an operating entity, Penn National Gaming ("PNG"), and, through a tax-free spin-off of its real estate assets to holders of PENN common stock, a newly formed, publicly traded real estate investment trust ("REIT") ("PropCo"), subject to required gaming regulatory body approvals.

## HIGHLIGHTS

- Creation of the first gaming focused REIT
  - Initially, rent will equal approximately \$450 million, which represents approximately half of PNG's projected 2013 adjusted EBITDA
- Through a tax-free dividend, PENN shareholders will receive PropCo common stock. PropCo will subsequently declare a taxable dividend of approximately \$1.4 billion of accumulated earnings and profits equivalent to approximately \$15.40 per PENN share comprised of approximately \$487 million of cash, or an approximately \$5.35 cash dividend per PENN share, with the remainder comprised of PropCo shares
- PropCo shareholders to be entitled to ordinary dividend which, based on pro forma 2013 guidance, would be \$2.36 per PENN share
- Non-binding agreement reached to exchange \$975 million of Series B Redeemable Preferred Stock ("Preferred Stock") at \$67 per share into approximately 14.6 million non-voting PENN common shares or equivalents
  - Exchange will reduce PENN diluted common shares outstanding by approximately 7.1 million shares
  - Following the exchange, PENN has the right to purchase up to an estimated \$417.5 million of the non-voting PENN common stock or equivalents (approximately 6.2 million of the 14.6 million non-voting PENN common shares or equivalents at \$67 per share) which may reduce PENN diluted common shares outstanding by up to approximately 6.2 million additional shares
- PENN has received a Private Letter Ruling from the IRS with respect to certain tax matters regarding the transaction and the qualification of PropCo as a REIT
- Spin-off of PropCo shares to PENN shareholders expected to occur in the second half of 2013 with REIT election effective by January of 2014

## TRANSACTION DETAILS

Under the plan, PropCo will initially own substantially all of PENN's real property assets and will lease back most of those assets to PNG for use by its subsidiaries, under a "triple net" 35 year Master Lease agreement (including extensions). It is expected that PNG would pay approximately \$450 million to PropCo in rent, which would result in a rent coverage ratio of approximately 2.0 times earnings before interest, taxes, depreciation, amortization and rent ("EBITDAR"). After the proposed separation, PNG would operate the leased gaming facilities and own and operate other assets, which include a casino management contract, a 50% joint venture interest in Hollywood Casino at Kansas Speedway, gaming licenses, seven non-casino racetracks and gaming equipment.

Based on PENN's current real estate portfolio, PropCo is expected to initially own 17 casino facilities, which have a total of over 3,200 acres of land, 6.9 million square feet of building space and 20,000 structured parking spaces, as well as two new facilities to be constructed in Ohio. Through its rent structure, which is partially based on the performance of the facilities, PropCo would expect to grow organically by participating in PNG's growing revenue base. In addition, PropCo would

focus on expanding its gaming and leisure sector real estate portfolio through acquisitions, and thereby diversify its asset base and tenant base over time.

After the proposed spin-off of PropCo shares to PENN shareholders, PropCo will declare a dividend to its shareholders to distribute any accumulated earnings and profits attributable to any pre-REIT years to comply with certain REIT qualification requirements. PENN estimates that the dividend will total approximately \$1.4 billion. The dividend will be paid in a combination of cash and PropCo stock, which PENN expects will consist of approximately 35% cash and 65% PropCo stock. In addition, going forward, PENN expects that PropCo will distribute at least 90% of its annual taxable income as dividends. Based on pro forma 2013 guidance (provided below), the dividend would be \$2.36 per share.

PENN has received a private letter ruling from the Internal Revenue Service (the "IRS") relating to the tax treatment of the separation and the qualification of PropCo as a REIT. The private letter ruling is subject to certain qualifications and based on certain representations and statements made by PENN. If such representations and statements are untrue or incomplete in any material respect (including as a result of a material change in the proposed transaction or other relevant facts), PENN may not be able to rely on the private letter ruling.

Prior to the spin-off, PENN anticipates refinancing its existing debt obligations and PNG and PropCo are expected to enter into new credit facilities.

Peter M. Carlino, Chairman and Chief Executive Officer of Penn National Gaming commented, "This proposed transaction would be transformational for Penn National and its shareholders and presents a direct path toward unlocking the tremendous value of our real estate asset portfolio. Our plan is to create two well capitalized companies with strong free cash flow that are positioned for growth in the gaming and REIT sectors. The transaction and new ownership structure would permit both companies to best address market and growth opportunities in their respective industries through access to a lower blended cost of capital, fewer regulatory license ownership restrictions, a new capital funding source for the gaming industry by creating an industry specific REIT, and potential opportunities to diversify in the future beyond the gaming industry. The REIT is a highly efficient vehicle for providing consistent and growing income distributions to shareholders as PENN generates substantial and growing free cash flow from existing and future operations.

"The operating entity, PNG, will continue to benefit from its strong and diversified regional presence, proven management team, property development capabilities, strong balance sheet, proven operating discipline, highly regarded Hollywood Casino brand, and robust customer database. PNG will retain its existing growth pipeline while pursuing additional near- and long-term domestic and international growth opportunities that can be highly impactful for its shareholders. In addition, the new structure is expected to allow PNG to operate additional facilities in certain gaming jurisdictions that have ownership limitations.

"We have already begun the process of working with gaming regulators and look forward to updating shareholders on developments related to this value building transaction which is expected to be completed in 2013."

PENN anticipates filing a registration statement relating to the proposed transaction with the U.S. Securities and Exchange Commission in the second quarter of 2013. The completion of the proposed transaction is contingent on receipt of regulatory approvals, which PENN anticipates could occur over the next nine to twelve months, the receipt of final approval by the Penn National Gaming Board of Directors, execution of definitive documentation and approval of the transaction by certain holders of the Preferred Stock, the receipt of legal and accounting opinions, and other customary conditions. PENN may, at any time and for any reason until the proposed separation is complete, abandon the separation or modify or change the terms of the separation.

#### **RE-ALIGNMENT OF INVESTMENTS BY FORTRESS INVESTMENT GROUP AND CARLINO FAMILY TO SATISFY CERTAIN REIT QUALIFICATION REQUIREMENTS**

In general, amounts received by a REIT from any person in which the REIT owns directly, indirectly or constructively 10% or more of the total combined voting power or value do not qualify as "rents from real property" for purposes of the REIT qualification requirements (the "Related-Party Rent Rule"). Absent a re-alignment of the investments by Fortress Investment Group and the Carlino Family, PropCo would be deemed to own constructively 10% or more of the voting power or value of PNG following the spin-off for the purposes of the Related-Party Rent Rule. Although Fortress Investment Group and the Carlino Family have each entered into non-binding agreements to re-align their investments to ensure compliance with the Related-Party Rent Rule, there can be no assurance that they will execute the required definitive agreements.

Fortress Investment Group, owners of approximately \$975 million or 79.4% of the outstanding Series B Redeemable Preferred Stock ("Preferred Stock"), has entered into a non-binding agreement to reduce their aggregate interest in PENN prior to the spin-off such that Fortress Investment Group would own in the aggregate less than a 10% interest in PropCo following the spin-off. Pursuant to the non-binding agreement, PENN has agreed with Fortress Investment Group to exchange their Preferred Stock for non-voting PENN common stock or equivalents at a price of \$67 per share or 14.6 million non-voting common shares or equivalents. The non-voting common shares or equivalents would convert to PENN voting common shares upon sale to a third party.

Prior to the spin-off, the timing of the exchange into non-voting common shares or equivalents at \$67 per share will be at Fortress' discretion. If Fortress doesn't fully exercise the exchange right prior to the spin-off, any remaining Preferred Stock will automatically be converted into PENN non-voting common shares or equivalents. The effect of the above would reduce PENN's diluted share count by at least 7.1 million shares.

Following the exchange, Fortress Investment Group may either divest 6.2 million of the 14.6 million non-voting PENN common shares or equivalents prior to the spin-off, or, if it does not, PENN has the right to repurchase the undisposed shares for \$67 per share. This agreement may further reduce PENN's diluted share count by up to 6.2 million shares. In total, reflecting the exchange and

potential repurchase and assuming Fortress Investment Group does not divest any of its non-voting common shares or equivalents to third parties, PENN would reduce its diluted share count by up to 13.3 million shares.

**Current Series B Redeemable Preferred Stock Ownership**  
(S in millions)

Fortress	\$	975.0
Others		252.5
Total Preferred Stock	\$	1,227.5

**Impact on Diluted Share Count of Fortress Agreement to Convert Preferred Stock to PENN Non-Voting Common Shares or Equivalents and Agreement to Repurchase a Portion of Fortress' Common Stock Ownership**  
(in millions, except conversion/exchange price)

	Impact of Exchange of Fortress Preferred Stock for PENN Non-Voting Common Shares or Equivalents (1)	Impact of PENN Share Repurchase Agreement with Fortress (2)	Reduction in PENN Diluted Common Share Count Assuming Fortress Exchange and Share Repurchase
Fortress Preferred Stock Balance	\$ 975.0	\$ (417.5)	\$ 557.5
Conversion/Exchange Price	\$ 67.00	\$ 67.00	\$ 67.00
Fortress Holdings of Non-Voting PENN Common Shares or Equivalents Post Exchange	14.6	(6.2)	8.4
Current Impact of Fortress Preferred Stock Ownership on PENN Diluted Share Count	21.7		21.7
Reduction in PENN Diluted Share Count	(7.1)	(6.2)	(13.3)

(1) Would occur prior to the spin-off.

(2) Would occur if PENN purchases all of Fortress's shares in excess of 9.9% ownership at \$67.00. Such reductions will not occur if Fortress sells the excess shares to a third party.

Holders of the remaining Preferred Stock will have the option to retain their Preferred Stock positions or convert their Preferred Stock to PENN non-voting common shares or equivalents at \$67 per share. In the spin-off, holders of Preferred Stock will receive a distribution of PropCo common stock on an as-converted basis at the \$67 ceiling price contemplated by the original terms of the Preferred Stock.

The Carlino Family group has agreed to receive a non-pro rata distribution as part of the PropCo spin-off, whereby they would receive additional shares of PropCo stock in the spin-off in exchange for PENN stock, based on the fair value of PENN and PropCo stock. As a result, to ensure compliance with the Related Party Rent Rule, the Carlino Family will re-align their investment so that they would collectively own no more than 9.9% of PNG following the spin-off.

#### SHAREHOLDERS AND EMPLOYEES

As currently contemplated, PENN common shareholders will receive one share of PropCo stock for every PENN share owned on the record date of the spin-off. PENN employees who currently hold employee stock options in PENN will receive one option in PropCo for every option they own in PENN with no change in the option's intrinsic value.

PropCo and PNG would have independent executive management teams. Peter M. Carlino, who presently serves as PENN's Chairman and Chief Executive Officer, would assume those same roles at PropCo and will serve as Chairman of the Board at PNG. Tim Wilmott, who currently serves as President and Chief Operating Officer at PENN, would assume the position and responsibilities of Chief Executive Officer at PNG.

Tim Wilmott commented, "In its eighteen years as a public company, Penn National Gaming has established a proven record for acquiring and developing leading gaming assets, driving efficiencies and generating growing financial results. The transaction creates a structure whereby Penn National Gaming can compete even more effectively for new opportunities including strategic acquisitions and greenfield developments. Penn National Gaming's customers will continue to enjoy our market leading amenities driven by our employees' commitment to deliver quality guest services."

#### **2013 FINANCIAL GUIDANCE FOR PENN NATIONAL GAMING, INC. (PENN)**

The following table sets forth guidance targets for 2013 full year financial results, based on the following assumptions:

- Excludes costs associated with the proposed transaction (including tender costs, financing fees and consulting fees, which are estimated to be less than \$125 million, with the majority still to be incurred);
- A full year of Harrah's St. Louis operations (currently being re-branded as Hollywood Casino St. Louis), inclusive of the proposed property tax increase of approximately \$7.7 million;
- New video lottery terminal operations in Dayton and Youngstown, Ohio do not open until 2014;
- Horseshoe Cincinnati opens in the first quarter of 2013;
- Operators in Maryland begin offering table games in April of 2013;
- No disruptions to Penn National's Argosy Casino Sioux City facility arising from the ongoing negotiations with the City of Sioux City or the facility's charitable sponsor or any related litigation or regulatory proceedings;
- Depreciation and amortization charges in 2012 of \$250.0 million and \$306.0 million in 2013;
- Estimated non-cash stock compensation expenses of \$29.4 million for 2012 and \$30.6 million in 2013;
- LIBOR is based on the forward curve;
- A blended 2012 and 2013 income tax rate of 39%;
- A diluted share count of approximately 105.8 million and 107.4 million shares for the full year 2012 and 2013, respectively, which does not assume a reduction of the fully diluted weighted average shares related to the terms of the Preferred Stock if Penn National Gaming's stock price exceeds \$45; and
- There will be no material changes in applicable legislation, regulatory environment, world events, weather, recent consumer trends, economic conditions, or other circumstances beyond our control that may adversely affect the Company's results of operations.



## Penn National Gaming, Inc. (PENN)

(in millions, except per share data)	Full Year Ending December 31,		
	2013 Guidance	2012 Current Guidance*	2011 Actual
Net revenues	\$3,201.6	\$2,938.1	\$2,742.3
Adjusted EBITDA (1)	905.1	741.5	730.2
Less: Impact of stock compensation, insurance recoveries and deductible charges, depreciation and amortization, gain/loss on disposal of assets, interest expense - net, income taxes, loss on early extinguishment of debt, and other expenses	(624.0)	(514.6)	(487.8)
Net income	\$ 281.1	\$ 226.9	\$ 242.4
Diluted earnings per common share	\$ 2.62	\$ 2.15	\$ 2.26

- \* Penn National Gaming's 2012 adjusted EBITDA, net income and diluted earnings per share guidance includes Maryland lobbying costs in the 2012 fourth quarter of \$23.8 million. The company's prior guidance disclosed on October 18, 2012 excluded Maryland lobbying costs.
- (1) Adjusted EBITDA is income (loss) from operations, excluding the impact of stock compensation, insurance recoveries and deductible charges, depreciation and amortization, and gain or loss on disposal of assets, and is inclusive of gain or loss from unconsolidated affiliates.

## PRO FORMA 2013 FINANCIAL GUIDANCE FOR PROPCO REIT

Reflecting the assumptions below and the 2013 financial guidance for PENN above, PropCo is expected to generate adjusted EBITDA of \$459.1 million and Adjusted Funds From Operations (AFFO) of \$269.2 million:

- PropCo to receive rent payments under the Master Lease equal to approximately \$450 million in 2013;
- The rent payments from the Master Lease agreement with PNG, with the exception of Hollywood Casino Toledo and Hollywood Casino Columbus, are fixed for five years. The rent for Hollywood Casino Toledo and Hollywood Casino Columbus is 20% of annual net revenue;
  - The planned Dayton and Youngstown video lottery terminal facilities are subject to the Master Lease;
  - The Master Lease includes a building rent escalator of 2.0% annually subject to minimum rent coverage of 1.8 times;
  - The Master Lease contains standard covenants that are designed prevent either party from taking action that impairs either entity's financial viability;
- Overhead, including corporate expenses and land lease payments, of approximately \$25 million;
  - These costs are inclusive of costs pursuant to a two year transition services agreement with PNG;
- PropCo will make a one-time payment of accumulated earnings and profits equivalent to \$1.4 billion comprised of cash and stock;
- For a three year period, PropCo will make annual payments of approximately \$38.5 million, in lieu of dividends on employee options;
- PropCo expects to establish a capital structure comprised of bank debt and subordinated debt;
- Following the spin-off and after the initial dividend distribution by PropCo, PropCo will have total leverage (total debt to EBITDA) of approximately 5.5x; and
- 95.9 million fully diluted common shares outstanding (for both 2012 and 2013), which excludes the impact of the pro rata share distribution associated with the one-time dividend to

shareholders of accumulated earnings and profits and assumes Fortress sells the exchanged 6.2 million of non-voting common stock to PENN.

## PropCo

(in millions, except per share data)	Full Year Ending December 31,		
	2013 Guidance	2012 Current	% Variance
Net revenues	\$ 608.3	\$ 556.2	9.4%
Adjusted EBITDA (1)	459.1	376.8	21.8%
Less: Interest Expense and maintenance CAPEX, Option holder payments and income taxes	(189.9)	(199.6)	(4.9)%
AFFO (2)	269.2	177.2	51.9%
Less: Impact of stock compensation, depreciation and amortization	(157.0)	(130.6)	20.2%
Plus: Add-back of maintenance cap-ex	(112.2)	46.6	140.8%
Net income	\$ 1.17	\$ 0.49	138.8%
Diluted earnings per common share	\$ 2.36	\$ 1.56	51.3%
Dividend Per Outstanding Share			

- (1) Adjusted EBITDA is income (loss) from operations, excluding the impact of stock compensation, insurance recoveries and deductible charges, depreciation and amortization, and gain or loss on disposal of assets, and is inclusive of gain or loss from unconsolidated affiliates.
- (2) AFFO, or Adjusted Funds From Operations is net income, excluding gains or losses from sales of property, adding back depreciation and stock compensation expense and subtracting maintenance capex

#### PRO FORMA 2013 FINANCIAL GUIDANCE FOR PENN NATIONAL GAMING (PNG) POST SPIN-OFF

Reflecting the assumptions below and the 2013 financial guidance for PENN above:

- PNG will generate approximately \$432.1 million of EBITDA in 2013;
- PNG's rent coverage ratio will be approximately 2.0x EBITDAR with actual total leverage (total debt to adjusted EBITDA) of approximately 2.9x and implied total adjusted debt leverage (inclusive of PNG's obligation under the Master Lease) of 5.5x;
- PNG expects to establish a capital structure comprised of bank debt and subordinated debt;
- All existing outstanding debt of PENN will be redeemed at the consummation of the proposed transaction;
- The \$1.2275 billion Preferred Stock will be reduced by \$975 million due to the Fortress exchange for common shares. In addition, the guidance assumes Fortress did not divest any of the 6.2 million of the 14.6 million non-voting PENN common shares or equivalents and PENN repurchased them for \$67 per share prior to the spin-off to ensure that Fortress' ownership in PropCo is less than 10%. Centerbridge Partners LP and Wells Fargo Securities, LLC, the holders of the remaining \$252.5 million of Preferred Stock, will have a right to exchange their holdings for PENN common stock at \$67 per share. If Centerbridge Partners LP and Wells Fargo Securities, LLC elect to retain their Preferred Stock holdings, the liquidation value of the instrument will be reduced by the PropCo share distribution multiplied by the PropCo stock price;
- The new floor and ceiling price of the Preferred Stock will be \$67.00 and \$45.00, respectively, less the price of PropCo common stock over the same measurement period;

- PNG will redeem any remaining shares of Preferred Stock with shares of PNG common stock in 2015;
- The diluted share count will be reduced by 13.3 million shares from the pre-announcement level assuming the Fortress exchange and PENN's repurchase of the 6.2 million non-voting PENN common shares or equivalents;
- 89.3 million fully diluted common shares outstanding; and
- Pursuant to the Master Lease, PNG will lease and operate all of the real property now wholly-owned by PENN (other than Hollywood Casino Baton Rouge and Hollywood Casino Perryville) that will be owned by PropCo immediately after the proposed transaction.

## Penn National Gaming (PNG)

(in millions; except per share data)	Full Year Ending December 31,		
	2013 Guidance	2012 Guidance	Variance %
Net revenues	\$3,042.6	\$2,724.2	11.7%
Adjusted EBITDAR (2)	881.4	693.7	27.1%
Rent Expense	(449.3)	(342.3)	31.2%
Adjusted EBITDA (1)	432.1	351.4	23.0%
Less: Impact of stock compensation, insurance recoveries and deductible charges, depreciation and amortization, gain/loss on disposal of assets, interest expense - net, income taxes, loss on early extinguishment of debt, and other expenses	(316.5)	(262.6)	20.5%
Net income	\$ 115.6	\$ 88.8	30.2%
Diluted earnings per common share	\$ 1.29	\$ 1.00	29.0%

- (1) Adjusted EBITDA is income (loss) from operations, excluding the impact of stock compensation, insurance recoveries and deductible charges, depreciation and amortization, and gain or loss on disposal of assets, and is inclusive of gain or loss from unconsolidated affiliates.
- (2) Adjusted EBITDAR is adjusted EBITDA less rent.

## SUPPLEMENTAL INFORMATION

## Pro Forma Property Information

## PROPERTIES OWNED BY PROPCO AND LEASED TO PNG

Property	Location
Hollywood Casino at Charles Town Races	Charles Town, WV
Hollywood Casino Lawrenceburg	Lawrenceburg, IN
Hollywood Casino at Penn National Race Course	Grantville, PA
Hollywood Casino Aurora	Aurora, IL
Hollywood Casino Joliet	Joliet, IL
Argosy Casino Alton	Alton, IL
Argosy Casino Riverside	Riverside, MO
Hollywood Casino Tunica	Tunica, MS
Hollywood Casino Bay St. Louis	Bay St. Louis, MS
Boomtown Biloxi	Biloxi, MS
Argosy Casino Sioux City	Sioux City, IA
Hollywood Slots Hotel and Raceway	Bangor, ME
Zia Park Casino	Hobbs, NM
M Resort	Henderson, NV
Hollywood Casino Toledo	Toledo, OH
Hollywood Casino Columbus	Columbus, OH
Hollywood Casino St. Louis	St. Louis, MO
Youngstown development (pending approval)	Youngstown, OH
Dayton development (pending approval)	Dayton, OH

**PROPERTIES OWNED BY PROPCO AND HELD IN A TAXABLE REIT SUBSIDIARY**

Property	Location
Hollywood Casino, Baton Rouge	Baton Rouge, LA
Hollywood Casino Perryville	Perryville, MD

**PROPERTIES / INTERESTS OWNED BY PNG**

Property	Location
Sanford-Orlando Kennel Club	Longwood, FL
Rosecroft Raceway	Oxon Hill, MD
Bullyhäckers Casino	Black Hawk, CO
Casino Rama management contract	Orillia, Ontario (Canada)
Freehold Raceway (joint venture)	Freehold, NJ
Sam Houston Race Park (joint venture)	Houston, TX
Valley Race Park (joint venture)	Harlingen, TX
Hollywood Casino at Kansas Speedway (joint venture)	Kansas City, KS

**Summary of Master Lease Terms**

- Lease Structure:**
- "Triple Net" Master Lease: PNG will be responsible for maintenance capital expenditures, property taxes, insurance and other expenses
  - All properties subject to the lease will be cross-defaulted / guaranteed
  - PNG will remain responsible for acquisition, maintenance, operation and disposition of all (including gaming) FF&E and personal property required for operations
- Term and Termination:**
- 15 years, with four 5-year extensions at PNG's option
  - Causes for termination by lessor include lease payment default, bankruptcy and/or loss of gaming licenses
  - At the end of lease term, PNG will be required to transfer the gaming assets (including the gaming licenses) to successor tenant for fair market value, subject to regulatory approval
  - Provisions for orderly auction-based transition to new operator at the end of the lease term if not extended
- Rent:**
- Fixed base rent component with annual escalators (subject to minimum rent coverage of 1.8x) plus:
  - Fixed percentage rent component for the facilities (other than Hollywood Casino Toledo and Hollywood Casino Columbus) reset every 5 years to equal 4% of the excess (if any) of the average net revenue for such facilities for the trailing 5 years over a baseline
  - Ohio's (Toledo and Columbus) performance components will be established monthly with land rent set at 20% of monthly net revenues
- Maintenance; Capital Expenditures:**
- PNG will be required to maintain properties and spend a minimum of 1% of net revenues on maintenance capital (including FF&E and capitalized personal property required for operations) annually
  - Structural projects will generally require PropCo consent
- Other:**
- Obligations under the Master Lease will be guaranteed by PNG and certain of its subsidiaries
  - Certain rights of first refusal / first offer as well as radius restrictions on competition

Wells Fargo Securities and Banc of America Merrill Lynch are serving as financial advisors to Penn National Gaming in the transaction. Wachtell, Lipton, Rosen & Katz is serving as legal advisor to Penn National Gaming and Skadden, Arps, Slate, Mcagher & Flom LLP is also advising with respect to certain tax matters.

**Penn National Gaming to Pursue  
the Separation of its Real Estate  
Assets from its Operating Assets**

**November 15, 2012**



**Penn National Gaming  
PENN: Nasdaq**

## Safe Harbor

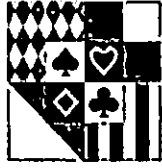
In addition to historical facts or statements of current conditions, this presentation contains forward-looking statements that involve risk and uncertainties within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements reflect the company's current expectations and beliefs but are not guarantees of future performance. As such actual results may vary materially from expectations.

The risks and uncertainties associated with the forward-looking statements are described in the company's filings with the Securities and Exchange Commission, including the Company's reports on Form 8-K, Form 10-K and Form 10-Q.

Penn National assumes no obligation to publicly update or revise any forward-looking statements.

This presentation includes "Non-GAAP financial measures" within the meaning of SEC Regulation G. A reconciliation of all Non-GAAP financial measures to the most directly comparable financial measure calculated and presented in accordance with GAAP can be found at [www.pngaming.com](http://www.pngaming.com) in the Recent News section and on the Form 8-K filed by the Company on November 15, 2012.

## Introduction

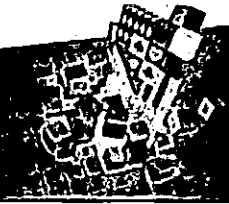


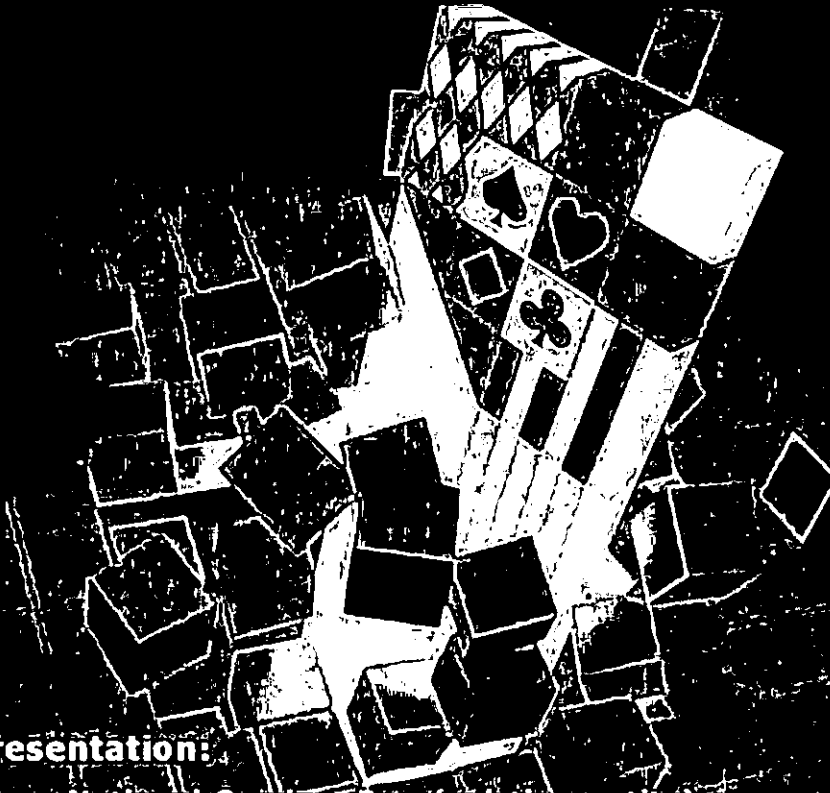
**PENN NATIONAL**  
GAMING, INC.

**Peter Carlino**  
*Chairman and Chief Executive Officer*

**Tim Wilmott**  
*Chief Operating Officer*

**Bill Clifford**  
*Chief Financial Officer*





**Throughout this presentation:**

- "PENN" refers to Penn National Gaming, Inc. (existing entity)
- "PropCo" refers to the proposed newly formed, publicly traded real estate investment trust ("REIT"), to be spun-off to PENN shareholders
- "PNG" or "OpCo" refers to the operating entity following the proposed spin-off of PropCo



## Proposed Transaction Highlights

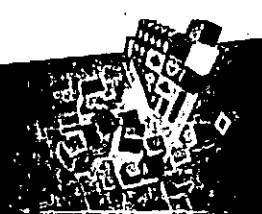
- **Creation of the first gaming focused REIT**
  - Initially, rent will equal approximately \$450 million, which represents approximately half of PNG's projected 2013 adjusted EBITDA
- **Through a tax-free dividend, PENN shareholders will receive PropCo common stock**
  - PropCo will subsequently declare a taxable dividend of approximately \$1.4 billion of accumulated earnings and profits equivalent to approximately \$15.40 per PENN share comprised of approximately \$487 million of cash, or an approximately \$5.35 cash dividend per PENN share, with the remainder comprised of PropCo shares
- **PropCo shareholders to be entitled to ordinary dividend which, based on pro forma 2013 guidance, would be \$2.36 per PENN share**
- **Non-binding agreement reached to exchange \$975 million of Series B Redeemable Preferred Stock ("Preferred Stock") at \$67 per share into approximately 14.6 million non-voting PENN common shares or equivalents**
  - Exchange will reduce PENN diluted common shares outstanding by approximately 7.1 million shares
  - Following the exchange, PENN has the right to purchase up to \$417.5 million of the non-voting PENN common stock or equivalents (6.2 million of the 14.6 million non-voting PENN common shares or equivalents at \$67 per share) which may reduce PENN diluted common shares outstanding by approximately 6.2 million additional shares
- **PENN has received a Private Letter Ruling from the IRS with respect to certain tax matters regarding the transaction and the qualification of PropCo as a REIT**
- **Spin-off of PropCo shares to PENN shareholders expected to occur in the second half of 2013 with REIT election effective by January of 2014**

## Current Company Overview (PENN)

- **Leading Diversified Regional Gaming Company with Regional Focus**
  - 29 properties in 19 jurisdictions, including recently opened properties in Toledo and Columbus and the recently completed acquisition of Harrah's St. Louis
  - PENN's regional markets have outperformed destination gaming markets, especially in periods of weakness in the economy
  - LTM 9/30/12 Net Revenue of \$2.8 billion and Adjusted EBITDA of \$735 million<sup>(1)</sup>
  - PF for the acquisition of Harrah's St. Louis, LTM 9/30/12 Adjusted EBITDA of \$813 million<sup>(2)</sup>
  - Diversified Adjusted EBITDA composition
- **Disciplined, Market-Tested Management Team**
  - Industry leading property operating margins
  - Leading development and acquisition track record
- **Prudent Capital Spend / Robust Development Pipeline / Ongoing Margin Focus**
  - Disciplined maintenance capex in existing properties
  - Project capex calibrated to market size, tax rate and cash return
  - Near-term growth projects: Youngstown and Dayton, OH racetracks
  - Several options for future growth (MA, FL, TX)

(1) Excludes \$19.2 million of Maryland lobbying expenses.

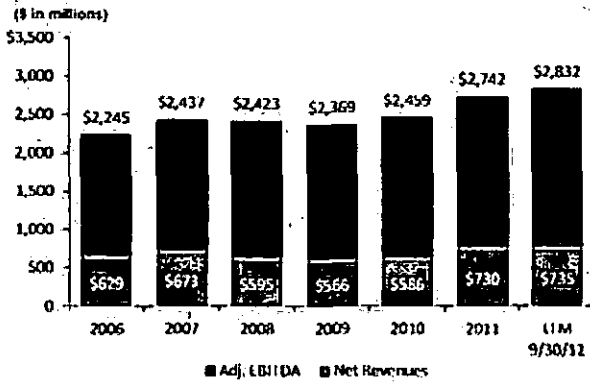
(2) Includes \$78.7 million of property EBITDA from Harrah's St. Louis.



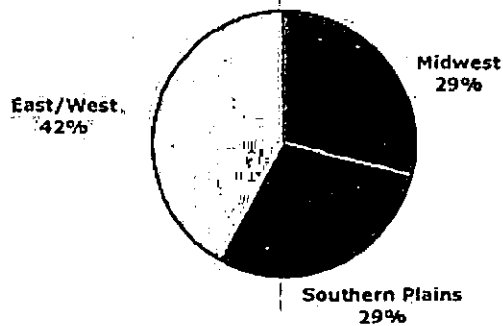
# Current Company Overview (PENN)

- A leading, diversified, multi-jurisdictional owner and manager of gaming and pari-mutuel properties
  - 29 facilities in 19 jurisdictions
  - Approximately 1.6 million square feet of casino gaming space with approximately 36,800 slot machines and approximately 850 table games

**Historical Revenue & EBITDA (1)**



**PF LTM 9/30/12 EBITDA Diversification by Region (2)**



EBITDA Margin:	2005	2007	2008	2009	2010	2011	LTM 9/30/12
	28.0%	27.6%	24.6%	23.9%	23.6%	26.6%	25.9%

(1) Represents Adjusted EBITDA as reported by the Company except for LTM 9/30/12 which excludes \$19.2 million of Maryland lobbying expenses.  
 (2) Excludes Other segment which includes standalone racing operations. Pro forma for \$78.7 million of property EBITDA from Harrah's St. Louis.



## Development Pipeline

Project Scope	Planned Capital Spend	Amount Spent to Date (9/30/12)	Population (1)	Gross Gaming Revenue Tax Rate (2)	Completion Date
Hollywood Casino (JV) Wyandotte, County, KS	\$145 <sup>(3)</sup>	\$143.0	0.6M	27.0%	Opened 2/3/2012
Hollywood Casino Toledo, OH	\$320 <sup>(4)</sup>	\$310.2	1.0M	33.0%	Opened 5/29/2012
Hollywood Casino Columbus, OH	\$400 <sup>(4) (5)</sup>	\$320.8 <sup>(5)</sup>	1.8M	33.0%	Opened 10/8/2012
Harran's St. Louis St. Louis, MO	\$61 <sup>(6)</sup>	\$2.2	N/A	21.0%	Through 4Q/2013
Youngstown Racetrack Youngstown, OH	\$275	\$6.1	0.7M	33.5% <sup>(7)</sup>	2014
Dayton Racetrack Dayton, OH	\$275	\$4.1	0.8M	33.5% <sup>(7)</sup>	2014

\$ in millions.

- (1) Adult population (25+) within 90 miles, adjusted for competition.  
 (2) Represents GGR tax rate for all gaming revenues.  
 (3) Represents Penn National's expected share; the total facility budget is approximately \$391 million, inclusive of a \$25 million license fee.  
 (4) Excludes additional fees agreed to in June 2011, which will be expensed annually.  
 (5) Excludes the cost of land for the Arena District site and the proceeds subsequently received from its sale.  
 (6) Rebranding of former Harran's property to "Hollywood" theme. Integration of new casino, hotel, financial and operating systems and upgrades of slot machine product.  
 (7) Excludes horse race purse subsidiary (estimated to be 5% - 15%).

Indicates project is currently open / acquisition completed



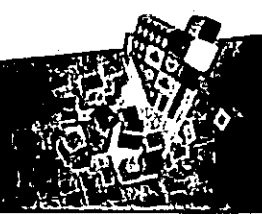
# Transaction Overview



**Penn National Gaming**

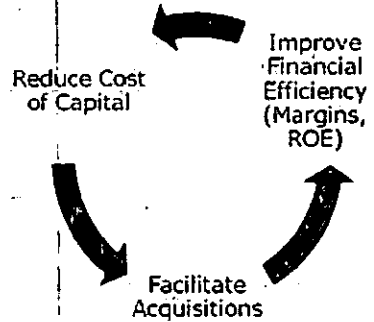
## Transaction Overview

- **Separate Real Estate and non-Real Estate holdings**
  - Creation of REIT (PropCo) to hold majority of PENN real estate, with the majority of non-real estate holdings held at PNG (OpCo)
  - Tax-free spin-off of REIT (PropCo) to PENN shareholders
- **REIT (PropCo) would enter into a Master Lease agreement with PNG (OpCo), leasing all but two of the properties in its initial portfolio back to PNG (OpCo) on a long-term triple net basis**
  - Initial rent coverage at  $\sim 2.0x$  (OpCo EBITDAR / Rent Expense)
- **Post-spin, REIT (PropCo) would declare a dividend to shareholders to distribute prior earnings and profits attributable to REIT (PropCo) assets (necessary to elect REIT status) and elect to become a REIT**
  - Required distribution currently estimated at \$1.4 billion and will consist of approximately 35% cash and 65% PropCo stock
- **In conjunction with spin, refinance all of PENN's existing debt (Including Senior Credit Facilities & Subordinated Debt)**
- **Following its REIT election, REIT (PropCo) would distribute at least 90% of its annual taxable income as dividends**



## Transaction Rationale

- **Following the separation, shareholder value is expected to increase due to enhanced:**
  - **Competitor Opportunities**
    - Ability for REIT (PropCo) to enter into agreements with PNG competitors and utilize first-mover advantage to secure transaction flow
      - Asset sale-leaseback transactions with existing gaming operators
      - Acquisition of gaming enterprises
  - **Avenues for Investment Diversification**
    - Ability for REIT (PropCo) to pursue acquisitions and developments in non-gaming real estate asset classes
  - **Regulatory Opportunities**
    - Pursue transactions otherwise disadvantaged or precluded due to regulatory constraints (Gaming and/or FTC)
  - **Cost of Capital**
    - Stemming from enhanced business and growth prospects as well as tax efficiencies associated with REIT status

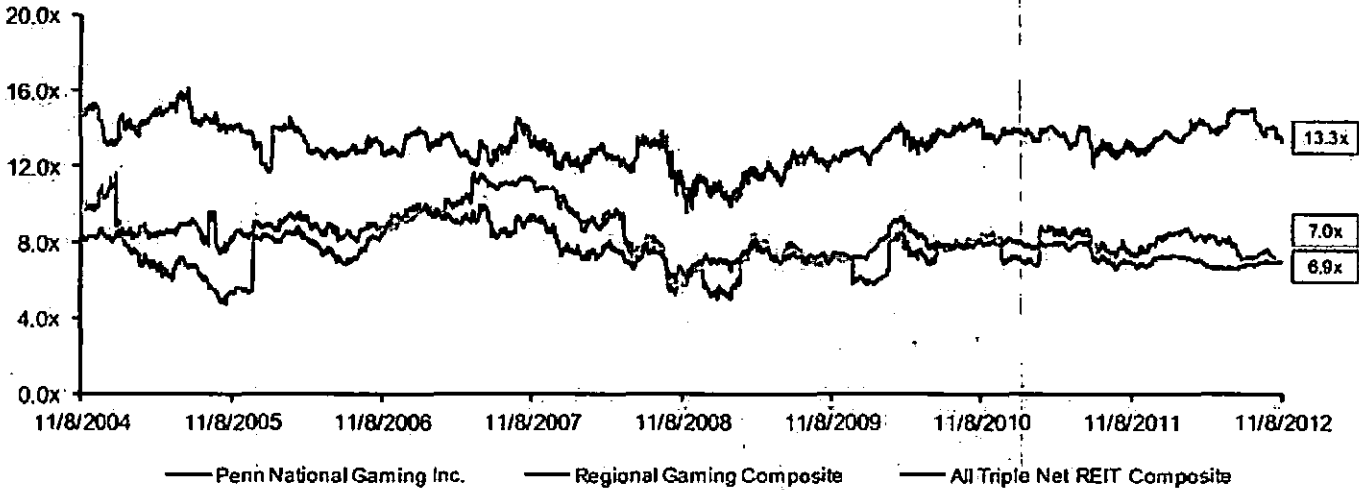




# Historical Valuation of REITs Versus Regional Gaming Operators

## 8-Year EV/ NTM EBITDA (1)(2)

Average During:	Penn National Gaming	Regional Gaming	Triple Net REIT
Current Multiple:	7.0x	6.9x	13.3x
Last 1 Year:	7.8x	6.9x	13.9x
Last 2 Years:	7.8x	7.3x	13.7x
Last 3 Years:	7.6x	7.5x	13.6x
Last 5 Years:	7.7x	7.4x	12.9x
Last 8 Years:	8.1x	7.8x	13.2x



Source: FactSet as of 11/8/12. FactSet adjusts shares outstanding in the calculation of EV for the dilution of preferred equity, as applicable, and adjusts for changes in capital structure on a quarterly basis.

- (1) Triple Net REIT Composite includes: O, NNN, EPR, LXP, GTY, OHI, NHI, MPW, LTC and SBRA.
- (2) Regional Gaming Composite includes: ASCA, BYD, ISLE and PNK.

## **Pre-Spin, PENN Focused On:**

- **Creating two "strategically-focused" entities with healthy balance sheets**
  - Targeting an EBITDA to Rent Coverage of 2 to 1 as a foundation for sustainability at PNG (OpCo) while ensuring attractive dividend yields at REIT (PropCo)
  - Optimizing cost of borrowing
  - Incorporating "shock absorber" provisions in the Master Lease Agreement to enhance PNG (OpCo) stability in volatile business environments
    - These provisions would further enhance an already comfortable initial rent coverage ratio
- **Ensuring continuity of management teams**

***PENN's vision is to create two companies with strong free cash flow that are positioned for continued growth both in the gaming sector and other potential investment opportunities***

## Shareholder Impact

### Existing PENN Shareholders

- PENN shareholders would retain shares of PNG (OpCo) and receive one share of REIT (PropCo) for each PENN share owned
  - PropCo shareholders would receive accumulated E&P cash dividend of \$5.35 per PENN share based on pro forma 2013 estimates
  - PropCo shareholders would receive 0.38 additional PropCo shares per PENN share for the non-cash portion of the E&P dividend
  - PropCo shareholders would receive \$2.36 ordinary cash dividend per PENN share based on 2013 pro forma estimates

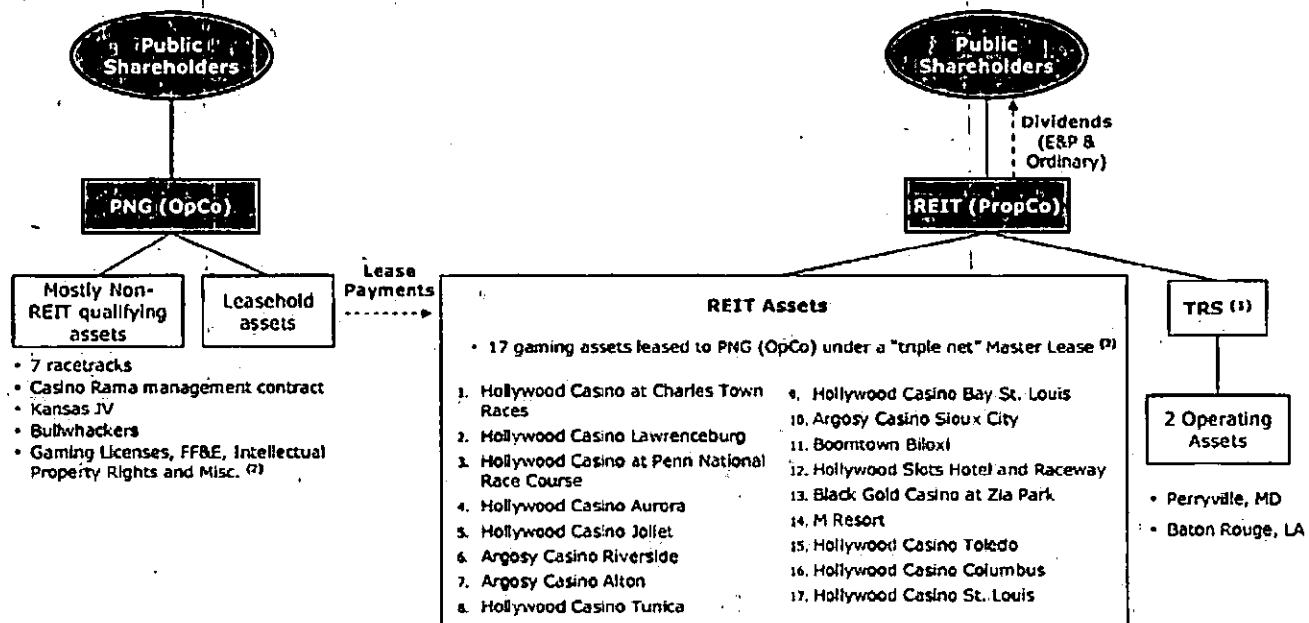
### Penn Employee Options

- PENN Employee Option holders would receive one new option in REIT (PropCo) with *appropriate adjustments so that their combined intrinsic value after the spin-off is the same as before the spin-off*

## Series B Exchange and Potential Repurchase Impact to PENN Share Count

	Impact of Exchange of Fortress Preferred Stock for PENN Common Shares	Impact of PENN Share Repurchase Agreement with Fortress	Reduction in PENN Diluted Common Share Count Assuming Fortress Exchange and Repurchase Agreement
Fortress Preferred Stock Balance	\$975.0	(\$417.5)	\$557.5
Conversion/Exchange Price	\$67.00	\$67.00	\$67.00
Fortress Holdings of Non-Voting Shares or Equivalents Post Exchange	14.6	(6.2)	8.4
Current Fortress Converted Share Count	21.7		21.7
<b>Reduction in PENN Diluted Shares</b>	<b>(7.1)</b>	<b>(6.2)</b>	<b>(13.3)</b>

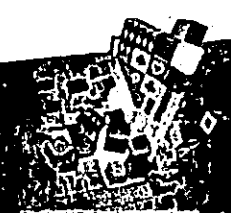
# Transaction Mechanics



(1) Taxable REIT Subsidiary conducts activity that generates non-qualifying REIT income.

(2) At the end of the lease term, Penn has the right to sell the applicable gaming license necessary to operate the facilities at fair market value.

(3) Includes recently opened/acquired Toledo, Columbus, and St. Louis properties.

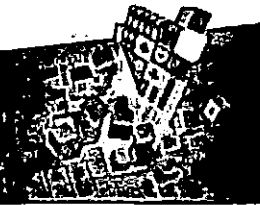


## Key Next Steps

- **PENN has performed over two years of diligence and has had ongoing discussions with the IRS**
- **Next steps:**
  - **Q2 2013**  
Begin Financing Transactions
  - **Q2 2013**  
Prepare spin-off agreements and SEC filings (including pro forma financial statements for each company)
  - **Q2 2013**  
File Form S-11
  - **Q4 2013**  
Distribution made after Form S-11 declared effective and Complete Regulatory Process
  - **Q4 2013**  
OpCo completes tax-free spin of PropCo
  - **Q1 2014**  
PropCo to purge E&P and make REIT election

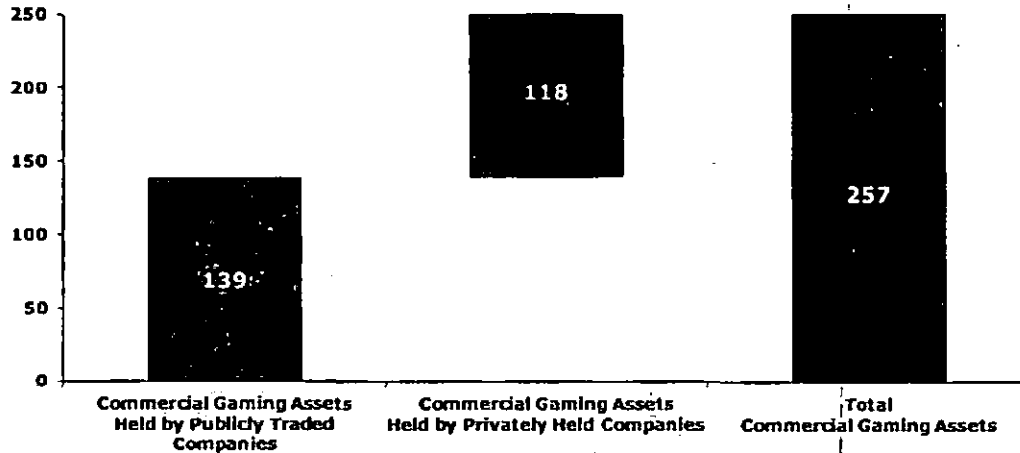
## New Opportunities Created by Proposed Transaction

Potential Strategic Actions	New Standalone Entities		Commentary
	PNG (OpCo)	REIT (PropCo)	
Acquire properties of PENN competitors in a sale lease-back transaction	-	✓	Allows competition to move to asset-light model and provides REIT (PropCo) access to assets that may not otherwise be available; provides tenant diversification
Acquire other leisure and recreation real estate	-	✓	REITs benefit from tenant diversification and scale
Acquire small operators (< \$20 million of EBITDA)	✓	-	Due to size, would have greater effect on PNG (OpCo)
Native American development	✓	-	Due to size, would have greater effect on PNG (OpCo)
Expand financing options	-	✓	REITs benefit from a greater tax efficiency and lower cost of capital compared to gaming companies
Develop in new jurisdictions	✓	✓	Splitting the operating business and asset ownership increases ability to secure gaming licenses in certain jurisdictions

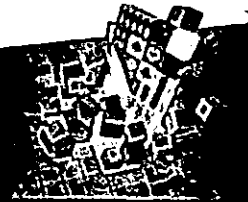


# Opportunity in Commercial Gaming Assets

- There are over 250 commercial gaming facilities in the United States of which approximately 140 are owned by public companies
- Many of these facilities are located in jurisdictions where regulatory constraints limit operator expansion
  - The following jurisdictions limit the number of properties an operator can own: IN, PA, MD, ME, CO



Source: American Gaming Association, company websites, SEC filings and state gaming regulatory boards.  
Note: Represents only domestic gaming (and excludes Native American) properties. Figures exclude assets owned by Penn and properties in South Dakota due to their small size. Nevada property count only includes publicly traded companies (equity and debt) with \$12 million or more of gaming revenue.





## Pro Forma Financial Highlights

### ▪ Sources & Uses

- Refinance PENN Existing Debt: \$2.7 billion
- Pre-spin redemption of Fortress Investment Group Conversion Shares: \$417.5 million
- Cash portion of the Accumulated E&P Dividend: \$487 million
- Transaction Expenses: ~\$125 million
- Total Transaction Debt: \$3.75 – \$4.25 billion

### ▪ Key PNG (OpCo) Stats

- Target Leverage: 3.0x EBITDA
- Implied Adjusted Leverage: 5.5x EBITDAR
- Target Rent Coverage: ~2.0x
- Target Interest Coverage: >5.0x

### ▪ Key REIT (PropCo) Stats

- Target Leverage: 5.5x EBITDA
- Target Interest Coverage: 3.2x
- Target Dividend Payout Ratio: ~80% AFFO

## Summary of Master Lease Terms

<b>Lease Structure:</b>	<ul style="list-style-type: none"> <li>■ "Triple Net" Master Lease: PNG will be responsible for maintenance capital expenditures, property taxes, insurance and other expenses</li> <li>■ All properties subject to the lease will be cross-defaulted / guaranteed</li> <li>■ PNG will remain responsible for acquisition, maintenance, operation and disposition of all (including gaming) FF&amp;E and personal property required for operations</li> </ul>
<b>Term and Termination:</b>	<ul style="list-style-type: none"> <li>■ 15 years, with four 5-year extensions at PNG's option</li> <li>■ Causes for termination by lessor include lease payment default, bankruptcy and/or loss of gaming licenses</li> <li>■ At the end of lease term, PNG will be required to transfer the gaming assets (including the gaming licenses) to successor tenant for fair market value, subject to regulatory approval</li> <li>■ Provisions for orderly auction-based transition to new operator at the end of the lease term if not extended</li> </ul>
<b>Rent:</b>	<ul style="list-style-type: none"> <li>■ Fixed base rent component with annual escalators (subject to minimum rent coverage of 1.8x) plus:</li> <li>■ Fixed percentage rent component for the facilities (other than Hollywood Casino Toledo and Hollywood Casino Columbus) reset every 5 years to equal 4% of the excess (if any) of the average net revenue for such facilities for the trailing 5 years over a baseline</li> <li>■ Ohio's (Toledo and Columbus) performance components will be established monthly with land rent set at 20% of monthly net revenues</li> </ul>
<b>Capital Expenditures:</b>	<ul style="list-style-type: none"> <li>■ PNG will be required to maintain properties and spend a minimum of 1% of net revenues on maintenance capital (including FF&amp;E and capitalized personal property required for operations) annually</li> <li>■ Structural projects will generally require PropCo consent</li> </ul>
<b>Other:</b>	<ul style="list-style-type: none"> <li>■ Obligations under the Master Lease will be guaranteed by PNG and certain of its subsidiaries</li> <li>■ Certain rights of first refusal / first offer as well as radius restrictions on competition</li> </ul>

## Overview of Corporate Structure

### Executive Officers

- Peter Carlino, current Chairman and CEO of PENN, will serve as REIT (PropCo)'s Chairman and CEO
- Tim Wilmott, current President and COO of PENN, will serve as PNG (OpCo)'s CEO
- In addition, Peter Carlino will serve as Chairman of PNG (OpCo)

### Transition Services

- PNG (OpCo) will provide certain transition services to REIT (PropCo) for a limited period of time (accounting, tax, legal, IT, government relations, etc.)

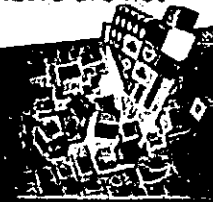
## Investment Highlights

### OPCO (OpCo)

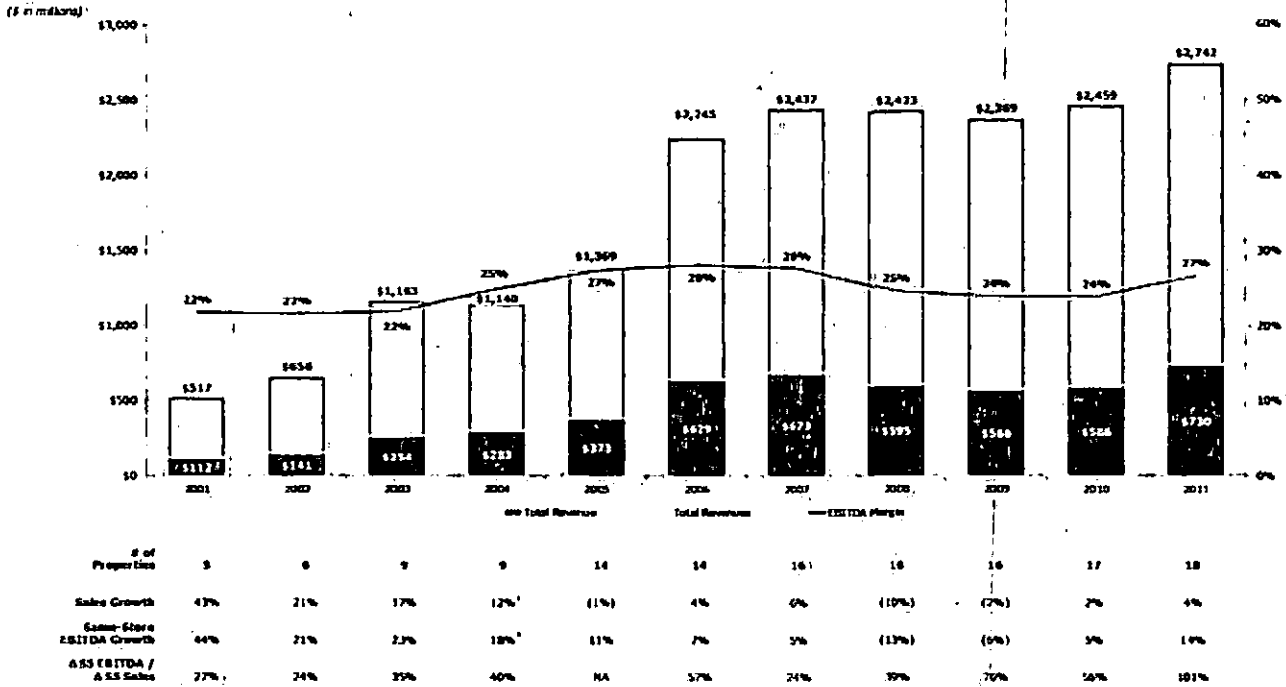
- Top regional operating know-how, strong brand, robust database
- Deep management team
- Best-in-class financing and development know-how
- Positioned to capture gaming management contracts from REIT (PropCo) assets
- Initial master lease locks in operations for 15 years with up to four, five year extension options
- Low leverage (below 3.5x)

### REIT (PropCo)

- Geographically diversified, high quality real estate
- Triple net lease structure
- Multiple opportunities for growth
  - Gaming and other leisure assets
- High barriers to entry based on jurisdictional gaming licenses creates predictable, stable cash flows to fund rents
- Unique advantage difficult to replicate
  - Diverse portfolio: Other gaming portfolios too small, levered or geographically concentrated
  - Gaming approved: other REITs are not



# Stable Performance Through Economic Cycles



**Assuming the worst cumulative EBITDA decline (uniformly across all properties) observed to date immediately post-transaction, the rent coverage would decline to 1.6x**

Note: Same-store financials exclude revenue and EBITDA from racing operations, joint ventures, and corporate overhead. Same-store growth excludes properties without a full-year of operations in the previous year.  
 (1) Excludes Hollywood Casino Shreveport (sold in 2004) from same-store growth calculations.

## Impact on Preferred Stock – Detailed Calculation

### Calculation of REIT (PropCo) Common Shares Issued to Remaining PENN Preferred Stock Holders <sup>(1)</sup>

Current Liquidation Preference	\$253mm	
Current Ceiling Price	\$67.00	
Number of Shares Issued to Preferred Stock Holders	N	= \$253mm/\$67.00
Assumed Value of REIT (PropCo) Share at Spin-off	S	Before required E&P distribution
Value of REIT (PropCo) Shares Issued to Series B Holders	N*S	

### Calculation of Post-spin PNG Preferred Stock Liquidation Preference and Adjusted Ceiling and Floor Prices <sup>(1)</sup>

Current Liquidation Preference	\$253mm	
Value of REIT (PropCo) Shares Issued to Preferred Stock Holders	N*S	
Preferred Stock Liquidation Preference - Post-spin	Y	= \$253mm - N*S
Adjusted Post-spin Ceiling Price	\$67.00 - S	
Adjusted Post-spin Ceiling Price	\$45.00 - S	Before required E&P distribution

(1) Remaining Series B Preferred Share Holders would only receive common stock of REIT (PropCo) per the calculation above; they would receive any preferred equity interest in PNG (OpCo).



## Definitions and Reconciliation of Non-GAAP Measures to GAAP

- Adjusted EBITDA, or earnings before interest, taxes, stock compensation, insurance recoveries and deductible charges, depreciation and amortization, gain or loss on disposal of assets, and other income or expenses, and inclusive of gain or loss from unconsolidated affiliates, is not a measure of performance or liquidity calculated in accordance with GAAP.
  - Adjusted EBITDA information is presented as a supplemental disclosure, as management believes that it is a widely used measure of performance in the gaming industry. In addition, management uses adjusted EBITDA as the primary measure of the operating performance of its segments, including the evaluation of operating personnel. Adjusted EBITDA should not be construed as an alternative to operating income, as an indicator of the Company's operating performance, as an alternative to cash flows from operating activities, as a measure of liquidity, or as any other measure of performance determined in accordance with GAAP.
  - The Company has significant uses of cash flows, including capital expenditures, interest payments, taxes and debt principal repayments, which are not reflected in adjusted EBITDA.
  - It should also be noted that other gaming companies that report adjusted EBITDA information may calculate adjusted EBITDA in a different manner than the Company.
  - Adjusted EBITDA is presented as a supplemental disclosure, as management believes that it is a principal basis for the valuation of gaming companies, as this measure is considered by many to be a better indicator of the Company's operating results than diluted net income (loss) per GAAP. A reconciliation of the Company's adjusted EBITDA to net income (loss) per GAAP, as well as the Company's adjusted EBITDA to income (loss) from operations per GAAP, is included in the financial schedules accompanying today's news announcement and is available on the Company's website and as an exhibit to the Form 8-K filed by the Company on November 15, 2012.
- Adjusted EBITDAR is adjusted EBITDA less rent expense
- Funds From Operations ("FFO") is equal to net income, excluding gains or losses from sales of property, adding back depreciation and stock compensation expense
  - FFO is defined by NAREIT (the National Association of Real Estate Investment Trusts, the trade organization for REITs) as "the most commonly accepted and reported measure of REIT operating performance."
  - Adjusted Funds From Operations ("AFFO") is defined as FFO less maintenance capex.
  - A reconciliation of FFO and AFFO to net income (loss) per GAAP is included in the financial schedules accompanying today's news announcement and is available on the Company's website and as an exhibit to the Form 8-K filed by the Company on November 15, 2012.
- Notwithstanding the foregoing, PropCo's measures of adjusted EBITDA, adjusted EBITDAR, FFO and AFFO may not be comparable to similarly titled measures used by other companies.



Penn National Gaming, Inc. -Lawrence Downs Casino and Racing Resort

## Appendix 2

*Description of any former business engaged in during the last ten (10) years and the reason for cessation of the business:*





Penn National Gaming, Inc. - Lawrence Downs Casino and Racing Resort

### **Appendix 3**

*Description of all bonus, profit sharing, pension, retirement, deferred compensation and similar plans. This information must be provided in addition to the information provided in Schedule 8.*



## Appendix 4

*Description of long term debt. This information must be provided in addition to the information provided in Schedules 12 and 13.*

All debt is held by the Applicant. See attached Debt Schedule and also the Joinder Agreement and Senior Secured Credit Facility attached as Appendices 4a and 4b, respectively. Additional information on debt can be found in the Applicant's 2012 10-K located in Appendix 9.



**APPENDIX 5**

*Description of other indebtedness and security devices. This information must be provided in addition to the information provided in Schedules 14 and 15.*

Does not apply.



## Appendix 6

*Description of securities options. This information must be provided in addition to the information provided in Schedules 16 and 17.*

See the following information on stock options from the Applicant's 2012 10-K.

### Stock-Based Compensation

The Company accounts for stock compensation under ASC 718, "Compensation—Stock Compensation," which requires the Company to expense the cost of employee services received in exchange for an award of equity instruments based on the grant-date fair value of the award. This expense is recognized ratably over the requisite service period following the date of grant.

The fair value for stock options was estimated at the date of grant using the Black-Scholes option-pricing model, which requires management to make certain assumptions. The risk-free interest rate was based on the United States ("U.S.") Treasury spot rate with a term equal to the expected life assumed at the date of grant. Expected volatility was estimated based on the historical volatility of the Company's stock price over a period of 5.82 years, in order to match the expected life of the options at the grant date. There is no expected dividend yield since the Company has not paid any cash dividends on its Common Stock since its initial public offering in May 1994 and since the Company intends to retain all of its earnings to finance the development of its business for the foreseeable future. The weighted-average expected life was based on the contractual term of the stock option and expected employee exercise dates, which was based on the historical and expected exercise behavior of the Company's employees. Forfeitures are estimated at the date of grant based on historical experience

Year ended December 31	2011	2010	2009
Risk-free interest rate	1.04%	2.27%	2.80%
Expected volatility	47.60%	48.02%	49.68%
Dividend yield			
Weighted-average expected life (years)	5.82	5.73	5.32
Forfeiture rate	5.00%	5.00%	5.00%

### 16. Stock-Based Compensation

On April 16, 2003, the Company's Board of Directors adopted and approved the 2003 Long Term Incentive Compensation Plan (the "2003 Plan"). On May 22, 2003, the Company's shareholders approved the 2003 Plan. The 2003 Plan was effective June 1, 2003 and permitted the grant of options to purchase Common Stock and other market-based and performance-based awards. Up to 12,000,000 shares of Common Stock were available for awards under the 2003 Plan. The 2003 Plan provided for the granting of both incentive stock options intended to qualify under Section 422 of the Internal Revenue Code of 1986, as amended, and nonqualified stock options, which do not so qualify. The exercise price per share may be no less than (i) 100% of the fair market value of the Common Stock on the date an option is granted for incentive stock options and (ii) 85% of the fair market value of the Common Stock on the date an option is granted for nonqualified stock options. This plan will remain in place until it terminates in 2013. However the shares which remained available for issuance under such plan as of November 12, 2008 are no longer available for issuance and all future equity awards will be pursuant to the 2008 Long Term Incentive Compensation Plan (the "2008 Plan") described below.

On August 20, 2008, the Company's Board of Directors adopted and approved the 2008 Plan. On November 12, 2008, the Company's shareholders approved the 2008 Plan. The 2008 Plan permits the Company to issue stock options (incentive and/or non-qualified), stock appreciation rights, restricted stock, phantom stock units and other equity and cash awards to employees. Non-employee directors are eligible to receive all such awards, other than incentive stock options. On June 9, 2011, the Company's shareholders approved an amendment to the 2008 Plan to increase the aggregate number of shares of Common Stock that may be issued by 2,350,000 to 9,250,000. Awards of stock options and stock appreciation rights will be counted against the 9,250,000 limit as one share of Common Stock for each share granted. However, each share awarded in the form of restricted stock, or any other full value



Penn National Gaming, Inc. –Lawrence Downs Casino and Racing Resort

stock award, will be counted as issuing 2.44 shares of Common Stock for purposes of determining the number of shares available for issuance under the plan. Any awards that are not settled in shares of Common Stock shall not count against this limit. At December 31, 2011, there were 2,929,655 options available for future grants under the 2008 Plan.

Stock options that expire between January 6, 2012 and October 11, 2018 have been granted to officers, directors and employees to purchase Common Stock at prices ranging from \$7.95 to \$61.82 per share. All options were granted at the fair market value of the Common Stock on the date the options were granted. The Company issues new authorized common shares to satisfy stock option exercises as well as restricted stock lapses.

The following table contains information on stock options issued under the plans for the three-year period ended December 31, 2011:

	Number of Option Shares	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value (in thousands)
Outstanding at December 31, 2008	8,804,578	\$ 28.27	6.30	\$ 17,677
Granted	1,849,375	22.32		
Exercised	(491,078)	11.06		
Canceled	(196,750)	32.27		
Outstanding at December 31, 2009	9,966,125	\$ 27.83	5.67	\$ 33,038
Granted	1,868,500	27.19		
Exercised	(823,056)	13.96		
Canceled	(177,125)	28.84		
Outstanding at December 31, 2010	10,834,444	\$ 28.75	5.16	\$ 76,807
Granted	1,631,000	35.47		
Exercised	(695,915)	24.02		
Canceled	(161,500)	26.96		
Outstanding at December 31, 2011	11,608,029	\$ 30.00	4.53	\$ 100,337

Included in the above are Common Stock options that were issued in 2003 to the Company's Chairman outside of the Company's stock option plans. These options were issued at \$7.95 per share, and are exercisable through February 6, 2013. At December 31, 2011, 2010 and 2009, the number of these Common Stock options that were outstanding was 23,750.

The weighted-average grant-date fair value of options granted during the years ended December 31, 2011, 2010 and 2009 were \$16.68, \$12.92, and \$8.91, respectively.

Exercisable at December 31,	Number of Option Shares	Weighted-Average Exercise Price
2011	7,490,154	\$ 30.26
2010	6,586,882	29.85
2009	5,872,151	27.41

The aggregate intrinsic value of stock options exercised during the years ended December 31, 2011, 2010 and 2009 was \$9.5 million, \$15.1 million, and \$8.4 million, respectively.

At December 31, 2011, there were 7,490,154 shares that were exercisable, with a weighted-average exercise price of \$30.26, a weighted-average remaining contractual term of 4.08 years, and an aggregate intrinsic value of \$64.7 million.



Penn National Gaming, Inc. –Lawrence Downs Casino and Racing Resort

The following table summarizes information about stock options outstanding at December 31, 2011:

	Exercise Price Range			Total
	\$7.95 to \$29.22	\$29.34 to \$35.15	\$35.75 to \$61.82	\$7.95 to \$61.82
<b>Outstanding options</b>				
Number outstanding	5,559,390	4,484,390	1,564,249	11,608,029
Weighted-average remaining contractual life (years)	3.75	5.30	5.13	4.53
Weighted-average exercise price	\$ 24.66	\$ 32.63	\$ 41.48	\$ 30.00
<b>Exercisable options</b>				
Number outstanding	3,457,765	2,628,140	1,404,249	7,490,154
Weighted-average exercise price	\$ 24.48	\$ 31.68	\$ 41.82	\$ 30.26

The following table contains information on restricted stock awards issued under the plans for the three-year period ended December 31, 2011:

	Number of Award Shares
Outstanding at December 31, 2008	380,000
Awarded	332,690
Released	(160,000)
Canceled	—
Outstanding at December 31, 2009	552,690
Awarded	165,110
Released	(203,734)
Canceled	(20,000)
Outstanding at December 31, 2010	494,066
Awarded	97,005
Released	(234,772)
Canceled	(1,010)
Outstanding at December 31, 2011	355,289

Compensation costs related to stock-based compensation for the years ended December 31, 2011, 2010 and 2009 totaled \$24.7 million pre-tax (\$17.8 million after-tax), \$26.0 million pre-tax (\$19.1 million after-tax) and \$28.4 million pre-tax (\$20.9 million after-tax), respectively, and are included within the consolidated statements of operations under general and administrative expense.

At December 31, 2011 and 2010, the total compensation cost related to nonvested awards not yet recognized equaled \$40.1 million and \$37.2 million, respectively, including \$34.2 million and \$30.1 million for stock options, respectively, and \$5.9 million and \$7.1 million for restricted stock, respectively. This cost is expected to be recognized over the remaining vesting periods, which will not exceed five years.

Beginning in the fourth quarter of 2010, the Company issued cash-settled phantom stock unit awards, which vest over a period up to five years. Cash-settled phantom stock unit awards entitle employees and directors to receive cash based on the fair value of the Company's Common Stock on the vesting date. These phantom stock unit awards are accounted for as liability awards and are re-measured at fair value each reporting period until they become vested with compensation expense being recognized over the requisite service period in accordance with ASC 718-30 "Compensation—Stock Compensation, Awards Classified as Liabilities." As of December 31, 2011, there was \$5.9 million of total unrecognized compensation cost that will be recognized over the grants remaining vesting period. For the years ended December 31, 2011 and 2010, the Company recognized \$2.1 million and \$0.4 million, respectively, of compensation expense associated with these awards.

Additionally starting in 2011, the Company issued stock appreciation rights to certain employees, which vest over a period of four years. The Company's stock appreciation rights are accounted for as liability awards since they will be settled in cash. The fair value of these awards is calculated during each reporting period and estimated using the Black-Scholes option pricing model based on the various inputs discussed previously. As of December 31, 2011, there was \$5.2 million of total unrecognized compensation cost that will be recognized over the awards remaining weighted average vesting period. For the year ended December 31, 2011, the Company recognized \$1.4 million of compensation expense associated with these awards.

**APPENDIX 7: CONFIDENTIAL LITIGATION LIST**

REDACTED



## Appendix 8

*Audited financial statement for the last fiscal year. If the Applicant does not normally have its financial statements audited, attached unaudited financial statements.*

Applicant's audited financial statements for the last fiscal year is located in the Applicant's annual 10K filing in **Appendix 9** of this filing.

This document along with all other Penn National SEC filings, can also be found at the Applicant's website, [pngaming.com](http://pngaming.com) (click on "Investors", then "Financial Info", then "SEC Filings").





## Appendix 9

*Audited financial statements for the last five (5) years. If the Applicant does not normally have its financial statements audited, attached unaudited financial statements.*

Audited financial statements for the last five years are located in the Applicant's annual 10K filings. Please see attached Form 10K for 2012 and Appendix 11 for 2008 – 2011 Forms 10K.

This document along with all other Penn National SEC filings, including all 10K filings which contain annual financial statements, can also be found at the Applicant's website, [pngaming.com](http://pngaming.com) (click on "Investors", then "Financial Info", then "SEC Filings").



## Appendix 10

*Annual reports for the last five (5) years.*

Please see Appendices 9 and 11.

This document along with all other Penn National SEC filings, including all annual report filings can be found at the Applicant's website, [pngaming.com](http://pngaming.com) (click on "Investors", then "Financial Info", then "SEC Filings").



## Appendix 11

*11A - Annual reports prepared on the SEC's Form 10K for the last five (5) years.*

Please see Appendix 9 for the Applicant's 2012 Form 10K. Forms 10K for 2008 – 2011 are provided in this Appendix 11.

These documents, along with all other Penn National SEC filings, including all 10K filings which contain annual financial statements, can also be found at the Applicant's website, [pngaming.com](http://pngaming.com) (click on "Investors" then "Financial Info", then "SEC Filings").

*11B - Copies of annual or quarterly filings for the last five (5) years required under the laws of a regulatory agency of another country.*

Not Applicable



## Appendix 12

*A copy of the last quarterly unaudited financial statement.*

Audited financial statements for the last quarter are located in the Applicant's quarterly 10Q filings. The 1Q 2013 filing is attached.

This document along with all other Penn National SEC filings, including all 10Q filings which contain quarterly financial statements, can also be found at the Applicant's website, [pngaming.com](http://pngaming.com) (click on "Investors", then "Financial Info", then "SEC Filings").

J



## Appendix 13

*A copy or copies of any interim reports.*

Does not apply.



## Appendix 14

*A copy of the last definitive Proxy or information statement (SEC).*

Please see attached 2013 Proxy Statement.

This document along with all other Penn National SEC filings can also be found at the Applicant's website, [pngaming.com](http://pngaming.com) (click on "Investors" then "Financial Info", then "SEC Filings").



## Appendix 15

*A copy of all registration statements for the last five (5) years filed in accordance with the Securities Act of 1933.*

Within the last five years the following Registration Statements have been filed with the SEC::

- Form S-3ASR Filed February 2, 2013
- Form S-8 Filed September 7, 2011
- Form 424B3 Filed May 6, 2010
- Form S-4/A Filed April 30, 2010
- Form S-4 Filed January 25, 2010
- Form S-8 filed March 4, 2009
- Form S-3ASR filed December 30, 2008

These documents along with all other Penn National SEC filings can be found at the Applicant's website, [pngaming.com](http://pngaming.com) (click on "Investors", then "Financial Info", then "SEC Filings").



## Appendix 16

*Copies of all other reports prepared in the last five (5) years by independent auditors of the Applicant.*

REDACTED





## Appendix 17

*Certified copies of the Articles of Incorporation, Charter, Bylaws, Partnership Agreement or other official documents and all amendments and proposed amendments.*

Please see the attached Appendix 17 – Articles of Incorporation and Bylaws for Applicant.

COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF STATE

OCTOBER 19, 2012

TO ALL WHOM THESE PRESENTS SHALL COME, GREETING:

**PENN NATIONAL GAMING, INC.**

I, Carol Aichele, Secretary of the Commonwealth of Pennsylvania

do hereby certify that the foregoing and annexed is a true and correct  
copy of

- 1 ARTICLES OF INCORPORATION filed on December 16, 1982
- 2 ARTICLES OF AMENDMENT-BUSINESS filed on December 23, 1986
- 3 ARTICLES OF AMENDMENT-BUSINESS filed on April 12, 1994
- 4 ARTICLES OF AMENDMENT-BUSINESS filed on October 15, 1996
- 5 ARTICLES OF AMENDMENT-BUSINESS filed on November 13, 1996

(List of documents continued on next page)

(List of documents continued)

- 6 MISCELLANEOUS FILINGS - Domestic filed on March 16, 1999
- 7 ARTICLES OF AMENDMENT-BUSINESS filed on July 23, 2001
- 8 ARTICLES MERGER/CONSOLIDATION-ALL TYPES filed on January 28,  
2005
- 9 ARTICLES OF MERGER-BUSINESS filed on August 25, 2006
- 10 CHANGE OF REGISTERED OFFICE - Domestic filed on November 28,  
2006
- 11 ARTICLES OF MERGER-BUSINESS filed on June 25, 2007
- 12 ARTICLES OF AMENDMENT-BUSINESS filed on December 28, 2007
- 13 ARTICLES OF AMENDMENT-MISCELLANEOUS filed on July 3, 2008
- 14 STATEMENT OF CORRECTION filed on July 9, 2008

which appear of record in this department.



IN TESTIMONY WHEREOF, I have hereunto set my hand and caused the Seal of the Secretary's Office to be affixed, the day and year above written.

*Carol A. ...*

Secretary of the Commonwealth

DSCB:BCL-204 (Rev. 8-72)-2


6. The name(s) and post office address(es) of each incorporator(s) and the number and class of shares subscribed by such incorporator(s) is (are):

NAME	ADDRESS <small>(including street and number, if any)</small>	NUMBER AND CLASS OF SHARES
Donna G. Haagland	15th Floor The Fidelity Bldg. Philadelphia, PA 19109	One (1) share common

7. In all elections for Directors, each shareholder entitled to vote shall be entitled to only one vote for each share held, it being intended hereby to deny to shareholders the right of cumulative voting in the election of Directors.

8. Except as otherwise provided by, and subject to the provisions of applicable law, any action which may be taken at a meeting of the shareholders or of a class of shareholders of the corporation may be taken without a meeting, provided a consent or consents in writing to such action, setting forth the action so taken, shall be (1) signed by the shareholders entitled to cast a majority (or such larger percentage as may be required by law) of the number of votes which all such shareholders are entitled to cast thereon, and (2) filed with the Secretary of the Corporation.

IN TESTIMONY WHEREOF, the incorporator(s) has (have) signed and sealed these Articles of Incorporation this 14th day of December, 19 82.

\_\_\_\_\_(SEAL)  (SEAL)  
Donna G. Haagland \_\_\_\_\_(SEAL)

INSTRUCTIONS FOR COMPLETION OF FORM:

- A. For general instructions relating to the incorporation of business corporations see 19 Pa. Code Ch. 35 (relating to business corporations generally). These instructions relate to such matters as corporate name, stated purposes, term of existence, authorized share structure and related authority of the board of directors, inclusion of names of first directors in the Articles of Incorporation, optional provisions on cumulative voting for election of directors, etc.
- B. One or more corporations or natural persons of full age may incorporate a business corporation.
- C. Optional provisions required or authorized by law may be added as Paragraphs 7, 8, 9 . . . etc.
- D. The following shall accompany this form
  - (1) Three copies of Form DSCB:BCL-206 (Registry Statement Domestic or Foreign Business Corporation).
  - (2) Any necessary copies of Form DSCB:17.2 (Consent to Appropriation of Name) or Form DSCB:17.3 (Consent to Use of Similar Name).
  - (3) Any necessary governmental approvals.
- E. BCL §205 (15 Pa. S. §1205) requires that the incorporators shall advertise their intention to file or the corporation shall advertise the filing of articles of incorporation. Proofs of publication of such advertising should not be delivered to the Department, but should be filed with the minutes of the corporation.

Commonwealth of Pennsylvania  
Department of State



CERTIFICATE OF INCORPORATION

Office of the Secretary of the Commonwealth

To All to Whom These Presents Shall Come, Greeting:

Whereas, Under the provisions of the Laws of the Commonwealth, the Secretary of the Commonwealth is authorized and required to issue a "Certificate of Incorporation" evidencing the incorporation of an entity.

Whereas, The stipulations and conditions of the Law have been fully complied with by

PNRC CORP.

Therefore, Know Ye, That subject to the Constitution of this Commonwealth, and under the authority of the Laws thereof, I do by these presents, which I have caused to be sealed with the Great Seal of the Commonwealth, declare and certify the creation, erection and incorporation of the above in deed and in law by the name chosen hereinbefore specified.

Such corporation shall have and enjoy and shall be subject to all the powers, duties, requirements, and restrictions, specified and enjoined in and by the applicable laws of this Commonwealth.

Given under my Hand and the Great Seal of the Commonwealth,  
at the City of Harrisburg, this 16th day  
of December in the year of our  
Lord one thousand nine hundred and eighty-two  
and of the Commonwealth the two hundred seventh



*William L. Davis*

Secretary of the Commonwealth

0724866

APPLICANT'S ACCT. NO.

DSCB: BCL-806 (Rev. 8-72)

Filing Fee: \$40  
AD-2

Articles of  
Association  
Domestic Business Corporations

8705 616

(Line for numbering)

24866

COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF STATE  
CORPORATION BUREAU

Filed this DEC 23 day of 1986  
Commonwealth of Pennsylvania  
Department of State

*Robert J. ...*  
Secretary of the Commonwealth

(Box for Certification)

In compliance with the requirements of section 806 of the Business Corporation Law act of May 5, 1933 (P. L. 364) (15 P. S. §1806), the undersigned corporation, desiring to amend its Articles, does hereby certify that

1. The name of the corporation is:  
PNRC Corp.

2. The location of its registered office in this Commonwealth is (the Department of State is hereby authorized to correct the following statement to conform to the records of the Department):

R.D. 1 P.O. Box 100

(NUMBER)

(STREET)

Grantville

Pennsylvania

17028

(CITY)

(ZIP CODE)

3. The statute by or under which it was incorporated is:

Business Corporation Law, Act of May 5, 1933 (P.L. 364)

4. The date of its incorporation is: December 16, 1982

5. (Check, and if appropriate, complete one of the following):

The meeting of the shareholders of the corporation at which the amendment was adopted was held at the time and place and pursuant to the kind and period of notice herein stated.

Time: The \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_\_

Place: \_\_\_\_\_

Kind and period of notice \_\_\_\_\_

The amendment was adopted by a consent in writing, setting forth the action so taken, signed by all of the shareholders entitled to vote thereon and filed with the Secretary of the corporation.

6. At the time of the action of shareholders:

(a) The total number of shares outstanding was:

300,000

(b) The number of shares entitled to vote was:

300,000

8705 617

DSCB-BCL-808 (Rev. 8-72)-2

7. In the action taken by the shareholders:

(a) The number of shares voted in favor of the amendment was:

300,000

(b) The number of shares voted against the amendment was:

-0-

8. The amendment adopted by the shareholders, set forth in full, is as follows:

See Exhibit "A" attached hereto and made a part hereof.

IN TESTIMONY WHEREOF, the undersigned corporation has caused these Articles of Amendment to be signed by a duly authorized officer and its corporate seal, duly attested by another such officer, to be hereunto affixed this 22 day of December, 1986.

Attest:

Robert P. Krauss  
(SIGNATURE)  
Robert P. Krauss  
(CORPORATE SEAL) ASSISTANT SECRETARY

PNRC Corp.  
(NAME OF CORPORATION)  
Peter D. Carlino  
(SIGNATURE)  
Peter D. Carlino, President  
PRESIDENT

INSTRUCTIONS FOR COMPLETION OF FORM

- A. Any necessary copies of Form DSCB:17.2 (Consent to Appropriation of Name) or Form DSCB:17.3 (Consent to Use of Similar Name) shall accompany Articles of Amendment effecting a change of name.
- B. Any necessary governmental approvals shall accompany this form.
- C. Where action is taken by partial written consent pursuant to the Articles, the second alternate of Paragraph 5 should be modified accordingly.
- D. If the shares of any class were entitled to vote as a class, the number of shares of each class so entitled and the number of shares of all other classes entitled to vote should be set forth in Paragraph 6(b).
- E. If the shares of any class were entitled to vote as a class, the number of shares of such class and the number of shares of all other classes voted for and against such amendment, respectively, should be set forth in Paragraphs 7(a) and 7(b).

Certification # B01 4807 (15 P. S. 1807) requires that the corporation shall advertise its intention to file or the filing of Articles of Amendment. Proofs of publication of such advertising should not be delivered to the Department, but should be filed with the minutes of the corporation.

STATE OF NEW YORK  
DEPARTMENT OF STATE  
DIVISION OF CORPORATIONS  
RECEIVED  
DEC 22 1986

8705 618

Article 5 of the Corporation's Articles of Incorporation is amended in its entirety to read as follows:

The aggregate number of shares which the Corporation shall have authority to issue is 1,000,000 shares of Class A Common Stock, \$.01 par value and 1,000,000 shares of Class B Common Stock, \$.01 par value. Except as otherwise required by the Pennsylvania Business Corporation Law, the entire voting power of the Corporation shall be vested exclusively in the holders of the Class A Common Stock, each share thereof being entitled to one vote, and the holders of the Class B Common Stock shall not have any voting power or any right to participate in any meeting of Shareholders and shall have not any rights of Shareholders with respect to any notice, election, meeting, consent or waiver of notice. Except as provided for in the immediately preceding sentence, each share of Class A Common Stock and each share of Class B Common Stock shall in all respects be equal and entitled to the same rights and privileges, and in the event of any dividend or any liquidation, dissolution or winding-up of the affairs of the Corporation, whether voluntary or involuntary, partial or otherwise, the amount paid or distributed in respect of each share of Class A Common Stock shall be same as the amount paid or distributed in respect of each share of Class B Common Stock.



# Commonwealth of Pennsylvania



Department of State

**To All to Whom These Presents Shall Come, Greeting:**

**Whereas**, In and by Article VIII of the Business Corporation Law, approved the fifth day of May, Anno Domini one thousand nine hundred and thirty-three, P. L. 364, as amended, the Department of State is authorized and required to issue a

## CERTIFICATE OF AMENDMENT

evidencing the amendment of the Articles of Incorporation of a business corporation organized under or subject to the provisions of that Law, and

**Whereas**, The stipulations and conditions of that Law pertaining to the amendment of Articles of Incorporation have been fully complied with by

PNRC CORP.

**Therefore, Know Ye**, That subject to the Constitution of this Commonwealth and under the authority of the Business Corporation Law, I do by these presents, which I have caused to be sealed with the Great Seal of the Commonwealth, extend the rights and powers of the corporation named above, in accordance with the terms and provisions of the Articles of Amendment presented by it to the Department of State, with full power and authority to use and enjoy such rights and powers, subject to all the provisions and restrictions of the Business Corporation Law and all other applicable laws of this Commonwealth.

**Given** under my Hand and the Great Seal of the Commonwealth, at the City of Harrisburg, this 23rd day of December in the year of our Lord one thousand nine hundred and eighty six and of the Commonwealth the two hundred eleventh.

Secretary of the Commonwealth

ARTICLES OF AMENDMENT  
TO  
ARTICLES OF INCORPORATION  
OF  
PNRC CORP.

Filed in the Department of  
State on

APR 12 1994  
*[Signature]*  
Secretary of the Commonwealth

724866

\*\*\*\*\*

In compliance with the provisions of Section 1915 (relating to Articles of Amendment) of the Pennsylvania Business Corporation Law of 1988, as amended, the undersigned business corporation, desiring to amend and restate in their entirety its Articles of Incorporation, hereby states that:

1. The name of the corporation is PNRC Corp.
2. The address of this corporation's current registered office in this Commonwealth is R.D.1, P.O. Box 100, Grantville, PA 17028.
3. The statute by or under which it is incorporated is the Act of May 5, 1933, as amended.
4. The original date of its incorporation is December 16, 1982.
5. The amendment to the Articles of Incorporation of this corporation as set forth herein shall be effective upon the filing of these Articles of Amendment with the Department of State.
6. The amendment was adopted by the shareholders of this corporation pursuant to 15 Pa. C.S. §1914(a)(b).
7. The amendment adopted by the corporation is set forth in full as follows:

RESOLVED, that the Articles of Incorporation of this Corporation be, and they hereby are, amended and restated, in their entirety, to read as follows:

1. The name of the Corporation is: Penn National Gaming, Inc.

2. The Corporation was incorporated under the provisions of the Act of May 5, 1933, as amended.

3. The address of the Corporation's registered office in this Commonwealth is: Wyomissing Professional Center, 825 Berkshire Boulevard, Suite 203, Wyomissing, Berks County, Pennsylvania 19610.

4. The aggregate number of shares which this Corporation shall have authority to issue is:

(a) Ten Million (10,000,000) shares of Common Stock with a par value of \$.01 per share; and

(b) (i) One Million (1,000,000) shares of Preferred Stock with a par value of \$.01 per share.

(ii) The Preferred Stock may be issued from time to time in one or more series with such distinctive designations as may be stated in the resolution or resolutions providing for the issue of such stock adopted, from time to time, by the Board of Directors of this Corporation. The resolution or resolutions providing for the issue of shares of a particular series shall fix, subject to applicable laws and the provisions hereof, the designation, rights, preferences and limitations of the shares of each such series. The authority of the Board of Directors with respect to each series shall include, but not be limited to, determination of the following:

(A) The number of shares constituting such series, including the authority to increase or decrease such number, and the distinctive designation of such series;

(B) The dividend rate of the shares of such series, whether the dividends shall be cumulative and, if so, the date from which they shall be cumulative, and the relative rights of priority, if any, of payment of dividends on shares of such series;

(C) The right, if any, of the Corporation to redeem shares of such series and the terms and conditions of such redemption;

(D) The rights of the shares in case of a voluntary or involuntary liquidation, dissolution or winding up of the Corporation, and the relative rights of priority, if any, of payment of shares of such series;

(E) The voting power, if any, of such series and the terms and conditions under which such voting power may be exercised;

(F) The obligation, if any, of the Corporation to retire shares of such series pursuant to a retirement or sinking fund or funds of a similar nature or otherwise and the terms and conditions of such obligations;

(G) The terms and conditions, if any, upon which shares of such series shall be convertible into or exchangeable for shares of stock of any other class or classes, including the price or prices or the rate or rates of conversion or exchange and the terms of adjustment if any; and

(H) Any other rights, preferences or limitations of the shares of such series.

5. In all elections for Directors, each shareholder entitled to vote shall be entitled to only one vote for each share held, it being intended hereby to deny to shareholders of this Corporation the right of cumulative voting in the election of Directors.

IN TESTIMONY WHEREOF, the undersigned officers of this Corporation have executed and sealed these Amended and Restated Articles of Incorporation this 11th day of April, 1994.

PNRC CORP.

By: 

PETER M. CARLINO,  
Chairman of the Board

Attest: 

ROBERT S. IPPOLITO,  
Secretary

Filed in the Department of  
State on OCT 15 1996

966B-1588

AMENDED AND RESTATED ARTICLES OF INCORPORATION *Secretary of the Commonwealth*

OF

PENN NATIONAL GAMING, INC.

724866  
\*\*\*\*\*

In compliance with the provisions of Section 1915 (relating to Articles of Amendment) of the Pennsylvania Business Corporation Law of 1988, as amended, the undersigned business corporation, desiring to amend and restate in their entirety its Articles of Incorporation, hereby states that:

1. The name of the Corporation is: Penn National Gaming, Inc.

2. The Corporation was incorporated under the provisions of the Act of May 5, 1933, as amended.

3. The address of the Corporation's registered office in this Commonwealth is: Wyomissing Professional Center, 825 Berkshire Boulevard, Suite 203, Wyomissing, Berks County, Pennsylvania 19610.

4. The aggregate number of shares which this Corporation shall have authority to issue is:

(a) Ten Million (10,000,000) shares of Common Stock with a par value of \$.01 per share; and

(b) (i) One Million (1,000,000) shares of Preferred Stock with a par value of \$.01 per share.

(ii) The Preferred Stock may be issued from time to time in one or more series with such distinctive designations as may be stated in the resolution or resolutions providing for the issue of such stock adopted, from time to time, by the Board of Directors of this Corporation. The resolution or resolutions providing for the issue of shares of a particular series shall fix, subject to applicable laws and the provisions hereof, the designation, rights, preferences and limitations of the shares of each such series. The authority of the Board of Directors with respect to each series shall include, but not be limited to, determination of the following:

(A) The number of shares constituting such series, including the authority to increase or decrease such number, and the distinctive designation of such series;

(B) The dividend rate of the shares of such series, whether the dividends shall be cumulative and, if so, the date from which they shall be cumulative, and the relative rights of priority, if any, of payment of dividends on shares of such series;

(C) The right, if any, of the Corporation to redeem shares of such series and the terms and conditions of such redemption;

(D) The rights of the shares in case of a voluntary or involuntary liquidation, dissolution or winding up of the Corporation, and the relative rights of priority, if any, of payment of shares of such series;

(E) The voting power, if any, of such series and the terms and conditions under which such voting power may be exercised;

(F) The obligation, if any, of the Corporation to retire shares of such series pursuant to a retirement or sinking fund or funds of a similar nature or otherwise and the terms and conditions of such obligations;

(G) The terms and conditions, if any, upon which shares of such series shall be convertible into or exchangeable for shares of stock of any other class or classes, including the price or prices or the rate or rates of conversion or exchange and the terms of adjustment if any; and

(H) Any other rights, preferences or limitations of the shares of such series.

5. In all elections for Directors, each shareholder entitled to vote shall be entitled to only one vote for each share held, it being intended hereby to deny to shareholders of this Corporation the right of cumulative voting in the election of Directors.

6. The amended and restated Articles of Incorporation of this corporation as set forth herein shall be effective upon the filing of these Amended and Restated Articles of Incorporation with the Department of State.

7. The amended and restated Articles of Incorporation were adopted by the shareholders of this corporation pursuant to 15 Pa. C.S. §1914 (a) (b).

8. The amended and restates Articles of Incorporation adopted by the corporation is set forth in full as follows:

RESOLVED, that the Articles of Incorporation of this Corporation be, and they hereby are, amended and restated, in their entirety, to read as follows:

1. The name of the Corporation is: Penn National Gaming, Inc.

2. The Corporation was incorporated under the provisions of the Act of May 5, 1933, as amended.

3. The address of the Corporation's registered office in this Commonwealth is: Wyomissing Professional Center, 825 Berkshire Boulevard, Suite 203, Wyomissing, Berks County, Pennsylvania 19610.

4. The aggregate number of shares which this Corporation shall have authority to issue is:

(a) Ten Million (10,000,000) shares of Common Stock with a par value of \$.01 per share; and

(b) (i) One Million (1,000,000) shares of Preferred Stock with a par value of \$.01 per share.

(ii) The Preferred Stock may be issued from time to time in one or more series with such distinctive designations as may be stated in the resolution or resolutions providing for the issue of such stock adopted, from time to time, by the Board of Directors of this Corporation. The resolution or resolutions providing for the issue of shares of a particular series shall fix, subject to applicable laws and the provisions hereof, the designation, rights, preferences and limitations of the shares of each such series. The authority of the Board of Directors with respect to each series shall include, but not be limited to, determination of the following:

(A) The number of shares constituting such series, including the authority to increase or decrease such number, and the distinctive designation of such series;

(B) The dividend rate of the shares of such series, whether the dividends shall be cumulative and, if so, the date from which they shall be cumulative, and the relative rights of priority, if any, of payment of dividends on shares of such series;

966B-1591

(C) The right, if any, of the Corporation to redeem shares of such series and the terms and conditions of such redemption;

(D) The rights of the shares in case of a voluntary or involuntary liquidation, dissolution or winding up of the Corporation, and the relative rights of priority, if any, of payment of shares of such series;

(E) The voting power, if any, of such series and the terms and conditions under which such voting power may be exercised;

(F) The obligation, if any, of the Corporation to retire shares of such series pursuant to a retirement or sinking fund or funds of a similar nature or otherwise and the terms and conditions of such obligations;

(G) The terms and conditions, if any, upon which shares of such series shall be convertible into or exchangeable for shares of stock of any other class or classes, including the price or prices or the rate or rates of conversion or exchange and the terms of adjustment if any; and

(H) Any other rights, preferences or limitations of the shares of such series.

5. In all elections for Directors, each shareholder entitled to vote shall be entitled to only one vote for each share held, it being intended hereby to deny to shareholders of this Corporation the right of cumulative voting in the election of Directors.

6. (a) Except as otherwise fixed by or pursuant to the provisions of Article 6 hereof relating to the rights of the holders of any class or series of stock having a preference over the Common Stock as to dividends or upon liquidation to elect additional directors under specified circumstances, the number of Directors of the Corporation shall be fixed from time to time by or pursuant to the By-Laws of the Corporation. The Directors, other than those who may be elected by the holders of any class or series of stock having a preference over the Common Stock as to dividends or upon liquidation, shall be classified, with respect to the time for which they severally hold office, into three classes, as nearly equal in number as possible, as shall be provided in the manner specified in the By-Laws of the Corporation, one class to be originally elected for a term expiring at the annual meeting of shareholders to be



held in 1997, another class to be elected for a term expiring at the annual meeting of shareholders to be held in 1998, and another class to be originally elected for a term expiring at the annual meeting of shareholders to be held in 1999, with each director to hold office until his or her successor shall have been duly elected and qualified. At each annual meeting of the shareholders of the Corporation, the successors of the class of Directors whose term expires at that meeting shall be elected to hold office for a term expiring at the annual meeting of shareholders held in the third year following the year of election.

(b) Advance notice of shareholder nominations for the election of Directors and advance notice of business to be brought by shareholders before an annual meeting shall be given in the manner provided in the By-Laws of the Corporation.

(c) Except as otherwise provided for or fixed by or pursuant to the provisions of Article 6 hereof relating to the rights of the holders of any class or series of stock having a preference over the Common Stock as to dividends or upon liquidation to elect additional directors under specified circumstances, newly created directorships resulting from any increase in the number of Directors and any vacancies on the Board of Directors resulting from death, resignation, disqualification, removal or other cause shall be filled only by the affirmative vote of a majority of the remaining Directors then in office, even though less than a quorum of the Board of Directors. Any Directors elected in accordance with the preceding sentence shall hold office for the remainder of the full term of the class of Directors in which the new directorship was created or the vacancy occurred and until such Director's successor shall have been duly elected and qualified. No decrease in the number of Directors constituting the Board of Directors shall shorten the term of any incumbent Director.

(d) Subject to the rights of any class or series of stock having preference over the Common Stock as to dividends or upon liquidation to elect Directors under specified circumstances, any Director may be removed from office, with or without cause, only by the affirmative vote of the holders of 75% of the voting power of all shares of the Corporation entitled to vote generally in the election of Directors, voting together as a single class.

(e) Notwithstanding anything contained in these Amended and Restated Articles of Incorporation to the contrary, the affirmative vote of the holders of at least 75% of the voting power of all shares of the Corporation entitled to vote generally in the election of Directors,

9668-159

voting together as a single class, shall be required to alter, amend or repeal this Article 6.

IN TESTIMONY WHEREOF, the undersigned officers of this Corporation have executed and sealed these Amended and Restated Articles of Incorporation this 8th day of May, 1996.

PENN NATIONAL GAMING, INC.

By: 

Name: Peter M. Carlino

Title: President

Attest: 

Name: Robert S. Ippolito

Title: Secretary

Microfilm No. \_\_\_\_\_

Filed with the Department of  
State on NOV 13 1996

Entity No. 724866

*Nette K...*  
Secretary of the Commonwealth

**ARTICLES OF AMENDMENT-DOMESTIC BUSINESS CORPORATION  
DSCS:15-1915 (Rev. 91)**

In compliance with the requirements of 15 Pa.C.S. Section 1915 (relating to Articles of Amendment), the undersigned business corporation, desiring to amend its Articles, hereby states that:

1. The name of the corporation is: Penn National Gaming, Inc.
2. The address of this corporation's current registered office in this Commonwealth and the county of venue is: Wyomissing Professional Center, 825 Berkshire Boulevard, Suite 203, Wyomissing, Berks County, Pennsylvania 19610.
3. The statute by or under which it was incorporated is: Pennsylvania Business Corporation Law, as amended.
4. The date of its incorporation is: 12/16/82
5. The amendment shall be effective upon filing these Articles of Amendment in the Department of State.
6. A resolution setting forth the amendment was duly adopted by the Board of Directors at a meeting of such Board pursuant to 15 Pa.C.S. Sections 1914(c) and 1912.

Document No. M1101.1

7. The amendment adopted by the corporation, set forth in full, is as follows:

Article 4, subparagraph (a), of the Articles of Incorporation of this corporation be and it hereby is, amended to read as follows:

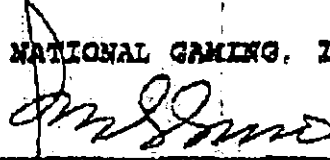
"4. The aggregate number of shares which this Corporation shall have authority to issue is:

(a) Twenty Million (20,000,000) shares of Common Stock with a par value of \$.01 per share; and"

IN TESTIMONY WHEREOF, the undersigned corporation has caused these Articles of Amendment to be signed by a duly authorized officer thereof this 13 day of November, 1996.

PENN NATIONAL GAMING, INC.

By:



Peter M. Carline  
Chairman of the Board and  
Chief Executive Officer

724866

9921-304

Filed in the Department of State on MAR 16 1999  
*Kim Fitzgerald*  
ACTING Secretary of the Commonwealth

STATEMENT WITH RESPECT TO SHARES  
OF SERIES A PREFERRED STOCK  
OF  
PENN NATIONAL GAMING, INC.

In compliance with the requirements of Section 1522 of the Business Corporation Law of 1988, P.L. 1444, No. 177 (15 Pa. Cons. Stat. § 1522(c)), the undersigned company, desiring to state the voting rights, designations, preferences, qualifications, privileges, limitations, options, conversion rights, and other special rights, if any, of a class or a series of a class of its shares, HEREBY CERTIFIES THAT:

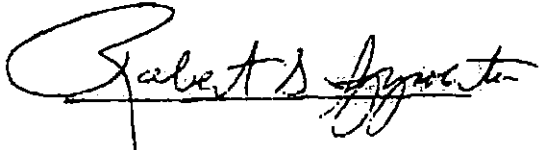
- (1) The name of the corporation is Penn National Gaming, Inc. (the "Company");
- (2) The resolution establishing and designating the class or series of shares and fixing and determining the relative rights and preferences thereof is set forth in full in Exhibit 1 attached hereto and made a part hereof;
- (3) The aggregate number of shares of such class or series established and designated by (i) such resolution, (ii) all prior statements, if any, filed under Section 1522 of the Business Corporation Law of 1988 or corresponding provisions of prior law with respect thereto, and (iii) any other provision of the Articles of Incorporation of the Company is 400,000 shares; and
- (4) The resolution was adopted by the Board of Directors of the Company at a duly called meeting held on May 20, 1998.

9921-105

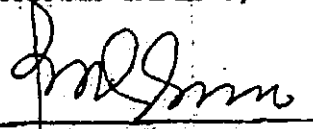
IN WITNESS WHEREOF, Penn National Gaming has caused this statement to be  
duly executed in its corporate name on this 2<sup>nd</sup> day of March, 1999.

Attest:

PENN NATIONAL GAMING, INC.



[Corporate Seal]

By: 

Name: Peter M. Carlino  
Title: Chairman and Chief Executive Officer

**PENN NATIONAL GAMING, INC.****Secretary's Certificate**

The undersigned, Robert S. Ippolito, hereby certifies that he is the duly elected, qualified and acting Secretary, Treasurer and Chief Financial Officer of PENN NATIONAL GAMING, INC., a Pennsylvania corporation (the "Company"), and that what follows is a true and correct copy of resolutions duly adopted by the Board of Directors of the Company at a meeting duly held on May 20, 1998, which resolutions have not been altered, amended, modified or rescinded and remain in full force and effect on the date hereof.

WHEREAS, the Board of Directors deems it desirable and in the best interests of the Company and its shareholders that steps be taken to preserve for shareholders the long-term value of the Company in the event of an attempted takeover of the Company; and

WHEREAS, the Board of Directors believes that a dividend to holders of the Company's Common Stock, par value \$.01 per share (the "Common Shares"), of rights to purchase fractional shares of Series A Preferred Stock (the "Preferred Stock"), on the terms and subject to the conditions hereinafter provided, is in the best interests of the Company and will contribute to the preservation of the Company's long-term value for its shareholders; and in arriving at this belief, the Board also considered the effects upon employees, suppliers and customers of the Company, and upon communities in which offices or other establishments of the Company are located and all other pertinent factors; and

WHEREAS, the Board of Directors wishes to create the Preferred Stock, and designate the number of shares thereof and the voting powers, preferences, rights and restrictions thereof.

NOW, THEREFORE, BE IT RESOLVED, that pursuant to the authority expressly vested in the Board of Directors of Penn National Gaming, Inc. (the "Company") by Article 4(b) of the Articles of Incorporation of the Company, the Board of Directors hereby creates the first series of Preferred Stock, par value \$0.01 per share, which shall consist of 400,000 shares and shall be designated as the Preferred Stock, and fixes and determines the voting rights, designations, preferences, qualifications, privileges, limitations, restrictions, options, conversion

Certification#: 10662943 and other special or relative rights thereof as follows:

Section 1. Dividends and Distributions:

(a) The rate of dividends payable per share of Preferred Stock on the first day of March, June, September and December in each year or such other quarterly payment date as shall be specified by the Board of Directors (each such date being referred to herein as a "Quarterly Dividend Payment Date"), commencing on the first Quarterly Dividend Payment Date after the first issuance of a share or fraction of a share of the Preferred Stock, shall be (rounded to the nearest cent) equal to the product of 100 multiplied by the aggregate per share amount of all cash dividends, and the product of 100 multiplied by the aggregate per share amount (payable in cash, based upon the fair market value at the time the non-cash dividend or other distribution is declared or paid as determined in good faith by the Board of Directors) of all non-cash dividends or other distributions other than a dividend payable in shares of Common Stock or a subdivision of the outstanding shares of Common Stock (by reclassification or otherwise), declared on the Common Stock, \$.01 par value, of the Company since the immediately preceding Quarterly Dividend Payment Date, or, with respect to the first Quarterly Dividend Payment Date, since the first issuance of any share or fraction of a share of the Preferred Stock, subject to the provision for adjustment hereinafter set forth. Dividends on the Preferred Stock shall be paid out of funds legally available for such purpose. In the event the Company shall at any time after May 20, 1998 (the "Rights Declaration Date") (i) declare any dividend on Common Stock payable in shares of Common Stock, (ii) subdivide the outstanding shares of Common Stock, or (iii) combine the outstanding shares of Common Stock into a smaller number of shares, then in each such case the amounts to which holders of Preferred Stock were entitled immediately prior to such event under clause (ii) of the preceding sentence shall be adjusted by multiplying each such amount by a fraction the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

(b) Dividends shall begin to accrue and be cumulative on outstanding Preferred Stock from the Quarterly Dividend Payment Date next preceding the date of issue of such Preferred Stock, unless the date of issue of such shares is prior to the record date for the first Quarterly Dividend Payment Date, in which case dividends on such shares shall begin to accrue from the date of issue of such shares, or unless the date of issue is a Quarterly Dividend Payment Date or is a date after the record date for the determination of holders of Preferred Stock entitled to receive a quarterly dividend and before such Quarterly Dividend Payment Date, in either of which events such dividends shall begin to accrue and be cumulative from such Quarterly Dividend Payment Date. Accrued but unpaid dividends shall not bear interest. Dividends paid on the Preferred Stock in an amount less than the total amount of such dividends at the time accrued and payable on such shares shall be allocated pro rata on a share-by-share basis among all such shares at the time outstanding.



Section 2. Voting Rights. In addition to any other voting rights required by law, the holders of Preferred Stock shall have the following voting rights:

(a) Subject to the provision for adjustment hereinafter set forth, each Preferred Stock shall entitle the holder thereof to 100 votes on all matters submitted to a vote of the Shareholders of the Company. In the event the Company shall at any time after the Rights Declaration Date (i) declare any dividend on Common Stock payable in shares of Common Stock, (ii) subdivide the outstanding shares of Common Stock, or (iii) combine the outstanding shares of Common Stock into a smaller number of shares, then in each such case the number of votes per share to which holders of Preferred Stock were entitled immediately prior to such event shall be adjusted by multiplying such number by a fraction the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

(b) In the event that dividends on the Preferred Stock shall be in arrears to an amount equal to six full quarterly dividends thereon, the holders of such Preferred Stock shall become entitled to the extent hereinafter provided to vote noncumulatively at all elections of directors of the Company, and to receive notice of all Shareholders' meetings to be held for such purpose. At such meetings, to the extent that directors are being elected, the holders of such Preferred Stock voting as a class shall be entitled to elect two members of the Board of Directors of the Company; and all other directors of the Company shall be elected by all Shareholders of the Company entitled to vote in the election of directors. Such voting rights of the holders of such Preferred Stock shall continue until all accumulated and unpaid dividends thereon shall have been paid or funds sufficient therefor set aside, whereupon all such voting rights of the holders of shares of such series shall cease, subject to being again revived from time to time upon the reoccurrence of the conditions above described as giving rise thereto.

At any time when such right to elect directors separately as a class shall have so vested, the Company may, and upon the written request of the holders of record of not less than 20% of the then outstanding total number of shares of all the Preferred Stock having the right to elect directors in such circumstances shall, call a special meeting of holders of such Preferred Stock for the election of directors. In the case of such a written request, such special meeting shall be held within 90 days after the delivery of such request, and, in either case, at the place and upon the notice provided by law and in the By-laws of the Company, provided that the Company shall not be required to call such a special meeting if such request is received less than 120 days before the date fixed for the next ensuing annual or special meeting of Shareholders of the Company. Upon the mailing of the notice of such special meeting to the holders of such Preferred Stock, or, if no such meeting be held, then upon the mailing of the notice of the next annual or special meeting of Shareholders for the election of directors, the number of

directors of the Company shall, ipso facto, be increased to the extent, but only to the extent, necessary to provide sufficient vacancies to enable the holders of such Preferred Stock to elect the two directors hereinabove provided for, and all such vacancies shall be filled only by vote of the holders of such Preferred Stock as hereinabove provided. Whenever the number of directors of the Company shall have been increased, the number as so increased may thereafter be further increased or decreased in such manner as may be permitted by the By-laws and without the vote of the holders of Preferred Stock, provided that no such action shall impair the right of the holders of Preferred Stock to elect and to be represented by two directors as herein provided.

As long as the holders of Preferred Stock are entitled hereunder to voting rights, any vacancy in the Board of Directors caused by the death or resignation of any director elected by the holders of Preferred Stock, shall, until the next meeting of Shareholders for the election of directors, in each case be filled by the remaining director elected by the holders of Preferred Stock having the right to elect directors in such circumstances.

Upon termination of the voting rights of the holders of any series of Preferred Stock the terms of office of all persons who shall have been elected directors of the Company by vote of the holders of Preferred Stock or by a director elected by such holders shall forthwith terminate.

(c) Except as otherwise provided herein, in the Articles of Incorporation of the Company, or by law, the holders of Preferred Stock and the holders of Common Stock (and the holders of shares of other series or class entitled to vote thereon) shall vote together as one class on all matters submitted to a vote of Shareholders of the Company.

Section 3. Reacquired Shares. Any Preferred Stock purchased or otherwise acquired by the Company in any manner whatsoever shall be retired and canceled promptly after the acquisition thereof. All such shares shall upon their cancellation become authorized but unissued Preferred Stock and may be reissued as part of a new series of Preferred Stock to be created by resolution or resolutions of the Board of Directors.

Section 4. Liquidation, Dissolution or Winding Up. In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Company, the holders of Preferred Stock shall be entitled to receive the greater of (a) \$1.00 per share, plus accrued dividends to the date of distribution, whether or not earned or declared, or (b) an amount per share, subject to the provision for adjustment hereinafter set forth, equal to 100 times the aggregate amount to be distributed per share to holders of Common Stock. In the event the Company shall at any time after the Rights Declaration Date (i) declare any dividend on Common Stock payable in shares of Common Stock, (ii) subdivide the outstanding shares of Common Stock, or (iii) combine the outstanding shares of Common Stock into a

smaller number of shares, then in each such case the amount to which holders of Preferred Stock were entitled immediately prior to such event pursuant to clause (b) of the preceding sentence shall be adjusted by multiplying such amount by a fraction the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately before such event.

**Section 5: Consolidation, Merger, etc.** In case the Company shall enter into any consolidation, merger, combination or other transaction in which the shares of Common Stock are exchanged for or changed into other capital stock or securities, cash and/or any other property, then in any such case the Preferred Stock shall at the same time be similarly exchanged for, or changed into an amount per share (subject to the provision for adjustment hereinafter set forth) equal to 100 times the aggregate amount of capital stock, securities, cash and/or any other property (payable in kind), as the case may be, into which or for which each share of Common Stock is changed or exchanged. In the event the Company shall at any time after the Rights Declaration Date (i) declare any dividend on Common Stock payable in shares of Common Stock, (ii) subdivide the outstanding shares of Common Stock, or (iii) combine the outstanding shares of Common Stock into a smaller number of shares, then in each such case the amount set forth in the preceding sentence with respect to the exchange or change of shares of Preferred Stock shall be adjusted by multiplying such amount by a fraction the numerator of which is the number of shares of Common Stock outstanding immediately after such event the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

**Section 6. No Redemption.** The Preferred Stock shall not be redeemable.

**Section 7. Fractional Shares.** Preferred Stock may be issued in fractions of a share which shall entitle the holder, in proportion to such holder's fractional shares, to exercise voting rights, receive dividends, participate in distributions and to have the benefit of all other rights of holders of Preferred Stock.

RESOLVED FURTHER, that the Board of Directors hereby declares that a dividend of one right (a "Right") for each Common Share be paid on March 19, 1999 to shareholders of record of the Common Shares issued and outstanding at the close of business on such date, each Right representing the right to purchase one-hundredth of a Preferred Stock (a "Preferred Stock Fraction") upon the terms and subject to the conditions set forth in the form of Rights Agreement between the Company and Continental Stock Transfer and Trust Company as Rights Agent presented to this meeting (the "Rights Agreement"), which agreement is hereby approved in all respects.

RESOLVED FURTHER, that the exercise price of the Rights shall be \$40.00 per Preferred Stock Fraction and that the redemption price therefor shall be \$.01 per Right, in each case, subject to the adjustments set forth in the Rights Agreement.

RESOLVED FURTHER, that the President or Chief Executive Officer of the Company, alone or together with the Secretary or Assistant Secretary of the Company be, and each of them hereby is, authorized, empowered and directed, for and on behalf of the Company, to execute the Rights Agreement, with such modifications as the officers executing the same shall approve, and to deliver the same to the Rights Agent thereunder, such execution and delivery conclusively to evidence the due authorization and approval thereof by the Company.

RESOLVED FURTHER, that certificates evidencing the Rights (the "Rights Certificates") shall be substantially in the form set forth in the Rights Agreement and shall be issued and delivered as provided therein.

RESOLVED FURTHER, that the Rights Certificates shall be signed by the Chairman of the Board, the President or any Vice President and by the Secretary or any Assistant Secretary of the Company (collectively, the "Proper Officers") under the corporate seal of the Company (which may be in the form of a facsimile of the seal of the Company), provided that the signatures of any of said officers of the Company may, but need not be, a facsimile signature imprinted or otherwise reproduced on the Rights Certificates, and that the Company adopts for such purpose the facsimile signature of the present or any future Chairman of the Board, President, Vice President, Secretary and Assistant Secretary of the Company, notwithstanding the fact that at the time the Rights Certificates shall be authenticated and delivered or disposed of he shall have ceased to be such officer.

RESOLVED FURTHER, that the Proper Officers be, and each of them hereby is, authorized, empowered and directed, to execute for and on behalf of the Company and under its corporate seal (which may be in the form of a facsimile of the seal of the Company), Rights Certificates issued to replace lost, stolen, mutilated or destroyed Rights Certificates, and such Rights Certificates as may be required for exchange, substitution or transfer as provided in the Rights Agreement in the manner and form to be required in, or contemplated by, the Rights Agreement.

RESOLVED FURTHER, that the Rights Certificates shall be manually countersigned by the Rights Agent and books for the registration and transfer of the Rights Certificates shall be maintained by the Rights Agent as provided for in the Rights Agreement.

RESOLVED FURTHER, that 400,000 Preferred Stock be, and hereby is, initially reserved for issuance upon exercise of the Rights, such number to be subject to adjustment from time to time in accordance with the Rights Agreement.

RESOLVED FURTHER, that Continental Stock Transfer and Trust Company (the "Bank") be, and it hereby is, appointed Transfer Agent and Registrar for the Preferred Stock.

RESOLVED FURTHER, that the Bank be, and it hereby is, appointed Rights Agent under the Rights Agreement, and that upon presentation to it of Rights Certificates for exercise in accordance with the Rights Agreement, the Bank is authorized, as Transfer Agent and Registrar for the Preferred Stock, to issue, countersign, register and deliver the Preferred Stock Fractions issuable upon such exercise.

RESOLVED FURTHER, that the Proper Officers be, and each of them hereby is, authorized, empowered and directed, for and on behalf of the Company, to take all such actions and to execute all such documents as they may deem necessary or appropriate in connection with the issuance of the Rights and the Preferred Stock or other securities issuable upon exercise of the Rights in order to comply with the Securities Act of 1933, as amended (the "Securities Act"), and the Securities Exchange Act of 1934, as amended.

RESOLVED FURTHER, that the Secretary of the Company be and he hereby is appointed as agent for service of the Company with respect to said registration statement for the Preferred Stock or other securities, and any amendments or supplements, with all the powers and functions specified in the General Rules and Regulations of the Securities and Exchange Commission under the Securities Act.

RESOLVED FURTHER, that the Proper Officers be, and each of them hereby is, authorized, empowered and directed, for and on behalf of the Company, to execute and file such application or applications, and amendments and supplements thereto, and take such other action as may be necessary to qualify the Rights (and, if in the judgment of such officers it is appropriate to do so, the Preferred Stock or other securities issuable upon exercise thereof) for trading on NASDAQ or any stock exchange or national market system deemed appropriate by such officers of the Company or as is required by the Rights Agreement, and that the proper officers of the Company be, and each of them hereby is, authorized to appear before the Securities and Exchange Commission, the National Association of Securities Dealers, Inc. and any stock exchange, and to execute such papers and agreements as may be necessary to conform with the requirements of any such body and to effectuate such qualification and registration.

7021-104

RESOLVED FURTHER, that as long as the Rights are attached to the Common Shares as provided in the Rights Agreement, one Right shall be delivered with each Common Share that shall become outstanding after March 19, 1999.

RESOLVED FURTHER, in connection with the issuance or sale of Common Shares following the Distribution Date (as defined in the Rights Agreement) and prior to the Expiration Date (as is defined in the Rights Agreement), the Company shall, with respect to Common Shares so issued or sold pursuant to the exercise of stock options or under any employee plan or arrangement, or upon the exercise, conversion or exchange of securities issued by the Company prior to the Distribution Date, issue Rights Certificates representing the appropriate number of Rights in connection with such issuance or sale, as provided in the Rights Agreement.

RESOLVED FURTHER, that the Board of Directors deems it desirable and in the best interests of the Company that the Preferred Stock issuable upon exercise of the Rights be qualified or registered for sale in various jurisdictions; that the Proper Officers be, and each of them hereby is, authorized, empowered and directed, for and on behalf of the Company, to determine the jurisdictions in which appropriate action shall be taken to qualify or register for sale all or such part of the Preferred Stock issuable upon exercise of the Rights as said officers may deem advisable or as is required by the Rights Agreement; that the Proper Officers be, and each of them hereby is, authorized, empowered and directed, for and on behalf of the Company, to perform any and all such acts as they may deem necessary or advisable in order to comply with the applicable laws of any such jurisdictions, and in connection therewith to execute and file all requisite papers and documents, including, but not limited to, applications, reports, surety bonds, irrevocable consents and appointments of attorneys for service of process; and the execution by such officers of any such papers or documents or the doing by them of any act in connection with the foregoing matters shall conclusively establish their authority therefor and the approval and ratification by the Company of the papers and documents so executed and the action so taken.

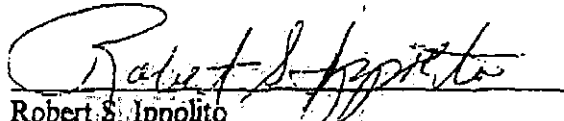
RESOLVED FURTHER, that the Board of Directors hereby adopts, as if expressly set forth herein, the form of any resolution required by any authority to be filed in connection with any applications, consents to service, issuer's covenants or other documents if (i) in the opinion of the officers of the Company executing the same, the adoption of such resolutions is necessary or desirable (such execution or delivery being deemed conclusive evidence of such determination of such necessity or desirability) and (ii) the Secretary or an Assistant Secretary of the Company evidences such adoption by inserting in the minutes of this meeting copies of such resolutions, which will thereupon be deemed to be adopted by the Board of Directors with the same force and effect as if presented at this meeting.

RESOLVED FURTHER, that the Proper Officers be, and each of them by is, authorized, empowered and directed, for and on behalf of the Company, execute and deliver any and all certificates, agreements and other documents, take any and all steps and do any and all things which they may deem necessary or advisable (such execution or delivery being deemed conclusive evidence of such determination of such necessity or desirability) in order to effectuate the purposes of each and all of the foregoing resolutions.

RESOLVED FURTHER, that any actions taken by the proper officers prior to the date of this meeting that are within the authority conferred hereby are hereby ratified, confirmed and approved in all respects as the act and deed of the Company.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Company this 2nd day of March, 1999.

[SEAL]

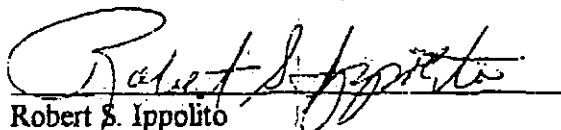
  
Robert S. Ippolito  
Secretary, Treasurer and Chief Financial Officer

RESOLVED FURTHER, that the Proper Officers be, and each of them hereby is, authorized, empowered and directed, for and on behalf of the Company, to execute and deliver any and all certificates, agreements and other documents, take any and all steps and do any and all things which they may deem necessary or advisable (such execution or delivery being deemed conclusive evidence of such determination of such necessity or desirability) in order to effectuate the purposes of each and all of the foregoing resolutions.

RESOLVED FURTHER, that any actions taken by the proper officers prior to the date of this meeting that are within the authority conferred hereby are hereby ratified, confirmed and approved in all respects as the act and deed of the Company.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Company this 2nd day of March, 1999.

[SEAL]



Robert S. Ippolito  
Secretary, Treasurer and Chief Financial Officer



Microfilm Number \_\_\_\_\_

Filed with the Department of State on 2001571786 **JUL 29 2001**

Entry Number 724866

*Ron Sigurdson*  
Secretary of the Commonwealth

**ARTICLES OF AMENDMENT-DOMESTIC BUSINESS CORPORATION**

DSCB:15-1915 (Rev 91)

In compliance with the requirements of 15 Pa.C.S. § 1915 (relating to articles of amendment), the undersigned business corporation, desiring to amend its Articles, hereby states that:

1. The name of the corporation is: Penn National Gaming, Inc.
2. The (a) address of this corporation's current registered office in this Commonwealth or (b) name of its commercial registered office provider and the county of venue is (the Department is hereby authorized to correct the following information to conform to the records of the Department):

(a) <u>Wyomissing Professional Center, 825 Berkshire Boulevard, Suite 203, Wyomissing, PA 19610</u>	<u>Berks</u>
Number and Street	County
	City
	State
	Zip

(b) _____	_____
Name of Commercial Registered Office Provider	County

For a corporation represented by a commercial registered office provider, the county in (b) shall be deemed the county in which the corporation is located for venue and official publication purposes.

3. The statute by or under which it was incorporated is: Pennsylvania Business Corporation Law, as amended
4. The date of its incorporation is: December 16, 1982

5. (Check, and if appropriate complete, one of the following):

The amendment shall be effective upon filing these Articles of Amendment in the Department of State.

The amendment shall be effective on: \_\_\_\_\_ at \_\_\_\_\_  
Date Hour

6. (Check one of the following):

The amendment was adopted by the shareholders (or members) pursuant to 15 Pa.C.S. §1914 (a) and 1914 (b).

The amendment was adopted by the board of directors pursuant to 15 Pa.C.S. §1914(c).

7. (Check, and if appropriate complete, one of the following):

The amendment adopted by the corporation, set forth in full, is as follows:

"4. The aggregate number of shares which this Corporation shall have the authority to issue is:  
(a) Two hundred million (200,000,000) shares of Common stock with a par value of \$0.01 per share; and"

The amendment adopted by the corporation as set forth in full in Exhibit A attached hereto and made a part hereof.

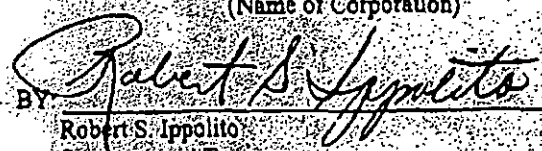
8. (Check if the amendment restates the Articles):

The restated Articles of Incorporation supersede the original Articles and all amendments thereto.

200157 1787

IN TESTIMONY WHEREOF, the undersigned corporation has caused these Articles of Amendment to be signed by a duly authorized officer thereof this 23<sup>rd</sup> day of July 2001.

Penn National Gaming, Inc.  
(Name of Corporation)

BY 

Robert S. Ippolito  
Secretary and Treasurer

2005010-819

PENNSYLVANIA DEPARTMENT OF STATE  
CORPORATION BUREAU

Articles/Certificate of Merger

(15 Pa.C.S.)

Entity Number  
724866

- Domestic Business Corporation (§ 1926)
- Domestic Nonprofit Corporation (§ 5926)
- Limited Partnership (§ 8547)

Name  
**ESQUIRE ASSIST**

Address  
**COUNTER PICK-UP**

City \_\_\_\_\_ State \_\_\_\_\_ Zip Code \_\_\_\_\_

Document will be returned to the name and address you enter to the left.

Fee: \$108 plus \$28 additional for each Party in additional to two

Filed in the Department of State on JAN 28 2005

*[Signature]*  
Secretary of the Commonwealth

In compliance with the requirements of the applicable provisions (relating to articles of merger or consolidation), the undersigned, desiring to effect a merger, hereby state that:

1. The name of the corporation/limited partnership surviving the merger is:  
**PENN NATIONAL GAMING, INC.**

2. Check and complete one of the following:

The surviving corporation/limited partnership is a domestic business/nonprofit corporation/limited partnership and the (a) address of its current registered office in this Commonwealth or (b) name of its commercial registered office provider and the county of venue is (the Department is hereby authorized to correct the following information to conform to the records of the Department):

(a) Number and Street	City	State	Zip	County
<b>825 BERKSHIRE BLVD., STE. 200, WYOMISSING PROFESSIONAL CTR., WYOMISSING, PA 19610 BERKS</b>				

(b) Name of Commercial Registered Office Provider \_\_\_\_\_ County \_\_\_\_\_  
c/o \_\_\_\_\_

The surviving corporation/limited partnership is a qualified foreign business/nonprofit corporation/limited partnership incorporated/formed under the laws of \_\_\_\_\_ and the (a) address of its current registered office in this Commonwealth or (b) name of its commercial registered office provider and the county of venue is (the Department is hereby authorized to correct the following information to conform to the records of the Department):

(a) Number and Street	City	State	Zip	County
-----------------------	------	-------	-----	--------

(b) Name of Commercial Registered Office Provider \_\_\_\_\_ County \_\_\_\_\_  
c/o \_\_\_\_\_

The surviving corporation/limited partnership is a nonqualified foreign business/nonprofit corporation/limited partnership incorporated/formed under the laws of \_\_\_\_\_ and the address of its principal office under the laws of such domiciliary jurisdiction is:

Number and Street	City	State	Zip
-------------------	------	-------	-----

2005010-820

DSCB:15-1926/5926/8547-2

3. The name and the address of the registered office in this Commonwealth or name of its commercial registered office provider and the county of venue of each other domestic business/nonprofit corporation/limited partnership and qualified foreign business/nonprofit corporation/limited partnership which is a party to the plan of merger are as follows:

Name	Registered Office Address	Commercial Registered Office Provider	County
WILKES BARRE DOWNS, INC.	c/o PENN NATIONAL GAMING, INC., 825 BERKSHIRE BOULEVARD, SUITE 200, WYOMISSING, PA 19610		BERKS COUNTY

4. Check, and if appropriate complete, one of the following:

The plan of merger shall be effective upon filing these Articles/Certificate of Merger in the Department of State.

The plan of merger shall be effective on: \_\_\_\_\_ at \_\_\_\_\_  
Date Hour

5. The manner in which the plan of merger was adopted by each domestic corporation/limited partnership is as follows:

Name	Manner of Adoption
WILKES-BARRE DOWNS, INC.	Adopted by the directors and shareholders pursuant to 15 Pa.C.S. § 1924(b)(3)
PENN NATIONAL GAMING, INC.	Adopted by the directors and shareholders pursuant to 15 Pa.C.S. § 1924 (b)(3)

6. ~~Strike out this paragraph if no foreign corporation/limited partnership is a party to the merger.~~

~~The plan was authorized, adopted or approved, as the case may be, by the foreign business/nonprofit corporation/limited partnership (or each of the foreign business/nonprofit corporations/limited partnerships) party to the plan in accordance with the laws of the jurisdiction in which it is incorporated/organized.~~

7. Check, and if appropriate complete, one of the following:

The plan of merger is set forth in full in Exhibit A attached hereto and made a part hereof.

Pursuant to 15 Pa.C.S. § 1901/§ 8547(b) (relating to omission of certain provisions from filed plans) the provisions, if any, of the plan of merger that amend or constitute the operative provisions of the Articles of Incorporation/Certificate of Limited Partnership of the surviving corporation/limited partnership as in effect subsequent to the effective date of the plan are set forth in full in Exhibit A attached hereto and made a party hereof. The full text of the plan of merger is on file at the principal place of business of the surviving corporation/limited partnership, the address of which is:

825 BERKSHIRE BOULEVARD, SUITE 200, WYOMISSING, PA 19610	BERKS
Number and street	County

2005010-82

DSCB: 15-1926/5926/8347-3

IN TESTIMONY WHEREOF, the undersigned corporation/limited partnership has caused these Articles/Certificate of Merger to be signed by a duly authorized officer thereof this

27th day of January  
2005

PENN NATIONAL GAMING, INC.

Name of Corporation/Limited Partnership

*Robert S. Ippolito*

Robert S. Ippolito Signature

Vice President, Secretary and Treasurer

Title

Name of Corporation/Limited Partnership

Signature

Title

**PENNSYLVANIA DEPARTMENT OF STATE  
 CORPORATION BUREAU**

**Articles/Certificate of Merger  
 (15 Pa.C.S.)**

Entity Number  
**724866**

- Domestic Business Corporation (§ 1926)  
 Domestic Nonprofit Corporation (§ 5926)  
 Limited Partnership (§ 8547)

Document will be returned to the name and address you enter to the left.

Name  
**ESQUIRE ASSIST. LTD.**

Address  
**COUNTER PICK-UP**

City State Zip Code

Fee: \$150 plus \$40 additional for each Party in addition to two

Filed in the Department of State on \_\_\_\_\_

Secretary of the Commonwealth

In compliance with the requirements of the applicable provisions (relating to articles of merger or consolidation), the undersigned, desiring to effect a merger, hereby state that:

1. The name of the corporation/limited partnership surviving the merger is:  
**PENN NATIONAL GAMING, INC.**

2. Check and complete one of the following:

The surviving corporation/limited partnership is a domestic business/nonprofit corporation/limited partnership and the (a) address of its current registered office in this Commonwealth or (b) name of its commercial registered office provider and the county of venue is (the Department is hereby authorized to correct the following information to conform to the records of the Department):

(a) Number and Street	City	State	Zip	County
825 BERKSHIRE BOULEVARD, SUITE 200	WYOMISSING	PA	19610	BERKS

(b) Name of Commercial Registered Office Provider \_\_\_\_\_ County \_\_\_\_\_  
 c/o \_\_\_\_\_

The surviving corporation/limited partnership is a qualified foreign business/nonprofit corporation /limited partnership incorporated/formed under the laws of \_\_\_\_\_ and the (a) address of its current registered office in this Commonwealth or (b) name of its commercial registered office provider and the county of venue is (the Department is hereby authorized to correct the following information to conform to the records of the Department):

(a) Number and Street	City	State	Zip	County
-----------------------	------	-------	-----	--------

(b) Name of Commercial Registered Office Provider \_\_\_\_\_ County \_\_\_\_\_  
 c/o \_\_\_\_\_

The surviving corporation/limited partnership is a nonqualified foreign business/nonprofit corporation/limited partnership incorporated/formed under the laws of \_\_\_\_\_ and the address of its principal office under the laws of such domiciliary jurisdiction is:

Number and Street	City	State	Zip
-------------------	------	-------	-----

DSC

Commonwealth of Pennsylvania  
 ARTICLES OF MERGER-BUSINESS 5 Page(s)



3. The name and the address of the registered office in this Commonwealth or name of its commercial registered office provider and the county of venue of each other domestic business/nonprofit corporation/limited partnership and qualified foreign business/nonprofit corporation/limited partnership which is a party to the plan of merger are as follows:

Name	Registered Office Address	Commercial Registered Office Provider	County
W-B DOWNS, INC.	825 BERKSHIRE BOULEVARD, SUITE 200, WYOMISSING, PA, 19610		BERKS
PENN NATIONAL SPEEDWAY, INC.	825 BERKSHIRE BOULEVARD, WYOMISSING, PA 19610		BERKS

4. Check, and if appropriate complete, one of the following:

The plan of merger shall be effective upon filing these Articles/Certificate of Merger in the Department of State.

The plan of merger shall be effective on: \_\_\_\_\_ at \_\_\_\_\_  
Date Hour

5. The manner in which the plan of merger was adopted by each domestic corporation/limited partnership is as follows:

Name	Manner of Adoption
W-B DOWNS, INC.	Adopted by action of the board of directors of the parent corporation pursuant to 15 Pa.C.S. § 1924(b)(3)
PENN NATIONAL SPEEDWAY, INC.	Adopted by action of the board of directors of the parent corporation pursuant to 15 Pa.C.S. § 1924(b)(3)
PENN NATIONAL GAMING, INC.	Adopted by action of the board of directors of the parent corporation pursuant to 15 Pa.C.S. § 1924(b)(3)

6. ~~Strike out this paragraph if no foreign corporation/limited partnership is a party to the merger.~~

~~The plan was authorized, adopted or approved, as the case may be, by the foreign business/nonprofit corporation/limited partnership (or each of the foreign business/nonprofit corporations/limited partnerships) party to the plan in accordance with the laws of the jurisdiction in which it is incorporated/organized.~~

7. Check, and if appropriate complete, one of the following:

The plan of merger is set forth in full in Exhibit A attached hereto and made a part hereof.

Pursuant to 15 Pa.C.S. § 1901/§ 8547(b) (relating to omission of certain provisions from filed plans) the provisions, if any, of the plan of merger that amend or constitute the operative provisions of the Articles of Incorporation/Certificate of Limited Partnership of the surviving corporation/limited partnership as in effect subsequent to the effective date of the plan are set forth in full in Exhibit A attached hereto and made a part hereof. The full text of the plan of merger is on file at the principal place of business of the surviving corporation/limited partnership, the address of which is:

DSC 825 BERKSHIRE BOULEVARD, SUITE 200, WYOMISSING, PA 19610 BERKS  
Number and street City State Zip County

IN TESTIMONY WHEREOF, the undersigned corporation/limited partnership has caused these Articles/Certificate of Merger to be signed by a duly authorized officer thereof this

16 day of AUGUST

2006

PENN NATIONAL GAMING, INC.

Name of Corporation/Limited Partnership



PETER M. CARLINO Signature

Chief Executive Officer

Title

PENN NATIONAL SPEEDWAY, INC.

Name of Corporation/Limited Partnership



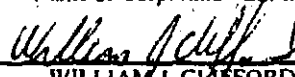
PETER M. CARLINO Signature

Chief Executive Officer

Title

W-B DOWNS, INC.

Name of Corporation/Limited Partnership



WILLIAM J. CLIFFORD Signature

President

Title

DSCB: 15-1926/5926/8547



**PENNSYLVANIA DEPARTMENT OF STATE  
CORPORATION BUREAU**

**Statement of Change of Registered Office (15 Pa.C.S.)**

- Domestic Business Corporation (§ 1507)
- Foreign Business Corporation (§ 4144)
- Domestic Nonprofit Corporation (§ 5307)
- Foreign Nonprofit Corporation (§ 6144)
- Domestic Limited Partnership (§ 8506)

Name \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip Code \_\_\_\_\_

CT CORP-COUNTER

Document will be returned to the name and address you enter to the left.

Commonwealth of Pennsylvania  
DOMESTIC - CHANGE OF REGISTERED OFFICE 3 Page(s)



Fee: \$70

In compliance with the requirements of the applicable provisions of 15 Pa.C.S. (relating to corporations and unincorporated associations), the undersigned corporation or limited partnership, desiring to effect a change of registered office, hereby states that:

1. The name is:  
Penn National Gaming, Inc.

2. The (a) address of its initial registered office in this Commonwealth or (b) name of its commercial registered office provider and the county of venue is:

(a) Number and street	City	State	Zip	County
Wyomissing Professional Ctr. 825 Berkshire Blvd., Ste. 203	Wyomissing	PA	17028	Berks
(b) Name of Commercial Registered Office Provider				County
c/o:				

3. Complete part (a) or (b):

(a) The address to which the registered office of the corporation or limited partnership in this Commonwealth is to be changed is:

Number and street	City	State	Zip	County
(b) The registered office of the corporation or limited partnership shall be provided by:				
c/o: C T Corporation System				Berks
Name of Commercial Registered Office Provider				County

NOV 28 PM 03 '06

DSCB:15-1507/4144/5507/6144/8506-2

4. *Strike out if a limited partnership:*

Such change was authorized by the Board of Directors of the corporation.

IN TESTIMONY WHEREOF, the undersigned has caused this Application for Registration to be signed by a duly authorized officer thereof this

20 day of November 2008

Penn National Gaming Inc  
Name of Corporation/Limited Partnership

[Signature]  
Signature

Attorney in fact  
Title

**POWER OF ATTORNEY**


**NOTICE IS HEREBY GIVEN THAT, Robert Ippolito, Vice President, Secretary and Treasurer of Penn National Gaming, Inc., ("the Corporation"), a corporation incorporated under the laws of the State of Pennsylvania, and the direct or indirect owner of the subsidiary entities shown on the list appended hereto, does hereby appoint each of Maria Chambers and Jannetta Thomas as lawful attorney-in-fact for the Corporation and for the subsidiary entities to act for the Corporation and for the subsidiary entities and in the name of the Corporation and of the subsidiary entities for the limited purposes authorized herein.**

The Corporation and the attached subsidiary entities, having taken or will take all necessary steps to authorize the changes, hereby grants each of the aforesaid attorneys-in-fact the power to execute the documents necessary to change the Corporation's and the subsidiary entities' registered agent and registered office, or the agent and office of similar import, in any state as designated on the attached list.

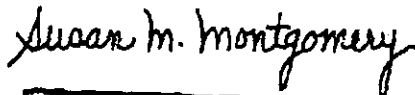
In the execution of any documents necessary for the purposes set forth herein, Maria Chambers shall exercise the power of Vice President of the Corporation and Jannetta Thomas shall exercise the power of Assistant Secretary of the Corporation.

This Power of Attorney expires when revoked by the undersigned.

IN WITNESS WHEREOF, the undersigned has executed this Power of Attorney on this 16th day of November, 2006.

  
Robert Ippolito  
Vice President, Secretary and Treasurer

Sworn to and subscribed before me this 16th Day of November, 2006.



Notarial Seal  
Susan M. Montgomery, Notary Public  
Wyomissing Boro, Berks County  
My Commission Expires June 7, 2007

PENNSYLVANIA DEPARTMENT OF STATE  
CORPORATION BUREAU

Articles/Certificate of Merger  
(15 Pa.C.S.)

Entity Number  
724866

- Domestic Business Corporation (§ 1926)  
 Domestic Nonprofit Corporation (§ 5926)  
 Limited Partnership (§ 8547)

Name  
ESQUIRE ASSIST, LTD.

Address  
COUNTER PICK-UP

City State Zip Code

Document will be returned to the  
name and address you enter to  
the left.

Fee: \$1.50 plus \$40 additional for each  
Party in addition to two

Commonwealth of Pennsylvania  
ARTICLES OF MERGER-BUSINESS 4 Page(s)



T0717865023

In compliance with the requirements of the applicable provisions (relating to articles of merger or consolidation), the undersigned, desiring to effect a merger, hereby state that:

1. The name of the corporation/limited partnership surviving the merger is:  
PENN NATIONAL GAMING, INC.

2. Check and complete one of the following:

The surviving corporation/limited partnership is a domestic business/nonprofit corporation/limited partnership and the (a) address of its current registered office in this Commonwealth or (b) name of its commercial registered office provider and the county of venue is (the Department is hereby authorized to correct the following information to conform to the records of the Department):

(a) Number and Street City State Zip County  
825 BERKSHIRE BOULEVARD, SUITE 200, WYOMISSING, PA 19610 BERKS

(b) Name of Commercial Registered Office Provider County

c/o

The surviving corporation/limited partnership is a qualified foreign business/nonprofit corporation/limited partnership incorporated/formed under the laws of \_\_\_\_\_ and the (a) address of its current registered office in this Commonwealth or (b) name of its commercial registered office provider and the county of venue is (the Department is hereby authorized to correct the following information to conform to the records of the Department):

(a) Number and Street City State Zip County

(b) Name of Commercial Registered Office Provider County

c/o

The surviving corporation/limited partnership is a nonqualified foreign business/nonprofit corporation/limited partnership incorporated/formed under the laws of \_\_\_\_\_ and the address of its principal office under the laws of such domiciliary jurisdiction is:

Number and Street City State Zip

3. The name and the address of the registered office in this Commonwealth or name of its commercial registered office provider and the county of venue of each other domestic business/nonprofit corporation/limited partnership and qualified foreign business/nonprofit corporation/limited partnership which is a party to the plan of merger are as follows:

Name	Registered Office Address	Commercial Registered Office Provider	County

4. Check, and if appropriate complete, one of the following:

The plan of merger shall be effective upon filing these Articles/Certificate of Merger in the Department of State.

The plan of merger shall be effective on: \_\_\_\_\_ at \_\_\_\_\_  
Date Hour

5. The manner in which the plan of merger was adopted by each domestic corporation/limited partnership is as follows:

Name	Manner of Adoption
PENN NATIONAL GAMING, INC.	Adopted by action of the board of directors of the parent corporation pursuant to 15 Pa.C.S. § 1924(b)(3)

6. ~~Strike out this paragraph if no foreign corporation/limited partnership is a party to the merger.~~

~~The plan was authorized, adopted or approved, as the case may be, by the foreign business/nonprofit corporation/limited partnership (or each of the foreign business/nonprofit corporations/limited partnerships) party to the plan in accordance with the laws of the jurisdiction in which it is incorporated/organized.~~

7. Check, and if appropriate complete, one of the following:

The plan of merger is set forth in full in Exhibit A attached hereto and made a part hereof.

Pursuant to 15 Pa.C.S. § 1901/§ 8547(b) (relating to omission of certain provisions from filed plans) the provisions, if any, of the plan of merger that amend or constitute the operative provisions of the Articles of Incorporation/Certificate of Limited Partnership of the surviving corporation/limited partnership as in effect subsequent to the effective date of the plan are set forth in full in Exhibit A attached hereto and made a part hereof. The full text of the plan of merger is on file at the principal place of business of the surviving corporation/limited partnership, the address of which is:

825 BERKSHIRE BOULEVARD, SUITE 200, WYOMISSING, PA	19610	BERKS
Number and street	City	State Zip County

IN TESTIMONY WHEREOF, the undersigned corporation/limited partnership has caused these Articles/Certificate of Merger to be signed by a duly authorized officer thereof this

6<sup>th</sup> day of June

2007

PENN NATIONAL GAMING, INC.

---

Name of Corporation/Limited Partnership

*Robert S. Ignoffo*

---

Robert S. Ignoffo Signature

---

Vice President, Secretary and Treasurer

---

Title

STERLING AVIATION, INC.

---

Name of Corporation/Limited Partnership

A Wholly Owned Subsidiary

---

Signature

---

Title

PENNSYLVANIA DEPARTMENT OF STATE  
CORPORATION BUREAU

Articles of Amendment-Domestic Corporation  
(15 Pa.C.S.)

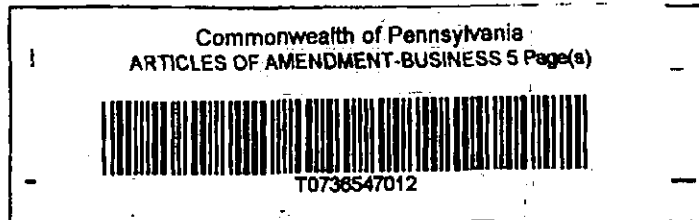
Entity Number  
724866

Business Corporation (§ 1915)  
 Nonprofit Corporation (§ 5915)

Name ESQUIRE ASSIST		
Address COUNTER PICK-UP		
City	State	Zip Code

Document will be returned to the name and address you enter to the left.

Fee: \$52



In compliance with the requirements of the applicable provisions (relating to articles of amendment), the undersigned, desiring to amend its articles, hereby states that:

1. The name of the corporation is:  
PENN NATIONAL GAMING, INC.

2. The (a) address of this corporation's current registered office in this Commonwealth or (b) name of its commercial registered office provider and the county of venue is (the Department is hereby authorized to correct the following information to conform to the records of the Department):

(a) Number and Street                      City                      State                      Zip                      County

(b) Name of Commercial Registered Office Provider                      County  
c/o CT CORPORATION SYSTEM

3. The statute by or under which it was incorporated: Pennsylvania Business Corporation Law

4. The date of its incorporation: DECEMBER 16, 1982

5. Check, and if appropriate complete, one of the following:

The amendment shall be effective upon filing these Articles of Amendment in the Department of State.

The amendment shall be effective on: \_\_\_\_\_ at \_\_\_\_\_  
Date                      Hour

Certification#: 10632943-44 Page 45 of 99

PA. DEPT. OF STATE

6. Check one of the following:

The amendment was adopted by the shareholders or members pursuant to 15 Pa.C.S. § 1914(a) and (b) or § 5914(a).

The amendment was adopted by the board of directors pursuant to 15 Pa. C.S. § 1914(c) or § 5914(b).

7. Check, and if appropriate, complete one of the following:

The amendment adopted by the corporation, set forth in full, is as follows:

The amendment adopted by the corporation is set forth in full in Exhibit A attached hereto and made a part hereof.

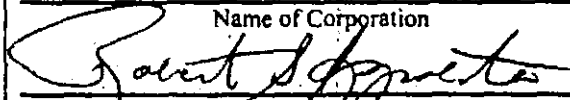
8. Check if the amendment restates the Articles:

The restated Articles of Incorporation supersede the original articles and all amendments thereto.

IN TESTIMONY WHEREOF, the undersigned corporation has caused these Articles of Amendment to be signed by a duly authorized officer thereof this 28 day of December, 2007.

PENN NATIONAL GAMING, INC.

Name of Corporation



ROBERT S. IPPOLITO Signature

VICE PRESIDENT, SECRETARY & TREASURER

Title



EXHIBIT A  
TO  
ARTICLES OF AMENDMENT  
TO  
ARTICLES OF INCORPORATION  
OF  
PENN NATIONAL GAMING, INC.

The amended and restated Articles of Incorporation, as amended, be further amended to add a new Article 7 to read in its entirety as follows:

7. Any or all classes and series of shares, or any part thereof, may be represented by certificates or may be uncertificated shares, provided, however, that any shares represented by a certificate that are issued and outstanding shall continue to be represented thereby until the certificate is surrendered to the Corporation. The rights and obligations of the holders of shares represented by certificates and the rights and obligations of the holders of uncertificated shares of the same class and series shall be identical.

**PENNSYLVANIA DEPARTMENT OF STATE  
CORPORATION BUREAU**

**Statement with Respect to Shares  
Domestic Business Corporation  
(15 Pa.C.S. § 1522)**

Name		
ESQUIRE ASSIST - COUNTER PICKUP		
Address		
City	State	Zip Code

Commonwealth of Pennsylvania  
STATEMENT WITH RESPECT TO SHARES 16 Page(s)



T0818565102

Fee: \$70

In compliance with the requirements of 15 Pa.C.S. § 1522(b) (relating to statement with respect to shares), the undersigned corporation, desiring to state the designation and voting rights, preferences, limitations, and special rights, if any, of a class or series of its shares, hereby states that:

1. The name of the corporation is:  
Penn National Gaming, Inc.

2. Check and complete one of the following:

The resolution amending the Articles under 15 Pa.C.S. § 1522(b) (relating to divisions and determinations by the board), set forth in full, is as follows:

The resolution amending the Articles under 15 Pa.C.S. § 1522(b) is set forth in full in Exhibit A attached hereto and made a part hereof.

3. The aggregate number of shares of such class or series established and designated by (a) such resolution, (b) all prior statements, if any, filed under 15 Pa.C.S. § 1522 or corresponding provisions of prior law with respect thereto, and (c) any other provision of the Articles is 412,500 shares.

4. The resolution was adopted by the Board of Directors or an authorized committee thereon on:  
July 2, 2008

5. Check, and if appropriate complete, one of the following:

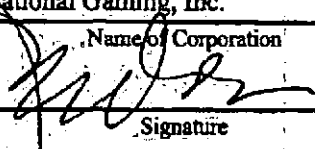
The resolution shall be effective upon the filing of this statement with respect to shares in the Department of State.

The resolution shall be effective on: \_\_\_\_\_ at \_\_\_\_\_  
Date Hour

IN TESTIMONY WHEREOF, the undersigned corporation has caused this statement to be signed by a duly authorized officer thereof this

3rd day of July 2008

Penn National Gaming, Inc.  
Name of Corporation

  
Signature

Chairman and Chief Executive officer  
Title

EXECUTION COPY

**STATEMENT WITH RESPECT TO SHARES OF  
SERIES B REDEEMABLE PREFERRED STOCK OF  
PENN NATIONAL GAMING, INC.**

Pursuant to Section 1522(c) of the  
Pennsylvania Business Corporation Law of 1988

In compliance with the requirements of Section 1522(c) of the Pennsylvania Business Corporation Law of 1988, as amended (the "PBCL"), Penn National Gaming, Inc., a Pennsylvania corporation (the "Corporation") does hereby certify that, pursuant to the authority expressly vested in the Board of Directors of the Corporation by the Corporation's Amended and Restated Articles of Incorporation, the Board of Directors has adopted the resolution set forth below at a duly-called meeting held on July 2, 2008, establishing and designating a series of Preferred Stock of the Corporation, par value \$0.01 per share (the "Preferred Stock") and fixing and determining the amount and the voting powers, designations, preferences and other special rights, and the qualifications, limitations and restrictions, of a series of Preferred Stock (this "Resolution").

**RESOLVED**, that a series of Preferred Stock of the Corporation, par value \$0.01 per share be, and hereby is, created, and the voting powers, designations, preferences and other special rights, and the qualifications, limitations and restrictions thereof are as follows:

**1. Number of Shares and Designation.** 12,500 shares of Preferred Stock of the Corporation shall constitute a series of Preferred Stock designated as Series B Redeemable Preferred Stock (the "Series B Preferred Stock"). The number of shares of Series B Preferred Stock may be increased (to the extent of the Corporation's authorized and unissued Preferred Stock) or decreased (but not below the number of shares of Series B Preferred Stock then outstanding) by further resolution duly adopted by the Board of Directors and the requisite filing with the Department of State of the Commonwealth of Pennsylvania.

**2. Rank.** Each share of the Series B Preferred Stock shall rank equally in all respects with all other shares of the Series B Preferred Stock. The Series B Preferred Stock shall, with respect to redemption payments and rights (including as to the distribution of assets) upon liquidation, dissolution or winding up of the affairs of the Corporation (i) rank senior and prior to the common stock of the Corporation, par value \$0.01 per share (the "Common Stock"), the Series A Preferred Stock of the Corporation, par value \$0.01 per share, and each other class or series of equity securities of the Corporation, whether currently issued or issued in the future, that by its terms ranks junior to the Series B Preferred Stock as to rights upon liquidation, dissolution or winding up of the affairs of the Corporation (all of such equity securities, including the Common Stock, are collectively referred to herein as the "Junior Securities"), (ii) rank on a parity with each class or series of equity securities of the Corporation, issued in the future without violation of this Resolution, that does not by its terms expressly provide that it

ranks senior to or junior to the Series B Preferred Stock as to rights (including as to the distribution of assets) upon liquidation, dissolution or winding up of the affairs of the Corporation (all of such equity securities, other than Junior Securities, are collectively referred to herein as the "Parity Securities"), and (iii) rank junior to each other class or series of equity securities of the Corporation, issued in the future without violation of this Resolution, that by its terms ranks senior to the Series B Preferred Stock as to rights (including as to the distribution of assets) upon liquidation, dissolution or winding up of the affairs of the Corporation (all of such equity securities are collectively referred to herein as the "Senior Securities"). The respective definitions of Junior Securities, Parity Securities and Senior Securities shall also include any securities, rights or options exercisable or exchangeable for or convertible into any of the Junior Securities, Parity Securities or Senior Securities, as the case may be. At the date of the initial issuance of the Series B Preferred Stock there are no Parity Securities and no Senior Securities authorized or outstanding. For so long as any shares of Series B Preferred Stock remain outstanding, the Corporation will not, without the affirmative vote or consent of the Holders of a majority of the shares of Series B Preferred Stock outstanding at the time, authorize or issue any Parity Securities or Senior Securities.

### 3. *Dividends.*

(a) For so long as any shares of Series B Preferred Stock remain outstanding, the Corporation shall not, without the affirmative vote or consent of the Holders of a majority of the shares of Series B Preferred Stock outstanding at the time, redeem, purchase or acquire, or pay or make available any monies for a sinking fund for the redemption of, any Common Stock or other Junior Securities of the Corporation, except for (i) open-market purchases of Common Stock or (ii) tender offers for Common Stock made by the Corporation at a price which is not higher than the price which the Board of Directors has determined in good faith would enable the Corporation to acquire the desired number of shares to be purchased and in no event at price per share greater than a 20% premium to the market price of the Common Stock on the date that such tender offer is announced.

(b) The Holders of record of the issued and outstanding shares of Series B Preferred Stock shall be entitled to receive, out of assets legally available for the payment of dividends, dividends on the terms described below:

(i) Subject to Section 3(b)(ii), Holders shall be entitled to participate equally and ratably with the holders of shares of Common Stock in all dividends and distributions paid (whether in the form of cash, stock, other assets, or otherwise, and including, without limitation, any dividend or distribution of shares of stock or other equity, or evidences of indebtedness, of any Person, including, without limitation, the Corporation or any Subsidiary) on the shares of Common Stock, in the amount that such Holders would have received if, immediately prior to each record date in respect of which dividends or distributions are paid, each share of Series B Preferred Stock were redeemed for a number of Common Shares equal to the Liquidation Preference divided by the Ceiling Price. Dividends or distributions payable to the Holders pursuant to this Section 3(b)(i) shall be declared and paid on the same dates that such dividends or distributions are declared and paid, and in the same form payable, to holders of shares of Common Stock.

(ii) In the event that any dividend or distribution is made in excess of a Regular Dividend (a "special dividend"), the Ceiling Price and Floor Price shall be reduced by an amount equal to (A) the aggregate Fair Market Value of such special dividend payable in respect of all outstanding Common Shares, restricted stock and Preferred Stock *divided by* (B)(I) the total number of Common Shares and restricted stock currently outstanding *plus* (II) the number of Common Shares into which all shares of Series B Preferred Stock could have been redeemed as calculated in accordance with the provisions of Section 3(b)(i) prior to such special dividend. Furthermore, in the event of any special dividend, the Liquidation Preference per share of Series B Preferred Stock shall be an amount equal to (A) the Liquidation Preference immediately prior to such special dividend *multiplied by* (B) a fraction, the numerator of which is the aggregate Liquidation Preference immediately prior to such special dividend less the aggregate Fair Market Value of such special dividend or distribution payable in respect of all of the Series B Preferred Stock and the denominator of which is the aggregate Liquidation Preference of the Series B Preferred Stock immediately prior to the date of such special dividend or distribution. The Corporation shall not make any special dividend to the extent that the payment of the special dividend would cause the Ceiling Price to be reduced below \$1.00 pursuant to the calculations set forth in this Section 3(b)(ii), or, in the good faith judgment of the Board of Directors, make, any non-cash special dividend that, when taken together with all other non-cash special dividends and asset sale self-tenders (as defined below), would, or when declared or paid would be reasonably likely to, cause the Ceiling Price to be reduced by greater than \$7.50 (appropriately adjusted for events of the type set forth in Section 8) pursuant to the calculations set forth in this Section 3(b)(ii), without, in either instance, obtaining the affirmative vote or consent of the Holders of a majority of the shares of Series B Preferred Stock outstanding at the time (unless such non-cash special dividends which would cause the Ceiling Price to be reduced by more than \$7.50 (appropriately adjusted for events of the type set forth in Section 8) shall be approved by Holders of a majority of the shares of Series B Preferred Stock outstanding at the time, which approval shall not be unreasonably withheld). In addition, in the event that the Floor Price would otherwise be reduced to less than zero as a result of any special dividend, then the Floor Price shall be deemed to equal zero after such special dividend.

(iii) Notwithstanding Section 3(a), any purchase of Common Stock by the Corporation by means of a tender offer which is funded by an asset sale outside the ordinary course (an "asset sale self-tender") will require the approval of the Holders of a majority of the shares of Series B Preferred Stock outstanding at the time of such asset sale self-tender (such approval not to be unreasonably withheld) if the aggregate amount to be paid in such asset sale self-tender would have, if paid as a special dividend, alone or together with other asset sale self-tenders and special dividends, caused the Ceiling Price to be reduced by greater than \$7.50 pursuant to the calculations set forth in Section 3(b)(ii). In addition, in the event of any asset sale self-tender, the Ceiling Price and the Floor Price shall be reduced pursuant to the calculations set forth in Section 3(b)(ii), substituting, for these purposes, the total premium in such asset sale self-tender for the term "special dividend" in Section 3(b)(ii). The "total premium" in an asset sale self-tender shall be the excess of the aggregate amount paid to the holders of Common Stock pursuant to such asset sale self-tender over the market price of the Common Stock on the date of the announcement of such asset sale self-tender.

(iv) Each dividend or distribution payable pursuant to Section 3(b)(i) hereof shall be payable to the Holders of record of shares of Series B Preferred Stock as they appear on the stock records of the Corporation at the close of business on the record date designated by the Board of Directors for such dividends or distributions (each, a "Dividend Payment Record Date"), which shall be the same day as the record date for the payment of such dividends or distributions to the holders of shares of Common Stock.

(c) For the avoidance of doubt, the shares of Series B Preferred Stock that have been redeemed upon payment of the Redemption Price shall not be entitled to receive any dividend or distribution pursuant to this Section 3 payable on or after the Redemption Date.

**4. Liquidation Preference.** In the event of any liquidation of the Corporation, the Holders shall, with respect to each share of Series B Preferred Stock, receive and be paid out of the assets of the Corporation available for distribution to its shareholders an amount equal to the greater of (i) the Liquidation Preference and (ii) the amount such Holder would have been entitled to receive in the liquidation if the share of Series B Preferred Stock were redeemed for a number of Common Shares equal to the Liquidation Preference divided by the Ceiling Price, in preference to the holders of, and before any payment or distribution of any assets of the Corporation is made on or set apart for, any Junior Securities. If the assets of the Corporation available for distribution to its shareholders are not sufficient to pay in full the amount payable to the Holders pursuant to this Section 4 and the liquidation preference payable to the holders of any Parity Securities, then such assets, or the proceeds thereof, shall be distributed among the Holders and any such other Parity Securities ratably in accordance with the amount payable pursuant to this Section 4 and the liquidation preference for the Parity Securities, respectively. For the avoidance of doubt, no Business Combination shall be considered a liquidation of the Corporation.

**5. Business Combination.**

(a) In the event of any Business Combination in which the consideration for the transaction is payable to all of the holders of Common Stock generally and consists entirely of cash, upon consummation of such Business Combination each share of Series B Preferred Stock shall be entitled to receive from the entity (or an Affiliate thereof) merging with the Corporation or acquiring its assets or voting shares, in exchange for the cancellation of such share, an amount in cash per share equal to:

(i) if the Transaction Price is less than or equal to the Ceiling Price and greater than or equal to the Floor Price, the Stated Value (calculated as of the date of consummation of such Business Combination),

(ii) if the Transaction Price is greater than the Ceiling Price, the amount equal to (x) the Stated Value (calculated as of the date of consummation of such Business Combination) plus (y) the product of (A)(I) the Transaction Price less the Ceiling Price divided by (II) the Ceiling Price multiplied by (B) the Liquidation Preference, and

(iii) if the Transaction Price is less than the Floor Price, the amount equal to (x) the Stated Value (calculated as of the date of consummation of such Business Combination)

*minus* (y) the product of (A)(I) the Floor Price less the Transaction Price *divided by* (II) the Floor Price *multiplied by* (B) the Stated Value (calculated as of the date of consummation of such Business Combination).

(b) In the event of any Business Combination in which the consideration for the transaction is payable to all of the holders of Common Stock generally and includes stock and/or other securities and property (including cash), upon consummation of such Business Combination the Holder of each share of Series B Preferred Stock shall be entitled to receive from the entity (or an Affiliate thereof) merging with the Corporation or acquiring its assets or voting shares, in exchange for the cancellation of each such share, the same kind or kinds of shares of stock and/or other securities and property (including cash), in the same relative proportion, receivable by holders of shares of Common Stock, which would have an aggregate Fair Market Value per share of Series B Preferred Stock equal to the Fair Market Value of the consideration such Holder would have received for one share of Series B Preferred Stock pursuant to clause (i), (ii) or (iii) of Section 5(a), as applicable.

(c) The Holders shall have the right to vote upon any Business Combination to which clause (iii) of Section 5(a) applies (regardless of the form of consideration paid in such Business Combination), voting together with the holders of Common Stock as a single class. In any such vote, each Holder shall be entitled to cast the number of votes, for each share of Series B Preferred Stock held, equal to the quotient obtained by dividing the Liquidation Preference by the Transaction Price (with such Transaction Price determined, solely for this purpose, as of the record date for determining which holders of Common Stock are entitled to vote on such Business Combination, rather than as of immediately prior to the consummation of the Business Combination). The Corporation shall secure the agreement of any entity (or Affiliate thereof) merging with the Corporation, or acquiring its assets or voting shares, to make the payment referred to in Section 5(a) or 5(b), as applicable.

(d) To the extent that the shares of stock payable to the holders of Common Stock generally in a Business Combination are, upon delivery, duly and validly authorized and issued, fully paid and nonassessable and free from all liens, security interests and charges (other than liens or charges created by or imposed upon the holders of Common Stock or taxes in respect of any transfer occurring contemporaneously therewith), then the shares of stock received by the Holders pursuant to Section 5(b) will be duly and validly authorized and issued, fully paid and nonassessable and free from all liens, security interests and charges (other than liens or charges created by or imposed upon the Holder or taxes in respect of any transfer occurring contemporaneously therewith) to the same extent.

#### **6. *Redemption by the Corporation.***

(a) On June 30, 2015 (the "**Maturity Date**"), the Corporation shall redeem all (but not less than all) of the outstanding shares of Series B Preferred Stock (the "**Redemption**"), for an amount in cash per share equal to:

(i) if the Average Trading Price calculated as of May 26, 2015 is greater than or equal to the Floor Price, but less than or equal to the Ceiling Price, the Liquidation Preference,



(ii) if the Average Trading Price calculated as of May 26, 2015 is less than the Floor Price, the product of (x)(I) the Liquidation Preference *divided by* (II) the Floor Price, *multiplied by* (y) the Average Trading Price (calculated as of May 26, 2015), or

(iii) if the Average Trading Price calculated as of May 26, 2015 is greater than the Ceiling Price, the product of (x)(I) the Liquidation Preference *divided by* (II) the Ceiling Price, *multiplied by* (y) the Average Trading Price (calculated as of May 26, 2015) ((i), (ii) or (iii), as applicable, the "**Redemption Price**").

(b) Notwithstanding anything in Section 6(a) to the contrary, at the election of and in the sole and absolute discretion of the Corporation, in connection with the mandatory redemption contemplated by Section 6(a), the Corporation may pay all or part of the Redemption Price in shares of Common Stock (such election, the "**Stock Election**"), provided that public announcement of the Stock Election is made on or prior to June 1, 2015. Any such Stock Election shall be irrevocable. In the event of a Stock Election, the number of shares (calculated to the nearest whole share) so payable shall be determined by dividing (i) the amount of the Redemption Price that the Corporation elects to pay in Common Stock by (ii) the Average Trading Price (calculated as of May 26, 2015). All shares of Common Stock delivered upon redemption of the Series B Preferred Stock will, upon delivery, be duly and validly authorized and issued, fully paid and nonassessable and free from all liens, security interests and charges (other than liens or charges created by or imposed upon the Holder or taxes in respect of any transfer occurring contemporaneously therewith). Prior to the Maturity Date, the Corporation will procure the listing of the shares of Common Stock, subject to issuance or notice of issuance and approval by the Corporation's shareholders and/or Board of Directors (to the extent such approval is necessary in order to increase the number of authorized shares of Common Stock or to approve the issuance of Common Stock), on NASDAQ (or, if the Common Stock is not listed or quoted on NASDAQ, the principal national or regional exchange or market on which the Common Stock is then listed or quoted), and will pay all fees and expenses associated with such listing. If notified by a Holder of any required filing or reasonable request for information pursuant to the HSR Act or other required regulatory approvals, the Corporation will, at the sole expense of such Holder, make such filings or provide such information, as applicable, and the Corporation shall cooperate with such Holder to obtain HSR approval or other required regulatory approvals prior to the Maturity Date. In addition, in the event that the Corporation makes a Stock Election, the Corporation shall use commercially reasonable efforts (i) to cause a registration statement covering the resale of such shares of Common Stock to be issued to the Holders to be effective as of the Maturity Date as the shares may be issued and (ii) to obtain the Issuance Approval (as defined below) prior to the Maturity Date.

Until such time as there has been any vote of the Corporation's shareholders that is necessary to approve the issuance of Common Stock on the Redemption Date pursuant to the rules of NASDAQ (or, if the Common Stock is not listed or quoted on NASDAQ, the requirements of the principal national or regional exchange or market on which the Common Stock is then listed or quoted) (such approval, the "**Issuance Approval**"), the provisions of this Section 6(b) shall not apply for those shares of Common Stock with respect to which such Issuance Approval shall be required. If such vote is held and the Corporation's shareholders vote in favor of the Issuance Approval, then the Redemption Price shall be paid pursuant to the provisions of this Section 6(b), provided that the Corporation shall be entitled to hold one or

more shareholder meetings in order to seek the Issuance Approval. If the Corporation's shareholders fail to vote in favor of the Issuance Approval after such meeting or meetings, then unless and until the Corporation shall receive such approval, the Corporation shall pay the Redemption Price in shares of Common Stock pursuant to Section 6(b), up to the maximum amount permitted by applicable law or regulation (including the rules of the principal national or regional exchange or market on which the Common Stock is then listed or quoted) without obtaining such approval (such amount, the "Permitted Issuance Amount"), with the remainder of the Redemption Price (the "Remaining Amount") to be paid in cash funded with the proceeds of a public offering (as such term is defined by the rules of NASDAQ) of Common Shares, which offering the Corporation shall use commercially reasonable efforts to complete.

In the event that the payment of all or part of the Redemption Price in shares of Common Stock would cause a Holder of Series B Preferred Stock to be an Acquiring Person making a Control Share Acquisition (as such terms are defined in the Control Share Acquisition Statute), then, unless the Corporation and such Holder shall have completed the procedures under the Control Share Acquisition Statute to accord voting rights to the full number of shares of Common Stock to be issued to such Holder, the shares of Common Stock delivered to such Holder upon Redemption shall be issued together with, and the Holder shall execute and deliver to the Corporation, a proxy in favor of an attorney-in-fact designated by the Board of Directors covering a number of the shares of Common Stock such that the shares of Common Stock delivered upon Redemption would not be Control Shares (as such term is defined in the Control Share Acquisition Statute) (such number of shares issued with such proxy, the "Excess Shares"). As to any Excess Shares, the proxy shall automatically be terminated on any sale of such Excess Shares or as of the date on which the Holder would not have sufficient voting power over voting shares of the Corporation to meet the threshold in the definition of Control Share Acquisition in the Control Share Acquisition Statute.

(c) To the extent that the Corporation has not paid the Holders the Redemption Price in full on or prior to the Maturity Date, then any such unpaid amount shall bear interest at a rate of 7.75% per annum, compounded semi-annually (the "Default Rate"), until it is paid in full. The Default Rate shall increase by 1.00% after each ninety (90) day period following the commencement of accrual of interest following the Maturity Date, up to an amount equal to 13.50% per annum. The Default Rate shall commence accruing on the forty-fifth (45<sup>th</sup>) calendar day following the Maturity Date, with respect to any portion of the Redemption Price as to which a stock election has been made, and on the first day after the Maturity Date, with respect to any portion of the Redemption Price which is to be paid in cash.

(d) Any shares of Common Stock issued in connection with a redemption of Series B Preferred Stock pursuant to Section 6(b) are to be issued in the same name as the name in which such shares of Series B Preferred Stock are registered.

(e) If the Redemption does not occur on the Maturity Date, from the Maturity Date until the Redemption Date, the Corporation may not, at any time, (i) declare or pay dividends on, make distributions with respect to, or redeem, purchase or acquire, or make a liquidation payment with respect to, or pay or make available monies for a sinking fund for the redemption of, any Common Stock or other Junior Securities of the Corporation, or (ii) redeem, purchase or

acquire, or make a liquidation payment with respect to, or pay or make available monies for a sinking fund for the redemption of, any Parity Securities.

(f) The redemption of the Series B Preferred Stock shall be deemed to have been effected immediately prior to the close of business on the first Business Day on which the Corporation pays the Redemption Price in full (the "**Redemption Date**"). At such time on the Redemption Date, the shares of Series B Preferred Stock shall no longer be deemed to be outstanding, and all rights of a Holder with respect to such shares shall immediately terminate except the right to receive cash and/or Common Stock pursuant to this Section 6.

## 7. *Voting Rights.*

(a) Except as set forth below or in Section 5(c) or as required by applicable law, the Holders shall not be entitled to vote at any meeting of the shareholders for election of Directors or for any other purpose or otherwise to participate in any action taken by the Corporation or the shareholders thereof, or to receive notice of any meeting of shareholders.

(b) So long as any Series B Preferred Stock remains outstanding, the Corporation will not, without the affirmative vote or consent of the holders of a majority of the Series B Preferred Shares outstanding at the time, given in person or by proxy, either in writing or at a meeting (such series voting separately as a class) amend, alter or repeal the provisions of this Resolution, including by merger or consolidation (an "**Event**"), so as to adversely affect any right or privilege of the Series B Preferred Stock; provided, however, that no Event shall be deemed to adversely affect the rights and privileges of the Series B Preferred Stock, and the Holders shall have no right to vote with respect to such Event, if (x) following such Event, the Series B Preferred Stock remains outstanding with the terms thereof not adversely changed and represent an interest in the same issuer in which holders of Common Stock prior to such Event will hold their shares following such Event, (y) in connection with the merger or consolidation of the Corporation with or into another entity in which the Corporation is not the surviving entity, which merger or consolidation is not a Business Combination pursuant to the definition thereof, the Series B Preferred Stock is redeemed or exchanged for a security (a "**Replacement Security**") with rights, preferences, privileges and voting powers that are not less favorable than the rights, preferences, privileges and voting powers of the Series B Preferred Stock (it being understood that a Replacement Security shall not be deemed to have rights, preferences, privileges or voting power that are less favorable than the Series B Preferred Stock if the difference in the rights, preferences, privileges or voting power is caused solely by differences between the state law of the jurisdiction of incorporation of the Corporation and the jurisdiction of incorporation of the issuer of the Replacement Security) or (z) Section 5 hereof shall apply to the Event, and as a result the Holders shall be entitled to receive the consideration provided for in Section 5(a) or 5(b), as applicable.

(c) On each matter submitted to a vote of the Holders in accordance with Section 7(b), or as otherwise required by applicable law, each share of Series B Preferred Stock shall be entitled to one vote. With respect to each share of Series B Preferred Stock, the Holder thereof may designate a proxy, with each such proxy having the right to vote on behalf of the Holder.

8. **Stock Splits, Subdivisions, Reclassifications or Combinations.** If the Corporation shall (1) declare a dividend or make a distribution on its Common Stock in shares of Common Stock, (2) subdivide or reclassify the outstanding shares of Common Stock into a greater number of shares or (3) combine or reclassify the outstanding Common Stock into a smaller number of shares, the Floor Price and the Ceiling Price in effect at the time of the record date for such dividend or distribution or the effective date of such subdivision, combination or reclassification shall be adjusted to the number obtained by multiplying each of the Floor Price and the Ceiling Price, respectively, in effect at the time of the record date for such dividend or distribution or the effective date of such subdivision, combination or reclassification by a fraction, the numerator of which shall be the number of shares of Common Stock outstanding immediately prior to such action, and the denominator of which shall be the number of shares of Common Stock outstanding immediately following such action. An appropriate adjustment to the Floor Price and the Ceiling Price shall also be made in connection with any event that causes a Triggering Event or a Distribution Date (as such terms are defined in the Rights Agreement or corresponding terms in any successor plan).

9. **Definitions.**

Unless the context otherwise requires, when used herein the following terms shall have the meaning indicated.

“**Affiliate**” means, with respect to any Person, any other Person directly, or indirectly through one or more intermediaries, controlling, controlled by or under common control with such Person. For purposes of this definition, the term “control” (and correlative terms “controlling,” “controlled by” and “under common control with”) means possession of the power, whether by contract, equity ownership or otherwise, to direct the policies or management of a Person.

“**Average Trading Price**” means, as of any date, the volume weighted average trading price per share of Common Stock for the 20 consecutive Trading Days immediately preceding such date.

“**Beneficially Own,**” “**Beneficially Owned,**” or “**Beneficial Ownership**” shall have the meaning set forth in Rule 13d-3 of the rules and regulations promulgated under the Exchange Act, except that for purposes of this Resolution (i) the words “within sixty days” in Rule 13d-3(d)(1)(i) shall not apply, to the effect that a Person shall be deemed to be the beneficial owner of a security if that Person has the right to acquire beneficial ownership of such security at any time and (ii) a Person shall be deemed to Beneficially Own any security that, directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise, is the subject of a derivative transaction entered into by such Person, or derivative security acquired by such Person, which gives such Person the economic equivalent of ownership of an amount of or an interest in such securities due to the fact that the value of the derivative is determined by reference to the price or value of such securities.

“**Board of Directors**” means the board of directors of the Corporation.

**"Business Combination"** means (i) the direct or indirect sale, assignment, conveyance, transfer or other disposition by the Corporation of all or substantially all of its properties or assets (other than a bona fide financing transaction) or (ii) the acquisition by any Person of Beneficial Ownership of more than 50% of the then-outstanding voting securities of the Corporation entitled to vote generally in the election of directors, other than any such acquisition in which the holders of the Common Stock and/or Preferred Stock prior to such acquisition own greater than 50% of the voting securities of such Person immediately following the consummation of such acquisition, provided that the term Business Combination shall not include any transaction described in (i) or (ii) above that occurs solely between the Corporation and either (A) a corporation of which it is a wholly-owned subsidiary (a "Parent") or (B) any direct or indirect wholly-owned subsidiary of the Corporation or a Parent, and in which holders of Common Stock receive solely shares of common stock of the Parent or of such direct or indirect wholly-owned subsidiary of the Corporation or a Parent. For the avoidance of doubt, no liquidation of the Corporation shall be considered a Business Combination. Any merger, consolidation or similar transaction or series of related transaction as a result of which the holders of Common Stock immediately prior to the consummation of such transaction represent less than 50% of the voting securities of the surviving corporation or successor corporation of such transaction shall be deemed to be a "Business Combination" if such designation would not result in the Series B Preferred Stock being deemed to be "Disqualified Capital" or "Disqualified Capital Stock" under either of the indentures governing the Corporation's publicly traded senior notes and/or senior subordinated notes or the Corporation's credit agreement, as in effect as of the date of the initial issuance of the Series B Preferred Stock or if it would constitute "Disqualified Capital" or "Disqualified Capital Stock," the indebtedness issued under such indentures or the credit agreement is no longer outstanding or is being satisfied in full in such transaction.

**"Business Day"** means any day other than a Saturday, Sunday or a day on which the banks in New York City are authorized by law or executive order to be closed.

**"Capital Stock"** means (i) with respect to any Person that is a corporation or company, any and all shares, interests, participations or other equivalents (however designated) of capital or capital stock of such Person and (ii) with respect to any Person that is not a corporation or company, any and all partnership or other equity interests of such Person.

**"Ceiling Price"** means \$67.00 per share (subject to adjustment pursuant to the terms of this Resolution, including adjustment pursuant to Section 3(b)(ii) and 3(b)(iii)).

**"Common Stock"** means the common stock of the Corporation, par value \$0.01 per share.

**"Comparable Treasury Issue"** means the United States Treasury security selected by a Reference Treasury Dealer appointed by the Corporation as having a maturity comparable to the remaining term of the Series B Preferred Stock (as if the final maturity of the Series B Preferred Stock was the Maturity Date) that would be utilized at the time of selection and in accordance with customary financial practice in pricing new

issues of corporate debt securities of comparable maturity to the remaining term of the Series B Preferred Stock (as if the final maturity of the Series B Preferred Stock was the Maturity Date).

**"Comparable Treasury Price"** means with respect to any date on which the Stated Value is calculated, (1) the average of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) on the third Business Day preceding such calculation date, as set forth in the daily statistical release (or any successor release) published by the Federal Reserve Bank of New York and designated "Composite 3:30 p.m. Quotations for U.S. Government Securities" or (2) if such release (or any successor release) is not published or does not contain such prices on such Business Day, (A) the average of the Reference Treasury Dealer Quotations for such calculation date, after excluding the highest and lowest such Reference Treasury Dealer Quotation or (B) if the Corporation obtains fewer than three such Reference Treasury Dealer Quotations, the average of all such Reference Treasury Dealer Quotations.

**"Control Share Acquisition Statute"** means the Pennsylvania Control Share Acquisition Statute, 15 Pa.C.S. §2561 et seq.

**"Exchange Act"** means the Securities Exchange Act of 1934, as amended, or any successor statute, and the rules and regulations promulgated thereunder.

**"Fair Market Value"** means the fair market value (as determined by an independent third party appraiser selected by the Corporation and reasonably acceptable to the Holders of a majority of the then outstanding Preferred Stock) of any cash, stock or other property.

**"Floor Price"** means \$45.00 per share (subject to adjustment pursuant to the terms of this Resolution, including adjustment pursuant to Section 3(b)(ii) and 3(b)(iii)).

**"Holder"** means the holders of Series B Preferred Stock.

**"HSR Act"** means the Hart-Scott-Rodino Antitrust Improvement Act of 1976, as amended.

**"Investor Rights Agreement"** means the Investor Rights Agreement, dated as of July 3, 2008, by and among the Corporation, FIF V PFD LLC, Centerbridge Capital Partners, L.P., DB Investment Partners, Inc. and Wachovia Investment Holdings, LLC.

**"Liquidation Preference"** means \$100,000 per share of Series B Preferred Stock (subject to adjustment pursuant to the terms of this Resolution, including adjustment pursuant to Section 3(b)(ii)).

**"Person"** means an individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act).

**“Purchase Agreement”** means the Stock Purchase Agreement, dated as of July 3, 2008 among the Corporation and the purchasers named therein, including all schedules and exhibits thereto, as the same may be amended from time to time.

**“Reference Treasury Dealer”** means any primary U.S. government securities dealer in the City of New York selected by the Corporation.

**“Reference Treasury Dealer Quotation”** means, with respect to each Reference Treasury Dealer and any date on which the Stated Value is calculated, the average, as determined by the Corporation, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Corporation by such Reference Treasury Dealer at 5:00 p.m., New York City time, on the third business date preceding such calculation date.

**“Regular Dividend”** means cash dividends or distributions with respect to the Common Stock or other Junior Securities of the Corporation in amounts and at intervals which are within the customary practice for companies that pay current recurring cash dividends. Although the Corporation does not pay Regular Dividends on the date hereof, it reserves the right to institute the payment of a Regular Dividend in the future.

**“Rights Agreement”** means the Rights Agreement between the Corporation and Continental Stock Transfer and Trust Company, dated as of March 2, 1999, as amended from time to time, or any subsequent rights plan.

**“Securities Act”** means the Securities Act of 1933, as amended, or any successor statute, and the rules and regulations promulgated thereunder.

**“Stated Value”** means, for each share of Series B Preferred Stock, the present value, as of any calculation date, of the Liquidation Preference to be paid on the Maturity Date, computed using a discount rate equal to the semi-annual equivalent yield to maturity of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such period. For the avoidance of doubt, in the event that the Stated Value is calculated as of the Maturity Date, the Stated Value shall equal \$100,000 per share of Series B Preferred Stock.

**“Subsidiary”** of a Person means (i) a corporation, a majority of whose stock with voting power, under ordinary circumstances, to elect directors is at the time of determination, directly or indirectly, owned by such Person or by one or more Subsidiaries of such Person, or (ii) any other entity (other than a corporation) in which such Person or one or more Subsidiaries of such Person, directly or indirectly, at the date of determination thereof has at least a majority ownership interest.

**“Trading Day”** means any day that the NASDAQ (or, if the Common Stock is not listed or quoted on the NASDAQ, such other national or regional exchange or market on which the Common Stock is then listed or quoted) is open for trading.

**“Transaction Price”** means the Fair Market Value of the consideration payable in any Business Combination in respect of one share of Common Stock as of the time immediately prior to the consummation of the Business Combination.

**10. Certain Other Provisions.**

(a) If any Series B Preferred Stock certificate shall be mutilated, lost, stolen or destroyed, the Corporation will issue, in exchange and in substitution for and upon cancellation of the mutilated certificate, or in lieu of and substitution for the certificate lost, stolen or destroyed, a new Series B Preferred Stock certificate of like tenor and representing an equivalent amount of Series B Preferred Stock, upon receipt of evidence of such loss, theft or destruction of such certificate and, if requested by the Corporation, an indemnity on customary terms for such situations reasonably satisfactory to the Corporation.

(b) The headings of the various subdivisions hereof are for convenience of reference only and shall not affect the interpretation of any of the provisions hereof.


(c) The Corporation shall be entitled to deduct and withhold from any payment of cash, shares of Common Stock or other consideration payable to a Holder of a share of Series B Preferred Stock, any amounts required to be deducted or withheld under applicable U.S. federal, state, local or foreign tax laws with respect to such payment. In the event the Corporation previously remitted withholding taxes to a governmental authority in respect of any amount treated as a distribution on a share of Series B Preferred Stock, the Corporation shall be entitled to offset any such taxes against any amounts otherwise payable in respect of such share of Series B Preferred stock.



IN WITNESS WHEREOF, the Corporation has caused this Certificate to be duly executed and acknowledged by its undersigned duly authorized officer this 3rd day of July, 2008.

PENN NATIONAL GAMING, INC.

By:

  
Name: Mr. Peter M. Carrino  
Title: Chairman and Chief Executive Officer

*(Signature Page to Respect to Shares)*

PENNSYLVANIA DEPARTMENT OF STATE  
CORPORATION BUREAU

Statement of Correction  
(15 Pa.C.S. § 138)

Name ESQUIRE ASSIST - COUNTER PICKUP		
Address		
City	State	Zip Code

Document will be returned to the name and address you enter to the left.

Commonwealth of Pennsylvania  
STATEMENT OF CORRECTION 16 Page(s)



T0819260002

Fee: \$70

In compliance with the requirements of 15 Pa.C.S. § 138 (relating to statement of correction) the undersigned association or other person, desiring to correct an inaccurate record of corporate or other action or correct defective or erroneous execution of a document, hereby states that:

1. The name of the association or other person is:  
Penn National Gaming, Inc.

2. The (a) address of this association's current registered office in this Commonwealth or (b) name of its commercial registered office provider and the county of venue is (*the Department is hereby authorized to correct the following information to conform to the records of the Department*):

(a) Number and Street                      City                      State                      Zip                      County

(b) Name of Commercial Registered Office Provider                      County  
c/o: CT Corporation System                      Philadelphia

3. The statute by or under which it was incorporated or the preceding filing was made, in the case of a filing that does not constitute a part of the articles of incorporation of a corporation is:  
Pennsylvania Business Corporation Law of 1988, as amended, Section 1522(b)

4. The inaccuracy or defect, which appears in Department of State form DSCB:15-1522-2 filed on 7/3/2008 and recorded in Roll and Film Number \_\_\_\_\_ et seq., is:

The Exhibit A attached to such Statement with Respect to Shares contained certain omissions/ errors; the Exhibit A attached hereto is intended to correct and replace such Exhibit A.

5. Check one of the following:

- The portion of the document requiring correction in corrected form is set forth in Exhibit A attached hereto and made a part hereof.
- The original document to which this statement relates shall be deemed re-executed.
- The original document to which this statement relates shall be deemed stricken from the records of the Department.

IN TESTIMONY WHEREOF, the undersigned association or other person has caused this statement to be signed by a duly authorized officer thereof or otherwise in its name this

9 day of July, 2008.

Robert Ippolito

Name

*Robert Ippolito*

Signature

Vice President, Secretary, Treasurer

Title

Exhibit "A"

**STATEMENT WITH RESPECT TO SHARES OF  
SERIES B REDEEMABLE PREFERRED STOCK OF  
PENN NATIONAL GAMING, INC.**

Pursuant to Section 1522(c) of the  
Pennsylvania Business Corporation Law of 1988

In compliance with the requirements of Section 1522(c) of the Pennsylvania Business Corporation Law of 1988, as amended (the "PBCL"), Penn National Gaming, Inc., a Pennsylvania corporation (the "Corporation") does hereby certify that, pursuant to the authority expressly vested in the Board of Directors of the Corporation (the "Board of Directors") by the Corporation's Amended and Restated Articles of Incorporation, the Board of Directors has adopted the resolution set forth below at a duly-called meeting held on July 2, 2008, establishing and designating a series of Preferred Stock of the Corporation, par value \$0.01 per share (the "Preferred Stock") and fixing and determining the amount and the voting powers, designations, preferences and other special rights, and the qualifications, limitations and restrictions, of a series of Preferred Stock (this "Resolution").

**RESOLVED**, that a series of Preferred Stock of the Corporation, par value \$0.01 per share be, and hereby is, created, and the voting powers, designations, preferences and other special rights, and the qualifications, limitations and restrictions thereof are as follows:

**1. Number of Shares and Designation.** 12,500 shares of Preferred Stock of the Corporation shall constitute a series of Preferred Stock designated as Series B Redeemable Preferred Stock (the "Series B Preferred Stock"). The number of shares of Series B Preferred Stock may be increased (to the extent of the Corporation's authorized and unissued Preferred Stock) or decreased (but not below the number of shares of Series B Preferred Stock then outstanding) by further resolution duly adopted by the Board of Directors and the requisite filing with the Department of State of the Commonwealth of Pennsylvania.

**2. Rank.** Each share of the Series B Preferred Stock shall rank equally in all respects with all other shares of the Series B Preferred Stock. The Series B Preferred Stock shall, with respect to redemption payments and rights (including as to the distribution of assets) upon liquidation, dissolution or winding up of the affairs of the Corporation (i) rank senior and prior to the common stock of the Corporation, par value \$0.01 per share (the "Common Stock"), the Series A Preferred Stock of the Corporation, par value \$0.01 per share, and each other class or series of equity securities of the Corporation, whether currently issued or issued in the future, that by its terms ranks junior to the Series B Preferred Stock as to rights upon liquidation, dissolution or winding up of the affairs of the Corporation (all of such equity securities, including the Common Stock, are collectively referred to herein as the "Junior Securities"), (ii) rank on a parity with each class or series of equity securities of the Corporation, issued in the future without violation of this Resolution, that does not by its terms expressly provide that it

ranks senior to or junior to the Series B Preferred Stock as to rights (including as to the distribution of assets) upon liquidation, dissolution or winding up of the affairs of the Corporation (all of such equity securities, other than Junior Securities, are collectively referred to herein as the "Parity Securities"), and (iii) rank junior to each other class or series of equity securities of the Corporation, issued in the future without violation of this Resolution, that by its terms ranks senior to the Series B Preferred Stock as to rights (including as to the distribution of assets) upon liquidation, dissolution or winding up of the affairs of the Corporation (all of such equity securities are collectively referred to herein as the "Senior Securities"). The respective definitions of Junior Securities, Parity Securities and Senior Securities shall also include any securities, rights or options exercisable or exchangeable for or convertible into any of the Junior Securities, Parity Securities or Senior Securities, as the case may be. At the date of the initial issuance of the Series B Preferred Stock there are no Parity Securities and no Senior Securities authorized or outstanding. For so long as any shares of Series B Preferred Stock remain outstanding, the Corporation will not, without the affirmative vote or consent of the Holders of a majority of the shares of Series B Preferred Stock outstanding at the time, authorize or issue any Parity Securities or Senior Securities.

3. *Dividends.*

(a) For so long as any shares of Series B Preferred Stock remain outstanding, the Corporation shall not, without the affirmative vote or consent of the Holders of a majority of the shares of Series B Preferred Stock outstanding at the time, redeem, purchase or acquire, or pay or make available any monies for a sinking fund for the redemption of, any Common Stock or other Junior Securities of the Corporation, except for (i) open-market purchases of Common Stock or (ii) tender offers for Common Stock made by the Corporation at a price which is not higher than the price which the Board of Directors has determined in good faith would enable the Corporation to acquire the desired number of shares to be purchased and in no event at a price per share greater than a 20% premium to the market price of the Common Stock on the date that such tender offer is announced.

(b) The Holders of record of the issued and outstanding shares of Series B Preferred Stock shall be entitled to receive, out of assets legally available for the payment of dividends, dividends on the terms described below:

(i) Subject to Section 3(b)(ii), Holders shall be entitled to participate equally and ratably with the holders of shares of Common Stock in all dividends and distributions paid (whether in the form of cash, stock, other assets, or otherwise, and including, without limitation, any dividend or distribution of shares of stock or other equity, or evidences of indebtedness, of any Person, including, without limitation, the Corporation or any Subsidiary of the Corporation) on the shares of Common Stock, in the amount that such Holders would have received if, immediately prior to each record date in respect of which dividends or distributions are paid, each share of Series B Preferred Stock were redeemed for a number of shares of Common Stock equal to the Liquidation Preference divided by the Ceiling Price. Dividends or distributions payable to the Holders pursuant to this Section 3(b)(i) shall be declared and paid on the same dates that such dividends or distributions are declared and paid, and in the same form payable, to holders of shares of Common Stock.

(ii) In the event that any dividend or distribution is made in excess of a Regular Dividend (a "special dividend"), the Ceiling Price and Floor Price shall be reduced by an amount equal to (A) the aggregate Fair Market Value of such special dividend payable in respect of all outstanding Common Shares, restricted stock and Preferred Stock *divided by* (B)(I) the total number of Common Shares and restricted stock currently outstanding *plus* (II) the number of Common Shares into which all shares of Series B Preferred Stock could have been redeemed as calculated in accordance with the provisions of Section 3(b)(i) prior to such special dividend. Furthermore, in the event of any special dividend, the Liquidation Preference per share of Series B Preferred Stock shall be an amount equal to (A) the Liquidation Preference per share immediately prior to such special dividend *multiplied by* (B) a fraction, the numerator of which is the aggregate Liquidation Preference immediately prior to such special dividend less the aggregate Fair Market Value of such special dividend payable in respect of all of the Series B Preferred Stock and the denominator of which is the aggregate Liquidation Preference of the Series B Preferred Stock immediately prior to the date of such special dividend. The Corporation shall not make any special dividend to the extent that the payment of the special dividend would cause the Ceiling Price to be reduced below \$1.00 pursuant to the calculations set forth in this Section 3(b)(ii), or, in the good faith judgment of the Board of Directors, make any non-cash special dividend that, when taken together with all other non-cash special dividends and asset sale self-tenders (as defined below), would, or when declared or paid would be reasonably likely to, cause the Ceiling Price to be reduced by greater than \$7.50 (appropriately adjusted for events of the type set forth in Section 8) pursuant to the calculations set forth in this Section 3(b)(ii); without, in either instance, obtaining the approval of the Holders of a majority of the shares of Series B Preferred Stock outstanding at the time, which approval shall not be unreasonably withheld. In addition, in the event that the Floor Price would otherwise be reduced to less than zero as a result of any special dividend, then the Floor Price shall be deemed to equal zero after such special dividend.

(iii) Notwithstanding Section 3(a), any purchase of Common Stock by the Corporation by means of a tender offer which is funded by an asset sale outside the ordinary course (an "asset sale self-tender") will require the approval of the Holders of a majority of the shares of Series B Preferred Stock outstanding at the time of such asset sale self-tender (such approval not to be unreasonably withheld) if the aggregate amount to be paid in such asset sale self-tender would have, if paid as a special dividend, alone or together with other asset sale self-tenders and special dividends, caused the Ceiling Price to be reduced by greater than \$7.50 pursuant to the calculations set forth in Section 3(b)(ii). In addition, in the event of any asset sale self-tender, the Ceiling Price and the Floor Price shall be reduced pursuant to the calculations set forth in Section 3(b)(ii), substituting, for these purposes, the total premium in such asset sale self-tender for the term "special dividend" in Section 3(b)(ii). The "total premium" in an asset sale self-tender shall be the excess of the aggregate amount paid to the holders of Common Stock pursuant to such asset sale self-tender over the market price of the Common Stock immediately prior to the announcement of such asset sale self-tender.

(iv) Each dividend or distribution payable pursuant to Section 3(b)(i) hereof shall be payable to the Holders of record of shares of Series B Preferred Stock as they appear on the stock records of the Corporation at the close of business on the record date designated by

the Board of Directors for such dividends or distributions (each, a "**Dividend Payment Record Date**"), which shall be the same day as the record date for the payment of such dividends or distributions to the holders of shares of Common Stock.

(c) For the avoidance of doubt, the shares of Series B Preferred Stock that have been redeemed upon payment of the Redemption Price shall not be entitled to receive any dividend or distribution pursuant to this Section 3 payable on or after the Redemption Date.

**4. Liquidation Preference.** In the event of any liquidation of the Corporation, the Holders shall, with respect to each share of Series B Preferred Stock, receive and be paid out of the assets of the Corporation available for distribution to its shareholders an amount equal to the greater of (i) the Liquidation Preference and (ii) the amount such Holder would have been entitled to receive in the liquidation if the share of Series B Preferred Stock were redeemed for a number of Common Shares equal to the Liquidation Preference *divided by* the Ceiling Price, in preference to the holders of, and before any payment or distribution of any assets of the Corporation is made on or set apart for, any Junior Securities. If the assets of the Corporation available for distribution to its shareholders are not sufficient to pay in full the amount payable to the Holders pursuant to this Section 4 and the liquidation preference payable to the holders of any Parity Securities, then such assets, or the proceeds thereof, shall be distributed among the Holders and any such other Parity Securities ratably in accordance with the amount payable pursuant to this Section 4 and the liquidation preference for the Parity Securities, respectively. For the avoidance of doubt, no Business Combination shall be considered a liquidation of the Corporation.

**5. Business Combination.**

(a) In the event of any Business Combination in which the consideration for the transaction is payable to all of the holders of Common Stock generally and consists entirely of cash, upon consummation of such Business Combination each share of Series B Preferred Stock shall be entitled to receive from the entity (or an Affiliate thereof) merging with the Corporation or acquiring its assets or voting shares, in exchange for the cancellation of such share, an amount in cash per share equal to:

(i) if the Transaction Price is less than or equal to the Ceiling Price and greater than or equal to the Floor Price, the Stated Value (calculated as of the date of consummation of such Business Combination),

(ii) if the Transaction Price is greater than the Ceiling Price, the amount equal to (x) the Stated Value (calculated as of the date of consummation of such Business Combination) *plus* (y) the product of (A)(I) the Transaction Price less the Ceiling Price *divided by* (II) the Ceiling Price *multiplied by* (B) the Liquidation Preference, and

(iii) if the Transaction Price is less than the Floor Price, the amount equal to (x) the Stated Value (calculated as of the date of consummation of such Business Combination) *minus* (y) the product of (A)(I) the Floor Price less the Transaction Price *divided by* (II) the Floor Price *multiplied by* (B) the Stated Value (calculated as of the date of consummation of such Business Combination).

(b) In the event of any Business Combination in which the consideration for the transaction is payable to all of the holders of Common Stock generally and includes stock and/or other securities and property (including cash), upon consummation of such Business Combination the Holder of each share of Series B Preferred Stock shall be entitled to receive from the entity (or an Affiliate thereof) merging with the Corporation or acquiring its assets or voting shares, in exchange for the cancellation of each such share, the same kind or kinds of shares of stock and/or other securities and property (including cash), in the same relative proportion, receivable by holders of shares of Common Stock, which would have an aggregate Fair Market Value per share of Series B Preferred Stock equal to the Fair Market Value of the consideration such Holder would have received for one share of Series B Preferred Stock pursuant to clause (i), (ii) or (iii) of Section 5(a), as applicable.

(c) The Holders shall have the right to vote upon any Business Combination to which clause (iii) of Section 5(a) applies (regardless of the form of consideration paid in such Business Combination), voting together with the holders of Common Stock as a single class. In any such vote, each Holder shall be entitled to cast the number of votes for each share of Series B Preferred Stock held, equal to the quotient obtained by dividing the Liquidation Preference by the Transaction Price (with such Transaction Price determined, solely for this purpose, as of the record date for determining which holders of Common Stock are entitled to vote on such Business Combination, rather than as of immediately prior to the consummation of the Business Combination). The Corporation shall secure the agreement of any entity (or Affiliate thereof) merging with the Corporation, or acquiring its assets or voting shares, to make the payment referred to in Section 5(a) or 5(b), as applicable.

(d) To the extent that the shares of stock payable to the holders of Common Stock generally in a Business Combination are, upon delivery, duly and validly authorized and issued, fully paid and nonassessable and free from all liens, security interests and charges (other than liens or charges created by or imposed upon the holders of Common Stock or taxes in respect of any transfer occurring contemporaneously therewith), then the shares of stock received by the Holders pursuant to Section 5(b) will be duly and validly authorized and issued, fully paid and nonassessable and free from all liens, security interests and charges (other than liens or charges created by or imposed upon the Holder or taxes in respect of any transfer occurring contemporaneously therewith) to the same extent.

#### 6. *Redemption by the Corporation.*

(a) On June 30, 2015 (the "**Maturity Date**"), the Corporation shall redeem all (but not less than all) of the outstanding shares of Series B Preferred Stock (the "**Redemption**"), for an amount in cash per share equal to:

(i) if the Average Trading Price calculated as of May 26, 2015 is greater than or equal to the Floor Price, but less than or equal to the Ceiling Price, the Liquidation Preference,

(ii) if the Average Trading Price calculated as of May 26, 2015 is less than the Floor Price, the product of (x) (I) the Liquidation Preference *divided by* (II) the Floor Price, *multiplied by* (y) the Average Trading Price (calculated as of May 26, 2015), or



(iii) if the Average Trading Price calculated as of May 26, 2015 is greater than the Ceiling Price, the product of (x)(I) the Liquidation Preference *divided by* (II) the Ceiling Price, *multiplied by* (y) the Average Trading Price (calculated as of May 26, 2015) ((i), (ii) or (iii), as applicable, the "Redemption Price").

(b) Notwithstanding anything in Section 6(a) to the contrary, at the election of and in the sole and absolute discretion of the Corporation, in connection with the mandatory redemption contemplated by Section 6(a), the Corporation may pay all or part of the Redemption Price in shares of Common Stock (such election, the "Stock Election"); provided that public announcement of the Stock Election is made on or prior to June 1, 2015. Any such Stock Election shall be irrevocable. In the event of a Stock Election, the number of shares (calculated to the nearest whole share) so payable shall be determined by dividing (i) the amount of the Redemption Price that the Corporation elects to pay in Common Stock by (ii) the Average Trading Price (calculated as of May 26, 2015). All shares of Common Stock delivered upon redemption of the Series B Preferred Stock will, upon delivery, be duly and validly authorized and issued, fully paid and nonassessable and free from all liens, security interests and charges (other than liens or charges created by or imposed upon the Holder or taxes in respect of any transfer occurring contemporaneously therewith). Prior to the Maturity Date, the Corporation will procure the listing of the shares of Common Stock, subject to issuance or notice of issuance and approval by the Corporation's shareholders and/or Board of Directors (to the extent such approval is necessary in order to increase the number of authorized shares of Common Stock or to approve the issuance of Common Stock), on NASDAQ (or, if the Common Stock is not listed or quoted on NASDAQ, the principal national or regional exchange or market on which the Common Stock is then listed or quoted), and will pay all fees and expenses associated with such listing. If notified by a Holder of any required filing or reasonable request for information pursuant to the HSR Act or other required regulatory approvals, the Corporation will, at the sole expense of such Holder, make such filings or provide such information, as applicable, and the Corporation shall cooperate with such Holder to obtain approval under the HSR Act or other required regulatory approvals prior to the Maturity Date. In addition, in the event that the Corporation makes a Stock Election, the Corporation shall use commercially reasonable efforts (i) to cause a registration statement covering the resale of such shares of Common Stock to be issued to the Holders to be effective as of the Maturity Date as the shares may be issued and (ii) to obtain the Issuance Approval (as defined below) prior to the Maturity Date.

Until such time as there has been any vote of the Corporation's shareholders that is necessary to approve the issuance of Common Stock on the Redemption Date pursuant to the rules of NASDAQ (or, if the Common Stock is not listed or quoted on NASDAQ, the requirements of the principal national or regional exchange or market on which the Common Stock is then listed or quoted) (such approval, the "Issuance Approval"), the provisions of this Section 6(b) shall not apply for those shares of Common Stock with respect to which such Issuance Approval shall be required. If such vote is held and the Corporation's shareholders vote in favor of the Issuance Approval, then the Redemption Price shall be paid pursuant to the provisions of this Section 6(b), provided that the Corporation shall be entitled to hold one or more shareholder meetings in order to seek the Issuance Approval. If the Corporation's shareholders fail to vote in favor of the Issuance Approval after such meeting or meetings, then unless and until the Corporation shall receive such approval, the Corporation shall pay the Redemption Price in shares of Common Stock pursuant to Section 6(b), up to the maximum

amount permitted by applicable law or regulation (including the rules of the principal national or regional exchange or market on which the Common Stock is then listed or quoted) without obtaining such approval (such amount, the "**Permitted Issuance Amount**"), with the remainder of the Redemption Price (the "**Remaining Amount**") to be paid in cash funded with the proceeds of a public offering (as such term is defined by the rules of NASDAQ, or, if the Common Stock is not listed or quoted on NASDAQ, as such term may be defined by the principal national or regional exchange or market on which the Common Stock is then listed or quoted) of Common Shares, which offering the Corporation shall use commercially reasonable efforts to complete.

In the event that the payment of all or part of the Redemption Price in shares of Common Stock would cause a Holder of Series B Preferred Stock to be an Acquiring Person making a Control Share Acquisition (as such terms are defined in the Control Share Acquisition Statute), then, unless the Corporation and such Holder shall have completed the procedures under the Control Share Acquisition Statute to accord voting rights to the full number of shares of Common Stock to be issued to such Holder, the shares of Common Stock delivered to such Holder upon Redemption shall be issued together with, and the Holder shall execute and deliver to the Corporation, a proxy in favor of an attorney-in-fact designated by the Board of Directors covering a number of the shares of Common Stock such that the shares of Common Stock delivered upon Redemption would not be Control Shares (as such term is defined in the Control Share Acquisition Statute) (such number of shares issued with such proxy, the "**Excess Shares**"). As to any Excess Shares, the proxy shall automatically be terminated on any sale of such Excess Shares or as of the date on which the Holder would not have sufficient voting power over voting shares of the Corporation to meet the threshold in the definition of Control Share Acquisition in the Control Share Acquisition Statute.

(c) To the extent that the Corporation has not paid the Holders the Redemption Price in full on or prior to the Maturity Date, then any such unpaid amount shall bear interest at a rate of 7.75% per annum, compounded semi-annually (the "**Default Rate**"), until it is paid in full. The Default Rate shall increase by 1.00% after each ninety (90) day period following the commencement of accrual of interest following the Maturity Date, up to an amount equal to 13.50% per annum. The Default Rate shall commence accruing on the forty-fifth (45<sup>th</sup>) calendar day following the Maturity Date, with respect to any portion of the Redemption Price as to which a Stock Election has been made in accordance with Section 6(b), and on the first day after the Maturity Date, with respect to any portion of the Redemption Price which is to be paid in cash.

(d) Any shares of Common Stock issued in connection with a redemption of Series B Preferred Stock pursuant to Section 6(b) are to be issued in the same name as the name in which such shares of Series B Preferred Stock are registered.

(e) If the Redemption does not occur on the Maturity Date, from the Maturity Date until the Redemption Date, the Corporation may not, at any time, (i) declare or pay dividends on, make distributions with respect to, or redeem, purchase or acquire, or make a liquidation payment with respect to, or pay or make available monies for a sinking fund for the redemption of, any Common Stock or other Junior Securities of the Corporation, or (ii) redeem, purchase or acquire, or make a liquidation payment with respect to, or pay or make available monies for a sinking fund for the redemption of, any Parity Securities.

(f) The redemption of the Series B Preferred Stock shall be deemed to have been effected immediately prior to the close of business on the first Business Day on which the Corporation pays the Redemption Price in full (the "**Redemption Date**"). At such time on the Redemption Date, the shares of Series B Preferred Stock shall no longer be deemed to be outstanding, and all rights of a Holder with respect to such shares shall immediately terminate except the right to receive cash and/or Common Stock pursuant to this Section 6.

#### 7. *Voting Rights.*

(a) Except as set forth below or in Section 2, Section 3(a), Section 3(b)(iii) or Section 5(c) or as required by applicable law, the Holders shall not be entitled to vote at any meeting of the shareholders for election of members of the Board of Directors or for any other purpose or otherwise to participate in any action taken by the Corporation or the shareholders thereof, or to receive notice of any meeting of shareholders.

(b) So long as any Series B Preferred Stock remains outstanding, the Corporation will not, without the affirmative vote or consent of the holders of a majority of the Series B Preferred Shares outstanding at the time, given in person or by proxy, either in writing or at a meeting (such series voting separately as a class) amend, alter or repeal the provisions of this Resolution, including by merger or consolidation (an "**Event**"), so as to adversely affect any right or privilege of the Series B Preferred Stock; provided, however, that no Event shall be deemed to adversely affect the rights and privileges of the Series B Preferred Stock, and the Holders shall have no right to vote with respect to such Event, if (x) following such Event, the Series B Preferred Stock remains outstanding with the terms thereof not adversely changed and represent an interest in the same issuer in which holders of Common Stock prior to such Event will hold their shares following such Event, (y) in connection with the merger or consolidation of the Corporation with or into another entity in which the Corporation is not the surviving entity, which merger or consolidation is not a Business Combination pursuant to the definition thereof, the Series B Preferred Stock is redeemed or exchanged for a security (a "**Replacement Security**") with rights, preferences, privileges and voting powers that are not less favorable than the rights, preferences, privileges and voting powers of the Series B Preferred Stock (it being understood that a Replacement Security shall not be deemed to have rights, preferences, privileges or voting power that are less favorable than the Series B Preferred Stock if the difference in the rights, preferences, privileges or voting power is caused solely by differences between the state law of the jurisdiction of incorporation of the Corporation and the jurisdiction of incorporation of the issuer of the Replacement Security) or (z) Section 5 hereof shall apply to the Event, and as a result the Holders shall be entitled to receive the consideration provided for in Section 5(a) or 5(b), as applicable.

(c) On each matter submitted to a vote of the Holders in accordance with this Resolution, or as otherwise required by applicable law, each share of Series B Preferred Stock shall be entitled to one vote. With respect to each share of Series B Preferred Stock, the Holder thereof may designate a proxy, with each such proxy having the right to vote on behalf of the Holder.

8. *Stock Splits, Subdivisions, Reclassifications or Combinations.* If the Corporation shall (1) declare a dividend or make a distribution on its Common Stock in shares of Common

Stock, (2) subdivide or reclassify the outstanding shares of Common Stock into a greater number of shares or (3) combine or reclassify the outstanding Common Stock into a smaller number of shares, the Floor Price and the Ceiling Price in effect at the time of the record date for such dividend or distribution or the effective date of such subdivision, combination or reclassification shall be adjusted to the number obtained by multiplying each of the Floor Price and the Ceiling Price, respectively, in effect at the time of the record date for such dividend or distribution or the effective date of such subdivision, combination or reclassification by a fraction, the numerator of which shall be the number of shares of Common Stock outstanding immediately prior to such action, and the denominator of which shall be the number of shares of Common Stock outstanding immediately following such action. An appropriate adjustment to the Floor Price and the Ceiling Price shall also be made in connection with any event that causes a Triggering Event or a Distribution Date (as such terms are defined in the Rights Agreement or corresponding terms in any successor plan).

**9. Definitions.**

Unless the context otherwise requires, when used herein the following terms shall have the meaning indicated.

**"Affiliate"** means, with respect to any Person, any other Person directly, or indirectly through one or more intermediaries, controlling, controlled by or under common control with such Person. For purposes of this definition, the term "control" (and correlative terms "controlling," "controlled by" and "under common control with") means possession of the power, whether by contract, equity ownership or otherwise, to direct the policies or management of a Person.

**"Average Trading Price"** means, as of any date, the volume weighted average trading price per share of Common Stock for the 20 consecutive Trading Days immediately preceding such date.

**"Beneficially Own," "Beneficially Owned," or "Beneficial Ownership"** shall have the meaning set forth in Rule 13d-3 of the rules and regulations promulgated under the Exchange Act, except that for purposes of this Resolution (i) the words "within sixty days" in Rule 13d-3(d)(1)(i) shall not apply, to the effect that a Person shall be deemed to be the beneficial owner of a security if that Person has the right to acquire beneficial ownership of such security at any time and (ii) a Person shall be deemed to Beneficially Own any security that, directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise, is the subject of a derivative transaction entered into by such Person, or derivative security acquired by such Person, which gives such Person the economic equivalent of ownership of an amount of or an interest in such securities due to the fact that the value of the derivative is determined by reference to the price or value of such securities.

**"Business Combination"** means (i) the direct or indirect sale, assignment, conveyance, transfer or other disposition by the Corporation of all or substantially all of its properties or assets (other than a bona fide financing transaction) or (ii) the acquisition by any Person of Beneficial Ownership of more than 50% of the then-outstanding voting

securities of the Corporation entitled to vote generally in the election of directors, other than any such acquisition in which the holders of the Common Stock and/or Preferred Stock prior to such acquisition own greater than 50% of the voting securities of such Person immediately following the consummation of such acquisition, provided that the term Business Combination shall not include any transaction described in (i) or (ii) above that occurs solely between the Corporation and either (A) a corporation of which it is a wholly-owned Subsidiary (a "**Parent**") or (B) any direct or indirect wholly-owned Subsidiary of the Corporation or a Parent, and in which holders of Common Stock receive solely shares of common stock of the Parent or of such direct or indirect wholly-owned Subsidiary of the Corporation or a Parent. For the avoidance of doubt, no liquidation of the Corporation shall be considered a Business Combination. Any merger, consolidation or similar transaction or series of related transaction as a result of which the holders of Common Stock immediately prior to the consummation of such transaction represent less than 50% of the voting securities of the surviving corporation or successor corporation of such transaction shall be deemed to be a "Business Combination" if such designation would not result in the Series B Preferred Stock being deemed to be "Disqualified Capital" or "Disqualified Capital Stock" under either of the indentures governing the Corporation's publicly traded senior notes and/or senior subordinated notes or the Corporation's credit agreement, as in effect as of the date of the initial issuance of the Series B Preferred Stock or if it would constitute "Disqualified Capital" or "Disqualified Capital Stock," the indebtedness issued under such indentures or the credit agreement is no longer outstanding or is being satisfied in full in such transaction.

**"Business Day"** means any day other than a Saturday, Sunday or a day on which the banks in New York City are authorized by law or executive order to be closed.

**"Capital Stock"** means (i) with respect to any Person that is a corporation or company, any and all shares, interests, participations or other equivalents (however designated) of capital or capital stock of such Person and (ii) with respect to any Person that is not a corporation or company, any and all partnership or other equity interests of such Person.

**"Ceiling Price"** means \$67.00 per share (subject to adjustment pursuant to the terms of this Resolution, including adjustment pursuant to Sections 3(b)(ii), 3(b)(iii) and 8).

**"Common Stock"** means the common stock of the Corporation, par value \$0.01 per share.

**"Comparable Treasury Issue"** means the United States Treasury security selected by a Reference Treasury Dealer appointed by the Corporation as having a maturity comparable to the remaining term of the Series B Preferred Stock (as if the final maturity of the Series B Preferred Stock was the Maturity Date) that would be utilized at the time of selection and in accordance with customary financial practice in pricing new issues of corporate debt securities of comparable maturity to the remaining term of the Series B Preferred Stock (as if the final maturity of the Series B Preferred Stock was the Maturity Date).

**"Comparable Treasury Price"** means with respect to any date on which the Stated Value is calculated, (1) the average of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) on the third Business Day preceding such calculation date, as set forth in the daily statistical release (or any successor release) published by the Federal Reserve Bank of New York and designated "Composite 3:30 p.m. Quotations for U.S. Government Securities" or (2) if such release (or any successor release) is not published or does not contain such prices on such Business Day, (A) the average of the Reference Treasury Dealer Quotations for such calculation date, after excluding the highest and lowest such Reference Treasury Dealer Quotation or (B) if the Corporation obtains fewer than three such Reference Treasury Dealer Quotations, the average of all such Reference Treasury Dealer Quotations.

**"Control Share Acquisition Statute"** means the Pennsylvania Control Share Acquisition Statute, 15 Pa.C.S. §2561 et seq.

**"Exchange Act"** means the Securities Exchange Act of 1934, as amended, or any successor statute, and the rules and regulations promulgated thereunder.

**"Fair Market Value"** means the fair market value (as determined by an independent third party appraiser selected by the Corporation and reasonably acceptable to the Holders of a majority of the then outstanding Preferred Stock) of any cash, stock or other property.

**"Floor Price"** means \$45.00 per share (subject to adjustment pursuant to the terms of this Resolution, including adjustment pursuant to Sections 3(b)(ii), 3(b)(iii) and 8).

**"Holder"** means the holders of Series B Preferred Stock.

**"HSR Act"** means the Hart-Scott-Rodino Antitrust Improvement Act of 1976, as amended.

**"Investor Rights Agreement"** means the Investor Rights Agreement, dated as of July 3, 2008, by and among the Corporation, FIF V PFD LLC, Centerbridge Capital Partners, L.P., DB Investment Partners, Inc. and Wachovia Investment Holdings, LLC.

**"Liquidation Preference"** means \$100,000 per share of Series B Preferred Stock (subject to adjustment pursuant to the terms of this Resolution, including adjustment pursuant to Section 3(b)(ii)).

**"Person"** means an individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act).

**"Purchase Agreement"** means the Stock Purchase Agreement, dated as of July 3, 2008, among the Corporation and the purchasers named therein, including all schedules and exhibits thereto, as the same may be amended from time to time.

**"Reference Treasury Dealer"** means any primary U.S. government securities dealer in the City of New York selected by the Corporation.

**"Reference Treasury Dealer Quotation"** means, with respect to each Reference Treasury Dealer and any date on which the Stated Value is calculated, the average, as determined by the Corporation, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Corporation by such Reference Treasury Dealer at 5:00 p.m., New York City time, on the third business date preceding such calculation date.

**"Regular Dividend"** means cash dividends or distributions with respect to the Common Stock or other Junior Securities of the Corporation in amounts and at intervals which are within the customary practice for companies that pay current recurring cash dividends. Although the Corporation does not pay Regular Dividends on the date hereof, it reserves the right to institute the payment of a Regular Dividend in the future.

**"Rights Agreement"** means the Rights Agreement between the Corporation and Continental Stock Transfer and Trust Company, dated as of March 2, 1999, as amended from time to time, or any subsequent rights plan.

**"Securities Act"** means the Securities Act of 1933, as amended, or any successor statute, and the rules and regulations promulgated thereunder.

**"Stated Value"** means, for each share of Series B Preferred Stock, the present value, as of any calculation date, of the Liquidation Preference to be paid on the Maturity Date, computed using a discount rate equal to the semi-annual equivalent yield to maturity of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such period. For the avoidance of doubt, in the event that the Stated Value is calculated as of the Maturity Date, the Stated Value shall equal \$100,000 per share of Series B Preferred Stock.

**"Subsidiary"** of a Person means (i) a corporation, a majority of whose stock with voting power, under ordinary circumstances, to elect directors is at the time of determination, directly or indirectly, owned by such Person or by one or more Subsidiaries of such Person, or (ii) any other entity (other than a corporation) in which such Person or one or more Subsidiaries of such Person, directly or indirectly, at the date of determination thereof has at least a majority ownership interest.

**"Trading Day"** means any day that the NASDAQ (or, if the Common Stock is not listed or quoted on the NASDAQ, such other national or regional exchange or market on which the Common Stock is then listed or quoted) is open for trading.

**"Transaction Price"** means the Fair Market Value of the consideration payable in any Business Combination in respect of one share of Common Stock as of the time immediately prior to the consummation of the Business Combination.

**10. Certain Other Provisions.**

(a) If any Series B Preferred Stock certificate shall be mutilated, lost, stolen or destroyed, the Corporation will issue, in exchange and in substitution for and upon cancellation of the mutilated certificate, or in lieu of and substitution for the certificate lost, stolen or destroyed, a new Series B Preferred Stock certificate of like tenor and representing an equivalent amount of Series B Preferred Stock, upon receipt of evidence of such loss, theft or destruction of such certificate and, if requested by the Corporation, an indemnity on customary terms for such situations reasonably satisfactory to the Corporation.

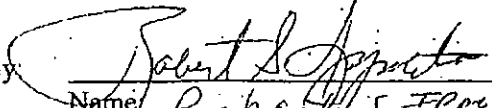
(b) The headings of the various subdivisions hereof are for convenience of reference only and shall not affect the interpretation of any of the provisions hereof.

(c) The Corporation shall be entitled to deduct and withhold from any payment of cash, shares of Common Stock or other consideration payable to a Holder of a share of Series B Preferred Stock, any amounts required to be deducted or withheld under applicable U.S. federal, state, local or foreign tax laws with respect to such payment. In the event the Corporation previously remitted withholding taxes to a governmental authority in respect of any amount treated as a distribution on a share of Series B Preferred Stock, the Corporation shall be entitled to offset any such taxes against any amounts otherwise payable in respect of such share of Series B Preferred Stock.



IN WITNESS WHEREOF, the Corporation has caused this certificate to be duly executed and acknowledged by its undersigned duly authorized officer this 9th day of July, 2008.

PENN NATIONAL GAMING, INC.

By:   
Name: Robert S. Appalto  
Title: VP/Sec/Treas

## View Document

---

### PENN NATIONAL GAMING INC

8-K - EX-3.1, EX-3.1 filed 11/18/08

[View](#) | [Email](#) | [Print](#) | [Save](#)  [Review Settings](#)    [Add to Worklist](#)

[8-K ITEMS](#) [View Filing](#) [Filing Values](#)    Filed under the [The Securities Exchange Act of 1934](#)

Exhibit 3.1

**SECOND AMENDED AND RESTATED BYLAWS  
OF  
PENN NATIONAL GAMING, INC.  
(a Pennsylvania corporation)**

Effective as of May 26, 2004

Last revised November 12, 2008

**ARTICLE I**

**Offices**

*Section 1.01. Registered Office.* The registered office of the corporation in the Commonwealth of Pennsylvania shall be at Wyomissing Professional Center, 825 Berkshire Boulevard, Suite 200, Wyomissing, Pennsylvania 19610, until otherwise established by an amendment to the Articles of Incorporation (as amended, the "Articles") or by the board of directors and a record of such change is filed with the Department of State in the manner provided by law.

*Section 1.02. Other Offices.* The corporation may also have offices at such other places within or without the Commonwealth of Pennsylvania as the board of directors may from time to time appoint or the business of the corporation may require.

**ARTICLE II**

**Notice – Waivers – Meetings Generally**

*Section 2.01. Manner of Giving Notice.*

(a) *General Rule.* Whenever written notice is required to be given to any person under the provisions of the Pennsylvania Business Corporation Law of 1988 (as amended from time to time, the "Business Corporation Law") or by the Articles or these Bylaws, it may be given to the person: (i) by personal delivery, (ii) by facsimile number, e-mail or other electronic communication to his or her facsimile number or address for e-mail or other electronic communications supplied by him or her to the corporation for the purpose of notice, or (iii) by sending a copy thereof by first class or express mail, postage prepaid, or by telegram (with messenger service specified), telex or TWX (with answerback received) or courier service, charges prepaid, to the address (or to the telex or TWX number) of the person appearing on the books of the corporation or, in the case of notice to be given to a director, to the address (or to the telex or TWX number) supplied by the director to the corporation for the purpose of notice. If the notice is sent by mail, telegraph or courier service, it shall be deemed to have been given to the person entitled thereto when deposited in the United States mail or with a telegraph office or courier service for delivery to that person or, in the case of telex or TWX, when dispatched. Notice given by facsimile transmission, e-mail or other electronic communication shall be deemed to have been given to the person entitled thereto when sent. A notice of meeting shall specify the place, day and hour of the meeting and any other information required by any other provision of the Business Corporation Law, the Articles or these Bylaws.

(b) Adjourned Shareholder Meetings. When a meeting of shareholders is adjourned, it shall not be necessary to give any notice of the adjourned meeting or of the business to be transacted at an adjourned meeting, other than by announcement at the meeting at which the adjournment is taken, unless the

---

board fixes a new record date for the adjourned meeting, in which event the notice shall be given in accordance with this section.

**Section 2.02. Notice of Meetings of Board of Directors.** Notice of a regular meeting of the board of directors need not be given. Notice of every special meeting of the board of directors shall be given to each director personally, by telephone, telex, TWX, facsimile, e-mail or other electronic communication, or in writing at least 24 hours (in the case of notice by telephone, telex, TWX, facsimile transmission, e-mail or other electronic communication) or 48 hours (in the case of notice by telegraph, courier service or express mail) or five days (in the case of notice by first class mail) before the time at which the meeting is to be held. Every such notice shall state the time and place of the meeting. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the board need be specified in a notice of a meeting.

**Section 2.03. Notice of Meetings of Shareholders.**

(a) **General Rule.** Written notice of every meeting of the shareholders shall be given by, or at the direction of, the secretary or other authorized person to each shareholder of record entitled to vote at the meeting (and, in case of a meeting called to consider a merger, consolidation, share exchange or division, to each shareholder of record not entitled to vote at the meeting) at least (i) ten days prior to the day named for a meeting called to consider a fundamental change under Chapter 19 of the Business Corporation Law or (ii) five days prior to the day named for the meeting in any other case. If the secretary neglects or refuses to give notice of a meeting, the person or persons calling the meeting may do so. In the case of a special meeting of shareholders, the notice shall specify the general nature of the business to be transacted.

(b) **Notice of Action by Shareholders on Bylaws.** In the case of a meeting of shareholders that has as one of its purposes action on these Bylaws, written notice shall be given to each shareholder that the purpose, or one of the purposes, of the meeting is to consider the adoption, amendment or repeal of these Bylaws. There shall be included in, or enclosed with, the notice a copy of the proposed amendment or a summary of the changes to be effected thereby.

**Section 2.04. Waiver of Notice.**

(a) **Written Waiver.** Whenever any written notice is required to be given under the provisions of the Business Corporation Law, the Articles or these Bylaws, a waiver thereof in writing, signed by the person or persons entitled to the notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of the notice. Except as provided in the next sentence, neither the business to be transacted at, nor the purpose of, a meeting need be specified in the waiver of notice of the meetings. In the case of a special meeting of shareholders, the waiver of notice shall specify the general nature of the business to be transacted at the meeting.

(b) **Waiver by Attendance.** Attendance of a person at any meeting shall constitute a waiver of notice of the meeting except where a person attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting was not lawfully called or convened.

**Section 2.05. Modification of Proposal Contained in Notice.** Whenever the language of a proposed resolution is included in a written notice of a meeting required to be given under the provisions of the Business Corporation, the Articles or these Bylaws, the meeting considering the resolution may without further notice adopt it with such clarifying or other amendments as do not enlarge its original purpose.

*Section 2.06. Exception to requirement of Notice.*

(a) General Rule. Whenever any notice or communication is required to be given to any person under the provisions of the Business Corporation Law or by the Articles or these Bylaws or by the terms of any agreement or other instrument or as a condition precedent to taking any corporate action and communication with that person is then unlawful, the giving of the notice or communication to that person shall not be required.

(b) Shareholders Without Forwarding Addresses. Notice or other communications need not be sent to any shareholder with whom the corporation has been unable to communicate for more than 24 consecutive months because communications to the shareholder are returned unclaimed or the shareholder has otherwise failed to provide the corporation with a current mail or e-mail address or facsimile, telex or TWX number. Whenever the shareholder provides the corporation with a current mail or e-mail address or facsimile, telex or TWX number, the corporation shall commence sending notices and other communications to the shareholder in the same manner as to other shareholders.

*Section 2.07. Use of Conference Telephone and Similar Equipment.*

(a) Any director may participate in meetings of the board of directors by conference telephone, similar communications equipment or other electronic communications technology in a fashion pursuant to which the directors have the opportunity to read or hear the proceedings substantially concurrently with their occurrence, vote on matters submitted to the directors and pose questions to the participants in the meeting. Directors so participating will be deemed present at the meeting.

(b) Shareholders may participate in any shareholders' meeting by conference telephone, similar communications equipment or other electronic means, including, without limitation, the Internet. Shareholders so participating will be deemed present at the meeting.

### ARTICLE III

#### Shareholders

*Section 3.01. Place of Meeting.* All meetings of the shareholders of the corporation shall be held at the registered office of the corporation, such other place within or without the Commonwealth of Pennsylvania as may be designated by the board of directors in the notice of a meeting, or by means of the Internet or other electronic communications technology in a fashion pursuant to which the shareholders have the opportunity to read or hear the proceedings substantially concurrently with their occurrence, vote on matters submitted to the shareholders and pose questions to the directors of the corporation.

*Section 3.02. Annual Meeting.*

(a) The board of directors may fix and designate the date and time of the annual meeting of the shareholders, but if no such date and time is fixed and designated by the board, the meeting for any calendar year shall be held on the fourth Thursday in May in such year, if not a legal holiday under the laws of Pennsylvania, and, if a legal holiday, then on the next succeeding business day, not a Saturday, at an appropriate time and place designated by the board of directors, and at said meeting the shareholders then entitled to vote shall elect directors and shall transact such other business as may properly be brought before the meeting as set forth in Section 3.02(b) below. If the annual meeting shall not have been called and held within six months after the designated time, any shareholder may call the meeting at any time thereafter.

(b) No business may be transacted at an annual meeting of the shareholders, other than business that is either:

- (1) specified in the notice of meeting (or any supplement thereto) given by or at the direction of the board of directors (or any duly authorized committee thereof);
- (2) otherwise properly brought before the annual meeting by or at the direction of the board of directors (or any duly authorized committee thereof); or
- (3) otherwise properly brought before the annual meeting by any shareholder of the corporation who (A) is a shareholder of record on the date of the giving of the notice of such meeting and on the record date for the determination of shareholders entitled to vote at such annual meeting and (B) complies with the notice procedures set forth in Sections 3.02(c) and 3.02(d) below.

(c) In addition to any other applicable requirements, for a matter to be properly brought before an annual meeting by a shareholder, (i) such matter must be a proper matter for shareholder action under the Business Corporation Law and (ii) such shareholder must have owned beneficially at least 1% of the Company's common stock for a continuous period of not less than 12 months before making such proposal and have given timely notice thereof in proper written form (as set forth in Section 3.02(d) below) to the secretary of the corporation. To be timely, a shareholder's notice to the secretary must be delivered to or mailed and received at the principal executive offices of the corporation not less than 120 days nor more than 150 days prior to the anniversary date of the immediately preceding annual meeting of the shareholders; provided, however, that in the event that the annual meeting is called for a date that is not within 60 days before or after such anniversary date, notice by the shareholder in order to be timely must be so received not later than the close of business on the tenth (10th) day following the day on which notice of the date of the annual meeting was mailed. In no event shall the public announcement of an adjournment or postponement of an annual meeting commence a new time period (or extend any time period) for the giving of a shareholder's notice as described above.

(d) To be in proper written form, a shareholder's notice to the secretary must set forth as to each matter such shareholder proposes to bring before the annual meeting (i) a brief description of the matter desired to be brought before the annual meeting and the reasons for considering such matter at the annual meeting, (ii) the name and record address of such shareholder, (iii) a representation as to the class or series and number of shares of capital stock of the corporation which are owned beneficially or of record by such shareholder, (iv) a description of all arrangements or understandings between such shareholder and any other person or persons (including their names) in connection with the proposal of such matter by such shareholder and any material interest of such shareholder in such matter and (v) a representation that such shareholder intends to appear in person or by proxy at the annual meeting to bring such matter before the meeting. In addition, notwithstanding anything in this Section 3.02(d) to the contrary, a shareholder intending to recommend one or more persons for election as a director at an annual or special meeting must comply with the provisions of Section 4.02 of these Bylaws.

(e) No business shall be conducted at the annual meeting of shareholders except business brought before the annual meeting in accordance with the procedures set forth in this Section 3.02; provided, however, that, once business has been properly brought before the annual meeting in accordance with such procedures, nothing in this Section 3.02 shall be deemed to preclude discussion by any shareholder of any such business. If the presiding officer of an annual meeting determines that business was not properly brought before the annual meeting in accordance with the foregoing procedures, the presiding officer shall declare to the meeting that the business was not properly brought before the meeting and such business shall not be transacted.

(f) Nothing in this Section 3.02 shall be deemed to affect any rights of shareholders to request inclusion of proposals in the corporation's proxy statement pursuant to Rule 14a-8 under the Securities Exchange Act of 1934, as amended (the "Exchange Act").

*Section 3.03. Special Meetings.* Special meetings of the shareholders may be called at any time by the chairman of the board of directors or by any four or more directors. The shareholders of the corporation shall be entitled to call a special meeting of shareholders only to the extent, if any, expressly provided in the Business Corporation Law.

*Section 3.04. Quorum and Adjournment.*

(a) *General Rule.* A meeting of shareholders of the corporation duly called shall not be organized for the transaction of business unless a quorum is present. The presence, in person, by proxy or by means of electronic technology, including, without limitation, the Internet, of shareholders entitled to cast at least a majority of the votes that all shareholders are entitled to cast on a particular matter to be acted upon at the meeting shall constitute a quorum for the purposes of consideration and action on the matter. Shares of the corporation owned, directly or indirectly, by it and controlled, directly or indirectly, by the board of directors of this corporation, as such, shall not be counted in determining the total number of outstanding shares for quorum purposes at any given time.

(b) *Withdrawal of a Quorum.* The shareholders present at a duly organized meeting can continue to do business until adjournment notwithstanding the withdrawal of enough shareholders to leave less than a quorum.

(c) *Adjournments Generally.* Any regular or special meeting of the shareholders, including one at which directors are to be elected, which cannot be organized because a quorum has not attended, may be adjourned for such period and to such place as a majority of the shareholders present and entitled to vote shall direct.

(d) *Electing Directors at Adjourned Meeting.* Those shareholders entitled to vote who attend a meeting called for the election of directors that has been previously adjourned for lack of a quorum, although less than a quorum as fixed in this section, shall nevertheless constitute quorum for the purpose of electing directors.

(e) *Other Action in Absence of Quorum.* Those shareholders entitled to vote who attend a meeting of shareholders that has been previously adjourned for one or more periods aggregating at least 15 days because of an absence of a quorum, although less than a quorum as fixed in this section, shall nevertheless constitute a quorum for the purpose of acting upon any matter set forth in the original notice of the meeting if the notice states that those shareholders who attend the adjourned meeting shall nevertheless constitute a quorum for the purpose of acting upon the matter.

*Section 3.05. Action by Shareholders.*

(a) Except as otherwise provided in the Business Corporation Law, the Articles or these Bylaws, whenever any corporate action is to be taken by vote of the shareholders of the corporation, it shall be authorized by a majority of the votes cast at a duly organized meeting of shareholders by the holders of shares entitled to vote thereon. Except when acting by consent, as permitted by the Articles and Section 3.05(b), the shareholders of the corporation may act only at a duly organized meeting.

(b) Any action required or permitted to be taken at a meeting of the shareholders or a class of shareholders may be taken without a meeting upon the unanimous consent of shareholders who would have been entitled to vote at a meeting.

*Section 3.06. Organization.* At every meeting of the shareholders, the chairman of the board of directors, or, in the case of vacancy in office or absence of the chairman of the board of directors, one of the following persons present in the order stated: the president or a person chosen by the board of directors shall act as the presiding officer. The secretary or, in the absence of both the secretary and assistant secretaries, a person appointed by the presiding officer, shall act as secretary of the meeting.

*Section 3.07. Voting Rights of Shareholders.* Except as otherwise provided in the Articles or by law, the holders of Common Stock shall have the exclusive voting power, and every holder of Common Stock shall be entitled to one vote for every share of Common Stock standing in the name of the shareholder on the books of the corporation.

*Section 3.08. Voting and Other Action by Proxy.*

(a) General Rule.

(1) Every shareholder entitled to vote at a meeting of shareholders may authorize another person to act for the shareholder by proxy.

(2) The presence of, or vote or other action at a meeting of shareholders by a proxy of a shareholder shall constitute the presence of, or vote or action by the shareholder.

(3) Where a shareholder has named two or more proxies and such proxies are present, the corporation shall, unless otherwise expressly provided in the proxy, accept as the vote of all shares represented thereby the vote cast by a majority of them and, if a majority of the proxies cannot agree whether the shares represented shall be voted or upon the manner of voting the shares, the voting of the shares shall be divided equally among those persons.

(b) Minimum Requirements. Every proxy shall be executed or authenticated by a shareholder in writing or by the duly authorized attorney-in-fact of the shareholder and filed with or transmitted to the secretary of the corporation or his or her designated agent.

A shareholder or his or her duly authorized attorney-in-fact may execute or authenticate a writing or transmit an electronic message authorizing another person to act for him or her by proxy. A telegram, telex, cablegram, datagram, e-mail, Internet communication or other means of electronic transmission from a shareholder or attorney-in-fact, or a photographic, facsimile or similar reproduction of a writing executed by a shareholder or attorney-in-fact may be treated as properly executed or authenticated for purposes of this subsection and shall be so treated if it sets forth or utilizes a confidential and unique identification number or other mark furnished by the corporation to the shareholder for the purposes of a particular meeting or transaction.

A proxy, unless coupled with an interest, shall be revocable at will, notwithstanding any other agreement or any provision in the proxy to the contrary, but the revocation of a proxy shall not be effective until notice thereof has been given to the secretary of the corporation or its designated agent in writing or by electronic transmission. An unrevoked proxy shall not be valid after three years from the date of its execution, authentication or transmission unless a longer time is expressly provided therein. A proxy shall not be revoked by the death or incapacity of the maker unless, before the vote is counted or the authority is exercised, written notice of the death or incapacity is given to the secretary of the corporation or its designated agent.

(c) Expenses. The corporation shall pay the reasonable expenses of solicitation of votes or proxies of shareholders by or on behalf of the board of directors or its nominees for election to the board, including solicitation by professional proxy solicitors and otherwise.



**Section 3.09. Voting by Fiduciaries and Pledges.** Shares of the corporation standing in the name of a trustee or other fiduciary and shares held by an assignee for the benefit of creditors or by a receiver may be voted by the trustee, fiduciary, assignee or receiver. A shareholder whose shares are pledged shall be entitled to vote the shares until the shares have been transferred into the name of the pledgee, or a nominee of the pledgee, but nothing in this section shall affect the validity of a proxy given to a pledgee or nominee.

**Section 3.10. Voting by Joint Holders of Shares.**

(a) **General Rule.** Where shares of the corporation are held jointly or as tenants in common by two or more persons, as fiduciaries or otherwise:

(1) if only one or more of such persons is present in person or by proxy, all of the shares standing in the names of such persons shall be deemed to be represented for the purpose of determining a quorum and the corporation shall accept as the vote of all the shares the vote cast by a joint owner or a majority of them; and

(2) if the persons are equally divided upon whether the shares held by them shall be voted or upon the manner of voting the shares, the voting of the shares shall be divided equally among the persons without prejudice to the rights of the joint owners or the beneficial owners thereof among themselves.

(b) **Exception.** If there has been filed with the secretary of the corporation a copy, certified by an attorney at law to be correct, of the relevant portions of the agreement under which the shares are held or the instrument by which the trust or estate was created or the order of court appointing them or of an order of court directing the voting of the shares, the persons specified as having such voting power in the document latest in date of operative effect so filed, and only those persons, shall be entitled to vote the shares but only in accordance therewith.

**Section 3.11. Voting by Entities.**

(a) **Voting by Shareholders that are Entities.** Any corporation, limited liability company, partnership or other entity that is a shareholder of this corporation may vote at meetings of shareholders of this corporation by any of its officers or agents, or by proxy appointed by any officer or agent, unless some other person, by resolution of the governing body of the entity in question or by a provision of its articles, bylaws, operating agreement, partnership agreement or other governing documents, as applicable, a copy of which resolution or provision certified to be correct by one of its officers or agents has been filed with the secretary of this corporation, is appointed its general or special proxy in which case the person so appointed shall be entitled to vote the shares.

(b) **Controlled Shares.** Shares of this corporation owned, directly or indirectly, by it and controlled, directly or indirectly, by the board of directors of this corporation, as such, shall not be voted at any meeting and shall not be counted in determining the total number of outstanding shares for voting purposes at any given time.

**Section 3.12. Determination of Shareholders of Record.**

(a) **Fixing Record Date.** The board of directors may fix a time prior to the date of any meeting of shareholders as a record date for the determination of the shareholders entitled to notice of, or to vote at, the meeting. Except in the case of an adjourned meeting, the record date shall be not more than 90 days prior to the date of the meeting of shareholders. Only shareholders of record on the date so fixed shall be entitled to notice of and to vote at any such meeting notwithstanding any transfer of shares on the books

of the corporation after any record date fixed as provided in this subsection. The board of directors may similarly fix a record date for the determination of shareholders of record for any other purpose. When a determination of shareholders of record has been made as provided in this section for purposes of a meeting, the determination shall apply to any adjournment thereof unless the board fixes a new record date for the adjourned meeting.

(b) Determination When a Record Date is Not Fixed. If a record date is not fixed:

(1) the record date for determining shareholders entitled to notice of or to vote at a meeting of shareholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day immediately preceding the day on which the meeting is held; and

(2) the record date for determining shareholders for any other purpose shall be at the close of business on the day on which the board of directors adopts the resolution relating thereto.

(c) Certification by Nominee. The board of directors may adopt a procedure whereby a shareholder of the corporation may certify in writing to the corporation that all or a portion of the shares registered in the name of the shareholder are held for the account of a specified person or persons. Upon receipt by the corporation of a certification complying with the procedure, the persons specified in the certification shall be deemed, for the purposes set forth in the certification, to be the holders of record of the number of shares specified in place of the shareholder making the certification.

Section 3.13. Voting Lists.

(a) General Rule. The officer or agent having charge of the transfer books for shares of the corporation shall make a complete list of the shareholders entitled to vote at any meeting of shareholders, arranged in alphabetical order, with the address of and the number of shares held by each. The list shall be produced and kept open at the time and place of every meeting and shall be subject to the inspection of any shareholder during the whole time of a meeting for the purposes thereof except that, if the corporation has 5,000 or more shareholders, in lieu of the making of the list the corporation may make the information therein available at a meeting by any other means.

(b) Effect of List. Failure to comply with the requirements of this section shall not affect the validity of any action taken at a meeting prior to a demand at the meeting by any shareholder entitled to vote thereat to examine the list. The original share register or transfer book, or a duplicate thereof kept in the Commonwealth of Pennsylvania, shall be prima facie evidence as to who are the shareholders entitled to examine the list or share register or transfer book or to vote at any meeting of shareholders.

**Section 3.14. Presiding Officer.** There shall be a presiding officer at every meeting of the shareholders. Unless the Board of Directors designates otherwise, the presiding officer shall be the chairman of the board of directors. The presiding officer shall have the authority to determine the order of business and to establish rules for the conduct of each shareholders' meeting; provided that the presiding officer shall be fair to the shareholders in adopting such rules for and in conducting the meeting. The presiding officer shall announce at the meeting when the polls close for each matter voted upon. If no announcement is made, the polls shall be deemed to have closed upon the final adjournment of the meeting. After the polls close, no ballots, proxies or votes, nor any revocations or changes thereto, may be accepted.

**Section 3.15. Judges of Election.**

(a) **Appointment.** In advance of any meeting of shareholders of the corporation, the board of directors may appoint one or more judges of election, who need not be shareholders, to act at the meeting or any adjournment thereof. If judges of election are not so appointed, the presiding officer of the meeting may, and on the request of any shareholder shall, appoint judges of election at the meeting. The number of judges shall be one or three. A person who is a candidate for an office to be filled at the meeting shall not act as a judge.

(b) **Vacancies.** In case any person appointed as a judge fails to appear or fails or refuses to act, the vacancy may be filled by appointment made by the board of directors in advance of the convening of the meeting or at the meeting by the presiding officer thereof.

(c) **Duties.** The judges of election shall determine the number of shares outstanding and the voting power of each, the shares represented at the meeting, the existence of a quorum, and the authenticity, validity and effect of proxies, receive votes or ballots, hear and determine all challenges and questions in any way arising in connection with the right to vote, count and tabulate all votes, determine the result and do such acts as may be proper to conduct the election or vote with fairness to all shareholders. The judges of election shall perform their duties impartially, in good faith, to the best of their ability and as expeditiously as is practical. If there are three judges of election, the decision, act or certificate of a majority shall be effective in all respects as the decision, act or certificate of all.

(d) **Report.** On request of the presiding officer of the meeting or of any shareholder, the judges shall make a report in writing of any challenge or question or matter determined by them, and execute a certificate of any fact found by them. Any report or certificate made by them shall be prima facie evidence of the facts stated therein.

**Section 3.16. Minors as Security Holders.** The corporation may treat a minor who holds shares or obligations of the corporation as having capacity to receive and to empower others to receive dividends, interest, principal and other payments or distributions, to vote or express consent or dissent and to make elections and exercise rights relating to such shares or obligations - unless, in the case of payments or distributions on shares, the corporate officer responsible for maintaining the list of shareholders or the transfer agent of the corporation or, in the case of payments or distributions on obligations, the treasurer or paying officer or agent has received written notice that the holder is a minor.

**Section 3.17. Proposal of Amendments to the Articles.** The shareholders of the corporation shall be entitled to propose an amendment to the Articles only to the extent, if any, expressly provided in the Articles.

## ARTICLE IV

## Board of Directors

Section 4.01. Powers; Personal Liability.

(a) General Rule. Unless otherwise provided by statute, all powers vested by law in the corporation shall be exercised by or under the authority of, and the business and affairs of the corporation shall be managed under the direction of, the board of directors.

(b) Personal Liability of Directors.

(1) A director shall not be personally liable, as such, for monetary damages for any action taken, or any failure to take any action, unless:

(i) the director has breached or failed to perform the duties of his or her office under Subchapter B of Chapter 17 of the Business Corporation Law (or any successor provision(s)); and

(ii) the breach or failure to perform constitutes self-dealing, willful misconduct or recklessness.

(2) The provisions of paragraph (1) shall not apply to the responsibility or liability of a director pursuant to any criminal statute, or the liability of a director for the payment of taxes pursuant to local, state or federal law.

Section 4.02. Qualifications and Selection of Directors.

(a) Qualifications. Each director of the corporation shall be a natural person of full age who need not be a resident of the Commonwealth of Pennsylvania or a shareholder of the corporation.

(b) Director Nominees. Each nominee for election to the board of directors must be recommended for the board of director's selection by a nominating committee comprised solely of "independent directors" formed by the board of directors pursuant to Section 4.11 below (the "Nominating Committee"); provided, however, that independent director oversight of director nominations shall not apply in cases where the right to nominate a director legally belongs to a third party. As used in this Section 4.02 (b), the term "independent directors" has such meaning as shall be promulgated by the Securities and Exchange Commission and the Nasdaq Stock Market (or such other securities exchange on which the capital stock of the corporation is listed).

(c) Shareholder Recommendations.

(1) The Nominating Committee will consider for recommendation to the board of directors for nomination for election to the board of directors nominees for director to be elected at an annual or special meeting of shareholders who are recommended for nomination by the shareholders in accordance with the provisions of this Section 4.02(c). In addition to any other applicable requirements, for a recommendation made by a shareholder pursuant to this Section 4.02(c) to be considered by the Nominating Committee, such shareholder must have owned beneficially at least 1% of the Company's common stock for a continuous period of not less than 12 months before making such proposal and have given timely notice thereof in proper written form (as set forth in Section 4.02(c)(2) below) to the secretary of the corporation. To be timely, a shareholder's notice to the secretary must be delivered to or mailed and received at the principal executive offices of the corporation (A) in the case of an annual meeting, not less

than 120 nor more than 150 days prior to the anniversary date of the immediately preceding annual meeting of shareholders; provided however, that in the event that the annual meeting is called on a date that is not within 60 days before or after such anniversary date, notice by the shareholder in order to be timely must be so received not later than the close of business on the tenth (10th) day following the day on which notice of the date of the annual meeting was mailed or public disclosure of the date of the annual meeting was made, whichever first occurs; and (B) in the case of a special meeting of shareholders called for the purpose of electing directors, not later than the close of business on the tenth (10th) day following the day on which notice of the date of the special meeting was mailed.

(2) To be in proper written form, a shareholder's notice to the secretary must set forth (A) as to each person whom the shareholder recommends for election as a director (i) the name, age, business address and residence address of the person, (ii) the principal occupation or employment of the person, (iii) the class or series and number of shares of capital stock of the corporation which are owned beneficially or of record by the person and (iv) any other information relating to the person that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for election of directors pursuant to Section 14 of the Exchange Act, and the rules and regulations promulgated thereunder; and (B) as to the shareholder giving the notice (i) the name and record address of such shareholder, (ii) the class or series and number of shares of capital stock of the corporation which are owned beneficially or of record by such shareholder, (iii) a description of all arrangements or understandings between such shareholder and each recommended nominee and any other person or persons (including their names) pursuant to which the recommendations are to be made by such shareholder and (iv) any other information relating to such shareholder that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for election of directors pursuant to Section 14 of the Exchange Act and the rules and regulations promulgated thereunder. Such notice must also be accompanied by a written consent of each recommended nominee to: (A) provide (i) all information necessary to respond fully to any suitability inquiry conducted under the executive, administrative, judicial and/or legislative rules, regulations, laws and orders of any jurisdiction to which the corporation is then subject and (ii) such additional information concerning the nominee as may be requested by the Nominating Committee and/or board of directors and (B) being named as a nominee and to serve as a director if nominated and if elected.

(d) Election of Directors. Except as otherwise provided in these Bylaws, directors of the corporation shall be elected by the shareholders. In elections for directors, voting need not be by ballot, except upon demand made by a shareholder entitled to vote at the election and before the voting begins. The shareholders of the corporation (except holders of Preferred Stock when the right to elect directors accrues to them) shall not have the right to cumulate their votes for the election of directors of the corporation. The candidates receiving the highest number of votes from each class or group of classes, if any, entitled to elect directors separately up to the number of directors to be elected by the class or group of classes shall be elected. If at any meeting of shareholders, directors of more than one class are to be elected, each class of directors shall be elected in a separate election.

(e) Director Emeritus.

(1) The board of directors may appoint any former director of the corporation or of any predecessor corporation as a director emeritus to serve in an advisory capacity to the board for such period of time as the board wishes to avail itself of the services, knowledge and experience of such former director.

(2) Such director emeritus may upon invitation by the board of directors attend meetings of the board of directors and its committees and, if requested by the board, may participate in the proceedings of the board of directors, but shall not vote on or give written consent to any matters before the board!

(3) A director emeritus shall be compensated for such services as may be determined by the board of directors.

*Section 4.03. Number and Term of Office.*

(a) Number. The number of directors of the corporation constituting the whole board and the number of directors constituting each class of directors as provided by Section 4.03(d) shall be fixed solely by resolution of the board of directors.

(b) Term of Office. Each director shall hold office until the expiration of the term for which he or she was selected and until a successor has been selected and qualified or until his or her earlier death, resignation or removal. A decrease in the number of directors shall not have the effect of shortening the term of any incumbent director.

(c) Resignation. Any director may resign at any time upon written notice to the corporation. The resignation shall be effective upon receipt thereof by the corporation or at such subsequent time as shall be specified in the notice of resignation.

(d) Classified Board of Directors. The Board of Directors of this Corporation shall be divided into three classes and are hereby designated as Class I, Class II and Class III, respectively, the members of which are to be elected for staggered terms. The term of office of at least one class shall expire in each year. At each election, directors shall be chosen for a full term, as the case may be, to succeed those whose terms expire.

*Section 4.04. Vacancies.*

(a) General Rule. Vacancies in the board of directors, including vacancies resulting from an increase in the number of directors, may be filled by a majority vote of the remaining members of the board though less than a quorum, or by a sole remaining director, and each person so selected shall be a director to serve until the next selection of the class for which such director has been chosen, and until a successor has been selected and qualified or until his or her earlier death, resignation or removal.

(b) Action by Resigned Directors. When one or more directors resign from the board effective at a future date, the directors then in office, including those who have so resigned, shall have power by the applicable vote to fill the vacancies, the vote thereon to take effect when the resignations become effective.

*Section 4.05. Removal of Directors.*

(a) By Shareholders. Any director or the entire board of directors may be removed by the shareholders without cause only by consent and not at a meeting.

(b) Successor Directors. In case a director or class of directors or the board is so removed, new directors may be elected at the same meeting or in the same consent.

(c) Removal by the Board. The board of directors may declare vacant the office of a director:

(1) Who has been judicially declared of unsound mind or who has been convicted of an offense punishable by imprisonment for a term of more than one year;

(2) If, within 60 days after notice of his or her selection, the director does not accept the office either in writing or by attending a meeting of the board of directors; or

(3) Who has been determined to be unsuitable to serve as a director by (A) any federal, state or local regulatory body having jurisdiction over the corporation and its activities, or (B) the compliance committee.

**Section 4.06. Place of Meetings.** Meetings of the board of directors may be held at such place within or without the Commonwealth of Pennsylvania as the board of directors may from time to time appoint or as may be designated in the notice of the meeting.

**Section 4.07. Organization of Meetings.** At every meeting of the board of directors, the chairman of the board of directors, or, in the case of a vacancy in the office or absence of the chairman of the board of directors, one of the following officers present in the order stated: the president or a person chosen by a majority of the directors present shall act as chairman of the meeting. The secretary or, in the absence of the secretary, an assistant secretary, or, in the absence of the secretary and the assistant secretaries, any person appointed by the chairman of the meeting, shall act as secretary of the meeting.

**Section 4.08. Regular Meetings.** Regular meetings of the board of directors shall be held at such time and place as shall be designated from time to time by resolution of the board of directors.

**Section 4.09. Special Meetings.** Special meetings of the board of directors shall be held whenever called by the chairman of the board of directors or by four or more of the directors.

**Section 4.10. Quorum of and Action by Directors.**

(a) **General Rule.** A majority of the directors in office of the corporation shall be necessary to constitute a quorum for the transaction of business and the acts of a majority of the directors present and voting at a meeting at which a quorum is present shall be the acts of the board of directors.

(b) **Action by Unanimous Consent.** Any action required or permitted to be taken at a meeting of the directors may be taken without a meeting if, prior or subsequent to the action, a consent or consents thereto by all of the directors in office is filed with the secretary of the corporation. A photographic, facsimile or similar reproduction of a consent executed by a director shall be treated as properly executed for purposes of this Section 4.10(b).

(c) **Notation of Dissent.** A director who is present at a meeting of the board of directors, or of a committee of the board, at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless his or her dissent is entered in the minutes of the meeting or unless the director files a written dissent to the action with the secretary of the meeting before the adjournment thereof or transmits the dissent in writing to the secretary of the corporation immediately after the adjournment of the meeting. The right of dissent shall not apply to a director who voted in favor of the action. Nothing in this section shall bar a director from asserting that minutes of the meeting incorrectly omitted his or her dissent if, promptly upon receipt of a copy of such minutes, the director notifies the secretary, in writing, of the asserted omission or inaccuracy.

**Section 4.11. Committees of the Board.**

(a) **Establishment and Powers.** The board of directors may, by resolution adopted by a majority of the directors in office, establish one or more committees to consist of one or more directors of the corporation possessing such characteristics and experience as may be required under any applicable federal, state or local law or regulation, or any applicable rule or regulation of a securities exchange on which the

securities of the corporation are listed, setting forth requirements as to the composition of committees established by the corporation. Any committee, to the extent provided in the resolution of the board of directors, shall have and may exercise all of the powers and authority of the board of directors and may adopt such charter or governing provisions as are consistent with the resolution forming such committee, except that a committee shall not have any power or authority as to the following:

- (1) The submission to shareholders of any action requiring approval of shareholders under the Business Corporation law.
- (2) The creation or filling of vacancies in the board of directors.
- (3) The adoption, amendment or repeal of these Bylaws.
- (4) The amendment or repeal of any resolution of the board that by its terms is amendable or repealable only by the board.
- (5) Action on matters committed by a resolution of the board of directors to another committee of the board.

(b) Alternate Committee Members. The board may designate one or more directors as alternate members of any committee who may replace any absent or disqualified member at any meeting of the committee or for the purposes of any written action by the committee. In the absence or disqualification of a member and alternate member or members of a committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not constituting a quorum, may unanimously appoint another director to act at the meeting in the place of the absent or disqualified member.

(c) Term. Each committee of the board shall serve at the pleasure of the board.

(d) Committee Procedures. The term "board of directors" or "board," when used in any provision of these Bylaws relating to the organization or procedures of or the manner of taking action by the board of directors, shall be construed to include and refer to any committee of the board.

*Section 4.12.* Compensation. The board of directors shall have the authority to fix the compensation of directors for their services as directors and a director may be a salaried officer of the corporation.

## ARTICLE V

### Officers

#### *Section 5.01.* Officers Generally.

(a) Number, Qualifications and Agents. The officers of the corporation shall be a chairman of the board of directors, a president, vice president(s), a secretary and a treasurer, and such other officers and assistant officers as may be elected in accordance with the provisions of Section 5.03. Officers may but need not be directors or shareholders of the corporation. The officers of the corporation shall be natural persons of full age. The treasurer may be a corporation, but if a natural person shall be of full age. Any number of offices may be held by the same person.

(b) Bonding. The corporation may secure the fidelity of any or all of its officers by bond or otherwise.



*Section 5.02. Election, Term of Office and Resignations.*

(a) Election and Term of Office. The chairman of the board of directors, the chief executive officer, chief financial officer, chief operating officer, president, executive vice president, operations, vice president, finance, secretary, treasurer and general counsel, or such other officers as may be designated from time to time by the board of directors (collectively, the "Executive Officers") of the corporation shall be elected annually by the board of directors and shall hold office for a term of one year and until a successor has been selected and qualified or until his or her earlier death, resignation or removal. All other officers shall be appointed by the chairman of the board of directors or by delegated authority pursuant to Section 5.03 and shall serve at will.

(b) Resignations. Any officer may resign at any time upon written notice to the corporation. The resignation shall be effective upon receipt thereof by the corporation or at such subsequent time as may be specified in the notice of resignation.

*Section 5.03. Subordinate Officers.* The chairman of the board of directors may from time to time appoint such other officers as the business of the corporation may require, each of whom shall hold office for such period, have such authority, and perform such duties as are provided in these Bylaws, or as the chairman of the board of directors may from time to time determine, subject to removal by the chairman of the board of directors. The chairman of the board of directors may delegate to any officer or committee the power to appoint and to remove subordinate officers and to retain or appoint other agents or committees thereof, and to prescribe the authority and duties of such subordinate officers, committees or other agents. Removal of an officer appointed pursuant to this Section 5.03 shall be without prejudice to the contract rights, if any, of any person so removed. Election or appointment of an officer or agent pursuant to this Section 5.03 shall not of itself create contract rights.

*Section 5.04. Removal of Officers and Agents.* Any officer or agent of the corporation appointed by the board of directors may be removed by the board of directors with or without cause. The removal shall be without prejudice to the contract rights, if any, of any person so removed. Election or appointment of an officer or agent shall not of itself create contract rights.

*Section 5.05. Vacancies.* A vacancy in any office because of death, resignation, removal, disqualification, or any other cause, may be filled by the board of directors or by the officer or committee to which the power to fill such office has been delegated pursuant to Section 5.03, as the case may be, and if the office is one for which these Bylaws prescribe a term, shall be filled for the unexpired portion of the term.

*Section 5.06. Authority.* All officers of the corporation, as between themselves and the corporation, shall have such authority and perform such duties in the management of the corporation as may be provided by the person(s) appointing such officers or, in the absence of such provision, as may be determined by or pursuant to these Bylaws.

*Section 5.07. The Chairman of the Board of Directors.* The chairman of the board of directors shall be the chief executive officer of the corporation and shall have general supervision over the business and operations of the corporation, subject, however, to the control of the board of directors. The chairman of the board of directors shall be a member, ex officio, of all standing committees. The chairman of the board of directors shall perform all duties incident to the office of chairman of the board of directors, and such other duties as from time to time may be assigned by the board of directors.

*Section 5.08. The President.* The president shall be the chief operating officer of the corporation. During the absence or disability of the chairman of the board of directors, the president shall exercise all the powers and discharge all the duties of the chairman of the board of directors. The president shall perform all duties incident to the office of president and such other duties as from time to time may be assigned by the board of directors or the chairman of the board of directors.

*Section 5.09. The Vice Presidents.* The vice presidents shall perform the duties of the president in the absence of the president and such other duties as may from time to time be assigned to them by the board of directors, the chairman of the board of directors or the president.

*Section 5.10. The Secretary.* The secretary shall attend all meetings of the shareholders, of the board of directors and all committees thereof and shall record all the votes of the shareholders and of the directors and the minutes of the meetings of the shareholders and of the board of directors and of committees of the board in a book or books to be kept for that purpose; shall see that notices are given and records and reports properly kept and filed by the corporation as required by law; shall be the custodian of the seal of the corporation and see that it is affixed to all documents to be executed on behalf of the corporation under its seal; and, in general, shall perform all duties incident to the office of secretary, and such other duties as may from time to time be assigned by the board of directors, the chairman of the board of directors or the president.

*Section 5.11. Assistant Secretaries.* In the absence or disability of the secretary, any assistant secretary may perform all the duties of the secretary, and, when so acting, shall have all the powers of and be subject to all the restrictions upon, the secretary. The assistant secretaries shall perform such other duties as from time to time may be assigned to them, respectively, by the board of directors, the chairman of the board of directors, the president or the secretary.

*Section 5.12. The Treasurer.* The treasurer shall have or provide for the custody of the funds or other property of the corporation; shall collect and receive or provide for the collection and receipt of moneys earned by or in any manner due to or received by the corporation; shall deposit all funds in his or her custody as treasurer in such banks or other places of deposit as the board of directors may from time to time designate; shall, whenever so required by the board of directors, render an account showing all transactions as treasurer, and the financial condition of the corporation; and, in general, shall discharge such other duties as may from time to time be assigned by the board of directors, the chairman of the board of directors or the president.

*Section 5.13. Assistant Treasurers.* In the absence or disability of the treasurer, any assistant treasurer may perform all the duties of the treasurer, and, when so acting, shall have all the powers of and be subject to all the restrictions upon the treasurer. The assistant treasurers shall perform such other duties as from time to time may be assigned to them, respectively, by the board of directors, the chairman of the board of directors, the president or the treasurer.

*Section 5.14. Salaries.* The salary and other remuneration of the Executive Officers of the corporation shall be fixed from time to time by the board of directors. The salaries and other remuneration of all other officers and employees shall be fixed from time to time by the chairman of the board of directors or by delegated authority pursuant to Section 5.03. No officer shall be prevented from receiving such salary or other compensation by reason of the fact that the officer is also a director of the corporation.

*Section 5.15. Liability of Officers.* An officer of the corporation shall not be personally liable, as such, to the corporation, for monetary damages, including, as such, to the corporation, for monetary damages, including, without limitation, any judgment, amount paid in settlement, penalty, punitive damages or expense of any nature (including, without limitation, attorneys' fees and disbursements), for any action taken, or any failure to take any action, unless the officer has breached or failed to perform the duties of his or her office under the Articles, these Bylaws or applicable provisions of law and the breach or failure to perform constitutes self-dealing, willful misconduct or recklessness. The provisions of this section shall not apply to the responsibility or liability of an officer, as such, pursuant to any criminal statute or for the payment of taxes pursuant to local, state or federal law.

*Section 5.16. Conduct of Officers.* Officers of the corporation shall be subject to the standards of conduct set forth in a Code of Ethics adopted by the corporation and to such additional standards of conduct applicable to such officers as shall be provided by law at the time and shall comply fully with all applicable suitability requirements set forth in the executive, administrative, judicial and/or legislative rules, regulations, laws and orders of any jurisdiction to which the corporation is then subject. In the absence of a Code of Ethics adopted by the corporation, officers of the corporation shall be subject to the same standards of conduct, including standards of care and loyalty and rights of justifiable reliance, as shall at the time be applicable to directors of the corporation and to such additional standards of conduct applicable to such officers as shall be provided by law at the time. If it is determined by an applicable governmental authority that an officer does not satisfy the suitability requirements of the governmental authority at issue, such officer may be removed by the board of directors and shall immediately submit such officer's resignation for consideration by the board of directors.

## ARTICLE VI

### Certificates of Stock, Transfer, Etc.

*Section 6.01. Share Certificates.*

(a) *Form of Certificates.* Certificates for shares of the corporation shall be in such form as approved by the board of directors, and shall state that the corporation is incorporated under the laws of the Commonwealth of Pennsylvania, the name of the person to whom issued, and the number and class of shares and the designation of the series (if any) that the certificate represents. Certificates for shares of the corporation shall set forth upon the face or back of the certificate (or shall state on the face or back of the certificate that the corporation will furnish to any shareholder upon request and without charge), a full or summary statement of the designations, voting rights, preferences, limitations and special rights of the shares of each class or series authorized to be issued so far as they have been fixed and determined and the authority of the board of directors to fix and determine the designations, voting rights, preferences, limitations and special rights of the classes and series of shares of the corporation.

(b) *Share Register.* The share register or transfer books and blank share certificates shall be kept by the secretary or by any transfer agent or registrar designated by the board of directors for that purpose.

(c) *Uncertificated Shares.* Any or all classes and series of shares, or any part thereof, shall be uncertificated shares except that such a provision shall not apply to shares represented by a certificate until the certificate is surrendered to the corporation. Within a reasonable time after the issuance or transfer of uncertificated shares, the corporation shall send to the registered owner thereof a written notice containing the information required to be set forth or stated on certificates by Section 6.01(a). Except as otherwise expressly provided by law, the rights and obligations of the holders of shares represented by certificates and the rights and obligations of the holders of uncertificated shares of the same class and series shall be identical.

*Section 6.02. Issuance.* The share certificates of the corporation shall be numbered and registered in the share register or transfer books of the corporation as they are issued. They shall be executed in such manner as the board of directors shall determine.

*Section 6.03. Transfer.* Transfers of shares shall be made on the share register or transfer books of the corporation upon surrender of the certificate therefore, endorsed by the person named in the certificate or by an attorney lawfully constituted in writing. No transfer shall be made inconsistent with the

provisions of the Uniform Commercial Code, 13 Pa.C.S. §§ 8101 *et seq.*, and its amendments and supplements.

*Section 6.04. Record Holders of Shares.* The corporation shall be entitled to treat the person in whose name any share or shares of the corporation stand on the books of the corporation as the absolute owner thereof, and shall not be bound to recognize any equitable or other claim to, or interest in, such share or shares on the part of any other person.

*Section 6.05. Lost, Destroyed or Mutilated Certificates.* The holder of any shares of the corporation shall immediately notify the corporation when the shareholder has notice of any loss, destruction or mutilation of the certificate therefor. If the corporation receives such notice prior to notice that the certificate at issue has been acquired by a protected purchaser, the corporation shall cause a new certificate or certificates to be issued to such holder, in case of mutilation of the certificate, upon the surrender of the mutilated certificate or, in the case of loss or destruction of the certificate, upon satisfactory proof of such loss or destruction and, in either such instance, upon the deposit of an indemnity bond in such form and in such sum, and with such surety or sureties, as the corporation may direct.

## ARTICLE VII

### Indemnification of Directors, Officers and Other Authorized Representatives

*Section 7.01. Scope of Indemnification.*

(a) **General Rule.** The corporation shall indemnify an Indemnified Representative against any Liability incurred in connection with any Proceeding in which the Indemnified Representative may be involved as a party or otherwise by reason of the fact that such person is or was serving in an Indemnified Capacity, including, without limitation, Liabilities resulting from any actual or alleged breach or neglect of duty, error, misstatement or misleading statement, negligence, gross negligence or act giving rise to strict or products liability, except:

- (1) where such indemnification is expressly prohibited by applicable law;
- (2) where the conduct of the Indemnified Representative has been finally determined pursuant to Section 7.06 or otherwise:
  - (i) to constitute willful misconduct or recklessness within the meaning of 15 Pa.C.S. §§ 518 (b) and 1746(b) or any superseding provision of law sufficient in the circumstances to bar indemnification against liabilities arising from the conduct; or
  - (ii) to be based upon or attributable to the receipt by the Indemnified Representative from the corporation of a personal benefit to which the Indemnified Representative is not legally entitled; or
- (3) to the extent such indemnification has been finally determined in a final adjudication pursuant to Section 7.06 to be otherwise unlawful.

(b) **Partial Payment.** If an Indemnified Representative is entitled to indemnification in respect of a portion, but not all, of any Liabilities to which such person may be subject, the corporation shall indemnify such Indemnified Representative to the maximum extent for such portion of the Liabilities.

(c) Presumption. The termination of a Proceeding by judgment, order, settlement or conviction or upon a plea of nolo contendere or its equivalent shall not of itself create a presumption that the Indemnified Representative is not entitled to indemnification.

(d) Definitions. For purposes of this Article VII:

(1) "Certifying Employee" means an employee of the corporation requested, as part of the corporation's disclosure controls and procedures and in connection with the performance of the employee's responsibilities in service to the corporation, to provide to the corporation a certification or certifications to be used by the corporation in connection with the preparation of its periodic reports under the Exchange Act;

(2) "Indemnified Capacity" means any and all past, present and future service by an Indemnified Representative in one or more capacities as a director, officer, employee or agent of the corporation, or, at the request of the corporation, as a director, officer, employee, agent, fiduciary or trustee of another corporation, partnership, joint venture, trust, employee benefit plan or other entity or enterprise;

(3) "Indemnified Representative" means any and all directors and officers of the corporation, Certifying Employees and any other person designated as an Indemnified Representative by the board of directors of the corporation (which may, but need not, include any person serving at the request of the corporation, as a director, officer, employee, agent, fiduciary or trustee of another corporation, partnership, joint venture, trust, employee benefit plan or other entity or enterprise);

(4) "Liability" means any damage; judgment, amount paid in settlement, fine, penalty, punitive damages, excise tax assessed with respect to an employee benefit plan, or cost or expense of any nature (including, without limitation, attorneys' fees and disbursements); and

(5) "Proceeding" means any threatened, pending or completed investigation, action, suit, appeal or other proceeding of any nature, whether civil, criminal, administrative or investigative, whether formal or informal, and whether brought by or in the right of the corporation, a class of its security holders or otherwise.

Section 7.02. Proceedings Initiated by Indemnified Representatives. Notwithstanding any other provision of this Article VII, the corporation shall not indemnify under this Article VII an Indemnified Representative for any Liability incurred in a proceeding initiated (which shall not be deemed to include counterclaims or affirmative defenses) or participated in as an intervenor or amicus curiae by the person seeking indemnification unless such initiation of or participation in the proceeding is authorized, either before or after its commencement, by the affirmative vote of a majority of the directors in office. This section does not apply to reimbursement of expenses incurring in successfully prosecuting or defending an arbitration under Section 7.06 or otherwise successfully prosecuting or defending the rights of an Indemnified Representative granted by or pursuant to this Article VII.

Section 7.03. Advancing Expenses. Except where such advance is expressly prohibited by applicable law, the corporation shall pay the expenses (including attorneys' fees and disbursements) incurred in good faith by an Indemnified Representative in advance of the final disposition of a Proceeding described in Section 7.01 or the initiation of or participation in which is authorized pursuant to Section 7.02 upon receipt of an undertaking by or on behalf of the Indemnified Representative to repay the amount if it is ultimately determined pursuant to Section 7.06 that such person is not entitled to be indemnified by the

corporation pursuant to this Article VII. The financial ability of an Indemnified Representative to repay an advance shall not be a prerequisite to the making of such advance.

*Section 7.04. Securing of Indemnification Obligations.* To further effect, satisfy or secure the indemnification obligations provided herein or otherwise, the corporation may maintain insurance, obtain a letter of credit, act as self-insurer, create a reserve, trust, escrow, cash collateral or other fund or account, enter into indemnification agreements, pledge or grant a security interest in any assets or properties of the corporation, or use any other mechanism or arrangement whatsoever in such amounts, at such costs, and upon such other terms and conditions as the board of directors shall deem appropriate. Absent fraud, the determination of the board of directors with respect to such amounts, costs, terms and conditions shall be conclusive against all security holders, officers and directors and shall not be subject to voidability.

*Section 7.05. Payment of Indemnification.* An Indemnified Representative shall be entitled to indemnification within 30 days after a written request for indemnification has been delivered to the secretary of the corporation.

*Section 7.06. Indemnification Procedure.*

(a) *Notification of claim.* An Indemnified Representative shall use such Indemnified Representative's best efforts to notify promptly the secretary of the corporation of the commencement of any Proceeding or other occurrence of any event which might give rise to a Liability under this Article VII, but, unless the corporation has been prejudiced thereby, the failure so to notify the corporation shall not relieve the corporation of any liability which it may have to the Indemnified Representative under this Article VII or otherwise.

(b) *Assumption of defense.* The corporation shall be entitled, upon notice to any such Indemnified Representative, to assume the defense of any Proceeding with counsel reasonably satisfactory to the Indemnified Representative, or a majority of the Indemnified Representatives involved in such Proceeding if there be more than one. If the corporation notifies the Indemnified Representative of its election to defend the Proceeding, the corporation shall have no liability for the expenses (including attorneys' fees and disbursements) of the Indemnified Representative incurred in connection with the defense of such Proceeding subsequent to such notice, unless:

- (1) such expenses (including attorneys' fees and disbursements) have been authorized by the corporation,
- (2) the corporation shall not in fact have employed counsel reasonably satisfactory to such Indemnified Representative or Indemnified Representatives to assume the defense of such Proceeding; or
- (3) it shall have been determined pursuant to Section 7.06(d) that the Indemnified Representative was entitled to indemnification for such expenses under this Article VII or otherwise.

Notwithstanding the foregoing, the Indemnified Representative may elect to retain counsel at the Indemnified Representative's own cost and expense to participate in the defense of such proceeding.

(c) *Settlement by corporation.* The corporation shall not be required to obtain the consent of the Indemnified Representative to the settlement of any Proceeding which the corporation has undertaken to defend if the corporation assumes full and sole responsibility for such settlement and the settlement grants the Indemnified Representative an unqualified release in respect of all Liabilities at issue in the Proceeding. Whether or not the corporation has elected to assume the defense of any Proceeding, no

Indemnified Representative shall have any right to enter into any full or partial settlement of a Proceeding without the prior written consent of the corporation (which consent shall not be unreasonably withheld), nor shall the corporation be liable for any amount paid by an Indemnified Representative pursuant to any settlement to which the corporation has not so consented.

(d) Arbitration. Any dispute related to the right to indemnification, contribution or advancement of expenses as provided under this Article VII, except with respect to indemnification for liabilities arising under the Securities Act of 1933, as amended, that the corporation has undertaken to submit to a court of adjudication, shall be decided only by arbitration in the county in which the principal executive offices of the corporation are located at the time, in accordance with the commercial arbitration rules then in effect of the American Arbitration Association (the "AAA Rules"), before a panel of three arbitrators (the "Panel"), one of whom shall be selected by the corporation, the second of whom shall be selected by the Indemnified Representative and the third of whom shall be selected by the other two arbitrators. In the absence of the American Arbitration Association, or if for any reason arbitration under the arbitration rules of the American Arbitration Association cannot be initiated, and if one of the parties fails or refuses to select an arbitrator or the arbitrators selected by the corporation and the Indemnified Representative cannot agree on the selection of the third arbitrator within 30 days after such time as the corporation and the Indemnified Representative have each been notified of the selection of the other's arbitrator, the necessary arbitrator or arbitrators shall be selected by the presiding judge of the court of general jurisdiction in such county. The arbitration shall be conducted pursuant to the Federal Arbitration Act and such procedures as the parties subject to such arbitration (each, a "Party") may agree, or, in the absence of or failing such agreement, pursuant to the AAA Rules. Notwithstanding the foregoing: (1) each Party shall provide to the other, reasonably in advance of any hearing, copies of all documents which a Party intends to present in such hearing; (2) each Party shall be allowed to conduct reasonable discovery through written document requests and depositions, the nature and extent of which discovery shall be determined by the Parties; provided, however, that if the Parties cannot agree on the terms of such discovery, the nature and extent thereof shall be determined by the Panel which shall take into account the needs of the Parties and the purposes of arbitration to make discovery expeditious and cost effective; (3) each Party shall be entitled to make an oral presentation to the Panel; and (4) the Panel shall select as a resolution the position of either Party for each item of disagreement and may not impose an alternative resolution. The award shall be in writing and shall specify the factual and legal basis for the award.

(e) Burden of Proof. The party or parties challenging the right of an Indemnified Representative to the benefits of this Article VII shall have the burden of proof.

(f) Expenses. The corporation may advance and shall reimburse an Indemnified Representative for the expenses (including attorneys' fees and disbursements) incurred in successfully prosecuting or defending such arbitration.

(g) Effect. Any award entered by the arbitrators shall be final, binding and nonappealable and judgment may be entered thereon by any party in accordance with applicable law in any court of competent jurisdiction, except that the corporation shall be entitled to interpose as a defense in any such judicial enforcement proceeding any prior final judicial determination adverse to the Indemnified Representative under Section 7.01(a)(2) in a Proceeding not directly involving indemnification under this Article VII. This arbitration provision shall be specifically enforceable.

Section 7.07. Contribution. If the indemnification provided for in this Article VII or otherwise is unavailable for any reason in respect of any liability or portion thereof, the corporation shall contribute to the liabilities to which the Indemnified Representative may be subject in such proportion as is appropriate to reflect the intent of this Article VII or otherwise.

*Section 7.08. Mandatory Indemnification of Directors, Officers and Indemnified Representatives.* To the extent that an authorized representative of the corporation has been successful on the merits or otherwise in defense of any action, suit or Proceeding referred to in Section 1741 or 1742 of the Business Corporation Law or in defense of any claim, issue or matter therein, such person shall be indemnified against expenses (including attorneys' fees and disbursements) actually and reasonably incurred by such person in connection therewith.

*Section 7.09. Contract Rights; Amendment or Repeal.* All rights under this Article VII shall be deemed a contract between the corporation and the Indemnified Representative pursuant to which the corporation and each Indemnified Representative intend to be legally bound. Any repeal, amendment or modification hereof shall be prospective only and shall not affect any rights or obligations then existing.

*Section 7.10. Scope of Article.* The rights granted by this Article VII shall not be deemed exclusive of any other rights to which those seeking indemnification, contribution or advancement of expenses may be entitled under any statute, agreement, vote of shareholders or disinterested directors or otherwise, both as to action in an indemnified capacity and as to action in any other capacity. The indemnification, contribution and advancement of expenses provided by or granted pursuant to this Article VII shall continue as to a person who has ceased to be an Indemnified Representative in respect of matters arising prior to such time, and shall inure to the benefit of the heirs, executors, administrators and personal representatives of such a person.

*Section 7.11. Reliance on Provisions.* Each person who shall act as an Indemnified Representative of the corporation shall be deemed to be doing so in reliance upon the rights provided by this Article VII.

*Section 7.12. Interpretation.* The provisions of this Article VII are intended to constitute bylaws authorized by 15 Pa.C.S. §§ 518 and 1746.

## ARTICLE VIII

### Miscellaneous

*Section 8.01. Corporate Seal.* The corporation shall have a corporate seal in the form of a circle containing the name of the corporation, the year of incorporation and such other details as may be approved by the board of directors. The affixation of the corporate seal shall not be necessary to the valid execution, assignment or endorsement by the corporation of any instrument or other document unless otherwise required by law.

*Section 8.02. Checks.* All checks, notes, bills of exchange or other similar orders in writing shall be signed by such person or persons as the board of directors or any person authorized by resolution of the board of directors may from time to time designate.

*Section 8.03. Contracts; Borrowing.* Except as otherwise provided in the Business Corporation Law in the case of transactions that require action by the shareholders, the board of directors may authorize any officer, agent or employee to enter into any contract or to execute or deliver any instrument on behalf of the corporation. Such authority may be general or confined to specific instances, and no officer or officers, agent or agents, employee or employees of the corporation shall have any power or authority to bind the corporation by any contract or engagement to borrow money, to pledge its credit or to mortgage or pledge its real or personal property, except within the scope and to the extent of the authority so delegated.



*Section 8.04. Interested Directors or Officers: Quorum.*

(a) General Rule. A contract or transaction between the corporation and one or more of its directors or officers or between the corporation and another corporation, partnership, joint venture, trust or other enterprise in which one or more of its directors or officers are directors or officers or have a financial or other interest, shall not be void or voidable solely for that reason, or solely because the director or officer is present at or participates in the meeting of the board of directors that authorizes the contract or transaction, or solely because his, her or their votes are counted for that purpose, if:

(1) the material facts as to the relationship or interest and as to the contract or transaction are disclosed or are known to the board of directors and the board authorizes the contract or transaction by the affirmative votes of a majority of the disinterested directors even though the disinterested directors are less than a quorum;

(2) the material facts as to his or her relationship or interest and as to the contract or transaction are disclosed or are known to the shareholders entitled to vote thereon and the contract or transaction is specifically approved in good faith by vote of those shareholders; or

(3) the contract or transaction is fair as to the corporation as of the time it is authorized, approved or ratified by the board of directors or the shareholders.

(b) Quorum. Common or interested directors may be counted in determining the presence of a quorum at a meeting of the board which authorizes a contract or transaction specified in Section 8.04(a).

*Section 8.05. Deposits.* All funds of the corporation shall be deposited from time to time to the credit of the corporation in such banks, trust companies or other depositories as the board of directors may approve or designate, and all such funds shall be withdrawn only upon checks signed by such one or more officers or employees as the board of directors shall from time to time determine.

*Section 8.06. Corporate Records.*

(a) Required Records. The corporation shall keep complete and accurate books and records of account, minutes of the proceedings of the incorporators, shareholders and directors and a share register giving the names and addresses of all shareholders and the number and class of shares held by each. The share register shall be kept at either the registered office of the corporation in the Commonwealth of Pennsylvania or at its principal place of business wherever situated or at the office of its registrar or transfer agent. Any books, minutes or other records may be in written form or any other form capable of being converted into written form within a reasonable time.

(b) Right of Inspection. Every shareholder shall, upon written verified demand stating the purpose thereof, have a right to examine, in person or by agent or attorney, during the usual hours for business for any proper purpose, the share register, books and records of account, and records of the proceedings of the incorporators, shareholders and directors and to make copies or extracts therefrom. A proper purpose shall mean a purpose reasonably related to the interest of the person as a shareholder. In every instance where an attorney or other agent is the person who seeks the right of inspection, the demand shall be accompanied by a verified power of attorney or other writing that authorizes the attorney or other agent to so act on behalf of the shareholder. The demand shall be directed to the corporation (i) at its registered office in the Commonwealth of Pennsylvania, (ii) at its principal place of business wherever situated, or (iii) in care of the person in charge of an actual business office of the corporation.

*Section 8.07. Voting.* Unless otherwise ordered by the board of directors, the corporation may cast (by consent or at a meeting) the votes which the corporation may be entitled to cast as a shareholder, member, partner or otherwise in any other corporation, limited liability company, partnership or other entity any of whose shares or other securities are held by or for the corporation by any of its officers or agents, or by proxy appointed by any officer or agent, unless some other person, by resolution of the board of directors or a provision of the other corporation's articles or bylaws, is appointed its general or special proxy in which case that person shall be entitled to vote the shares or other securities.

*Section 8.08. Fiscal Year.* The fiscal year of the corporation shall begin on the first day of January in each year.

*Section 8.09. Amendment of Bylaws.*

(a) *General Rule.* Except as otherwise provided in the express terms of any series of the shares of the corporation, the authority to adopt, amend and repeal these Bylaws of the corporation is hereby vested in the board of directors of the corporation. These Bylaws may be amended or repealed, or new bylaws may be adopted, by vote of a majority of the board of directors of the corporation in office at any regular or special meeting of directors, including in circumstances otherwise reserved by statute exclusively to the shareholders (except as otherwise provided in Section 1504(b) of the Business Corporation Law), subject to the power of the shareholders to change such action. Any bylaw adopted by the board of directors under this paragraph shall be consistent with the Articles.

(b) *Effective Date.* Any change in these Bylaws shall take effect when adopted unless otherwise provided in the resolution effecting the change.

**Appendix 18**

REDACTED



## Appendix 19

*Functional table of organization for Applicant with job descriptions, and names of employees earning in excess of \$250,000 in annual compensation.*

REDACTED



## Appendix 20

*Copies of federal entity tax filings, including forms 1120, 1120-s, 1120-f, 1065, 941 and all other business related tax forms filed with the IRS in the last five (5) years.*

REDACTED



## Appendix 21

*Copies of 5500 forms filed with the IRS in the last five (5) years.*

REDACTED



## Appendix 22

*Describe criminal history of Applicant. This information must be provided in addition to the information provided in Schedule 23. Narrative information about the nature of charge or complaint and the disposition must be provided.*

Does not apply.



## Appendix 23

*Pursuant to §1312 of the Gaming Act, the Board may not approve an application for licensure if any of its principals do not meet the character requirements of §1310, eligibility requirements, or purchases a controlling interest in a licensed gaming entity in violation of §1328.*

*Has the applicant divested all interests that would prohibit licensure and eliminated any principal who does not meet the character or eligibility requirements? If not, provide an explanation. If it does not apply, write does not apply in response to this appendix.*

All principals of Penn National Gaming, Inc. are of the highest moral character that have been vetted by multiple gaming and/or racing related governmental agencies in many states as illustrated on the attached licensing list. Most are also already licensed or found suitable in Pennsylvania due to Penn's existing Pennsylvania casino facility in Grantville, PA. All Penn principals and key people that have been required to be licensed or found suitable due to the Grantville license have also filed the necessary multi-jurisdiction form and Pennsylvania supplement in conjunction with this application. No Penn principals have a controlling interest in the company.







## Appendix 24

*Pursuant to §1330 of the gaming act, no licensee, its affiliate, intermediary, subsidiary or holding company may possess an ownership or financial interest that is greater than 33.3% of another slot machine licensee or person eligible to apply for a category 1 license, its affiliate, intermediary, subsidiary or holding company.*

*Does the applicant possess an ownership or financial interest that is greater than 33.3% of another slot machine licensee or person eligible to apply for a category 1 license, its affiliate, intermediary, subsidiary or holding company? Provide an explanation or write "does not apply".*

Penn National Gaming, Inc., is the 100% owner of the Mountainview Thoroughbred Racing Association (MTRA). MTRA holds a Pennsylvania Category 1 Slot Machine License and owns and operates the Hollywood Casino at Penn National Race Course in Dauphin County, PA.

The owner of the proposed Hollywood Casino Philadelphia will be PA Gaming Ventures, LLC (PGV). PGV is 1/3 owned by Penn National Gaming, Inc (Penn) and 2/3 owned by Philadelphia Casino Benefit Corp.

Penn National Gaming has no ownership interest in Endeck Entertainment, LP, the Category 1 license applicant and owner of the proposed Lawrence Downs and Casino Resort.



## Appendix 25

*Pursuant to §1512 of the gaming act, no executive-level state employee, public official, party officer or immediate family member thereof shall have a financial interest in or be employed, directly or indirectly, by any licensed racing entity or licensed gaming entity, or any holding, affiliate, intermediary or subsidiary company, thereof, or any such applicant.*

*Has any public official or other prohibited person possessed a financial interest in or been employed directly or indirectly by the applicant or related entity at or following the effective date of the pa gaming act?*

REDACTED



## Appendix 26

*Pursuant to §1313 of the gaming act, provide information, documentation and assurances demonstrating that the applicant has sufficient business ability and experience to create and maintain a successful, efficient operation. Also provide biographies of the known individuals who will perform executive management duties and provide names of all proposed key employees and a description of their respective or proposed responsibilities as they become known.*

REDACTED



## Appendix 27

*Pursuant to §1207(16) of the gaming act; the licensee must sell Pennsylvania state lottery tickets at its facility as near as practicable to the pay windows. Provide a proposed floor plan specifying the locations where state lottery tickets will be sold and the proximity of those locations to pay windows. (note: this submission must be finalized and approved by the board prior to operation).*

REDACTED



## Appendix 28

*Provide a list of any hospital, place of worship, school, charitable institution, park, zoo or any similar place frequented by the public within 1500 feet of the proposed facility.*

Please refer to Appendix 28 of the Category 1 Application filed by *Endeka Entertainment, LP*.



## Appendix 29

*Submit an initial narrative description of proposed administrative and accounting procedures, including a written system of internal control, pursuant to §1322 of the Gaming Act (note: this submission must be finalized and approved by the board prior to operation).*

REDACTED



### **Appendix 31**

*Provide copies of local zoning and land use approvals or a detailed explanation of the status of the request with copies of all filings.*

Not Applicable. Please refer to Appendix 31 of the Category 1 Application for *Endeka Entertainment, LP*.





## Appendix 32

*Pursuant to §1322 of the Gaming Act and/or Board Regulations, submit a complete proposed site plan of the proposed licensed facility, inclusive of traffic studies and the parking plan, including the number of parking spaces, accompanied by architectural drawings and a proposed gaming floor layout. The gaming floor layout should clearly delineate the square footage of the area to be used for the placement of slot machines and table games. Further, the gaming floor layout should delineate the square footage reserved for additional slot machines and table games permitted pursuant to §1210 and §13A11 of the Gaming Act. Pursuant to §1210, provide details of the proposed location of slot machines at the facility and the number of slot machines and table games requested. Pursuant to §1207 of the Gaming Act, proposed surveillance camera locations both within and outside the proposed licensed facility should also be clearly delineated on the gaming floor layout as well as proposed security zones on the gaming floor and within and outside the licensed facility. (NOTE: The site plan, gaming floor layout and related surveillance and security proposals must be finalized and approved by the Board prior to operation.)*

REDACTED



## Appendix 33

*Provide details of planned retail and food venues for the facility and the identification of the operators of each retail food venue*

REDACTED



## Appendix 34

*Provide a local impact report, engineering reports and traffic studies, including details of any adverse impact on transportation, transit access, housing, water and sewer systems, local police and emergency service capabilities, existing tourism, including historical and cultural resources or other municipal service or resource. A copy of the local impact report shall be provided to each political subdivision in which the licensed facility will be located at least seven (7) days prior to the filing of the application for a slot machine license. The applicant shall file a proof of service with the Board.*

Not Applicable. Please refer to Appendix 34 of the Category 1 Application for *Endeka Entertainment, LP*.



## Appendix 35

*Provide details of land acquisition costs*

REDACTED



## Appendix 36

*Provide details of a compulsive or problem gambling plan.*

Not Applicable. Please refer to Appendix 36 of the Category 1 Application for *Endeka Entertainment, LP*.



## Appendix 37

*If a temporary facility is to be licensed, provide details of the temporary facility as well as a plan for how the licensee will transition to a permanent facility, including a date for the completion of the permanent facility.*

REDACTED



## Appendix 38

*As required by §1325 of the Gaming Act, applicant must address each item listed in this section. If an item does not apply, the applicant must state that in response to each item listed. Provide a plan, with details, for the following:*

*(1) the location and quality of the proposed facility, including, but not limited to, road and transit access, parking and centrality to market service area;*

*(2) the potential for new job creation and economic development which will result from granting a license to the applicant;*

*(3) the applicant's good faith plan to recruit, train and upgrade diversity in all employment classifications in the facility;*

*(4) the applicant's good faith plan for enhancing the representation of diverse groups in the operation of its facility through the ownership and operation of business enterprises associated with or utilized by its facility or through the provision of goods or services utilized by its facility and through the participation in the ownership of the applicant. Provide specific information regarding the diversity in ownership of the applicant, i.e. minorities, women;*

*(5) the applicant's good faith effort to assure that all persons are accorded equality of opportunity in employment and contracting by it and any contractors, subcontractors, assignees, lessees, agents, vendors and suppliers it may employ directly or indirectly;*

*(6) the history and success of the applicant in developing tourism facility ancillary to gaming development, if applicable to the applicant;*

*(7) the degree to which the applicant presents a plan for the project which will likely lead to the creation of quality, living-wage jobs and full-time permanent jobs for residents of this Commonwealth generally and for residents of the host political subdivision in particular;*

*(8) the record of the applicant and its developer in meeting commitments to local agencies, community-based organizations and employees in other locations;*

*(9) the degree to which potential adverse effects which might result from the project, including costs of meeting the increased demand for public health care, child care, public transportation, affordable housing and social services, will be mitigated;*



- (10) *the record of the applicant and its developer regarding compliance with:*
- (i) federal, state and local discrimination, wage and hour, disability and occupational and environmental health and safety laws as well as*
  - (ii) state and local labor relations and employment laws;*
  - (iii) the applicants record in dealing with its employees and their representative:at other locations.*

Please refer to Appendix 38 of the Category 1 License Application of Endeka Entertainment, LP for responses to all of the above-listed details.





## Appendix 39

*Provide information demonstrating adequate financing for the proposed facility and the terms of financing including payback period.*

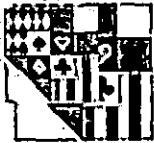
REDACTED



## Appendix 40

*Provide business and economic development plans and timetables, projected debt service expenses, projected EBITDA and internal rate of return, projected annual gross terminal revenue, projected operating and capital expenses and defined gaming market and projected visitation.*

REDACTED



## Appendix 41

*Provide a letter of reference from law enforcement agencies having jurisdiction in the applicant's and principals main place of residence and place of business indicating that the agency does not have any pertinent information relating to the applicant or its principals. If the law enforcement agency has information pertaining to the applicant or its principals, the letter shall specify the details of the information. If no letters are received within 30 days of the request, the applicant or principal may submit a sworn or affirmed statement that the applicant or principal is a citizen in good standing in his jurisdiction of residence and primary place of business.*

REDACTED



## Appendix 42

*If the applicant has held a gaming license in any jurisdiction, provide a letter of reference from the gaming or casino enforcement or regulatory agency in the other jurisdiction, specifying the experiences of the agency with the applicant, the applicant's associates and the applicant's gaming operation. If no letters are received within 30 days of the request, the applicant or principal may submit a sworn or affirmed statement that the applicant's operation is in good standing with the regulatory agency.*

REDACTED



## Appendix 45

*Provide a summary of all persons who hold an ownership or other beneficial interest in the applicant and any such interest in any of its principal affiliates or principal entities required to be licensed or permitted in Pennsylvania; provided, however, if any of the entities are publicly traded, only interests equal to or exceeding five percent must be disclosed. Ownership interest should be provided in a manner consistent with the ownership interest report found on the Board's website under licensure/reports and general information.*

Please refer to **Schedule 18** and **Appendix 24**.