

MISSOURI GAMING COMMISSION  
COMMISSION RESOLUTION NO. 16-011

APPROVING PINNACLE ENTERTAINMENT, INC.'S AND  
GAMING & LEISURE PROPERTIES, INC.'S JOINT PETITION  
FOR APPROVAL OF TRANSFER OF INTEREST AND CHANGE OF CONTROL

March 23, 2016

WHEREAS, Pinnacle Entertainment, Inc. ("Pinnacle"), is a holder of a Class A gaming license in Missouri and operates three Class B Licensees in Missouri, operating Ameristar Casino Kansas City, Inc. ("ACKCI"), Ameristar Casino St. Charles, Inc. ("ACSCI"), and PNK (River City) LLC ("PNK-RC"); and

WHEREAS, Gaming & Leisure Properties, Inc. ("GLPI"), is a Real Estate Investment Trust ("REIT") incorporated in Pennsylvania and is the holder of a Key Business Entity license in Missouri; and

WHEREAS, Gold Merger Sub, LLC ("GLPI Merger Sub") is a Delaware limited liability company and wholly owned subsidiary of GLPI and has applied for a Key Business Entity license in Missouri; and

WHEREAS, Pinnacle, GLPI, and GLPI Merger Sub (collectively "Petitioners") petitioned the Missouri Gaming Commission ("Commission") for its approval of the following:

- 1) Pinnacle's transfer of interest and control of PNK-RC, ACSCI, and ACKCI (Collectively, the "Missouri Class B Licensees") to PNK Entertainment, Inc., ("OpCo"), and OpCo's transfer of the Missouri Class B Licensees to its subsidiary, Pinnacle MLS, LLC ("TenantCo"), along with the conversion of ACKCI into a Missouri limited liability company to be named Ameristar Casino Kansas City, LLC ("ACKC-LLC") and the conversion of ACSI into a Missouri limited liability company to be named Ameristar Casino St. Charles, LLC ("ACSC-LLC");
- 2) Pinnacle's transfer of interest of substantially all of the real estate assets of Pinnacle's subsidiaries, including all real estate and improvements used in the riverboat gaming operations of the Missouri Class B Licensees to GLPI Merger Sub through the process of the merger described in the Petition;
- 3) Licensure of OpCo as the Class A licensee of the Missouri Class B Licensees (to include PNK-RC, ACKC-LLC and ACSC-LLC); and
- 4) Licensure of GLPI, GLP Capital Partners, LLC, GLP Capital LP and GLPI Merger Sub as Key Business Entities of OpCo as a result of a master lease agreement between GLPI Merger Sub and TenantCo.

WHEREAS, upon completion of the transactions pursuant to the Merger Agreement, the real estate assets associated with Pinnacle's casino properties, including real estate and improvements currently owned by PNK-RC, ACKCI, and ACSCI will be owned by GLPI through GLPI Merger Sub, and Pinnacle's stockholders will receive shares of GLPI common stock. The Missouri Class B Licensees will continue in the same locations with the same management teams;

WHEREAS, upon the merger of Pinnacle with GLPI Merger Sub, GLPI Merger Sub will become the landlord for the current and new operating subsidiary limited liability companies of OpCo, including the Missouri Class B Licensees;

WHEREAS, once the merger is completed, OpCo will change its name to "Pinnacle Entertainment, Inc." ("PNK") and members of the Board of Directors and the officers of Pinnacle will become members of the Board of Directors and officers of PNK, respectively;

WHEREAS, after the close of the transaction, PNK will operate the leased gaming facilities in Missouri; and

WHEREAS, immediately after the close of the transaction, existing Pinnacle shareholders will own 100% of the shares of PNK, which will be a publicly traded company, and approximately 29% equity interest in the larger post-transaction GLPI;

WHEREAS, 11 CSR 45-10.040(8)(A) defines a Material Change in Control as "any sale, transfer, or lease by a licensee of all or any portion of the real estate upon which a riverboat gaming operation is conducted or located;" and

WHEREAS, the Commission has reviewed the parties' Joint Petition for Approval of Transfer of Interest and Change in Control and other documents and information relating to said Joint Petition.

WHEREAS, in accordance with 11 CSR 45-10.040(12), the Commission finds that the Petitioners have proven by clear and convincing evidence that

- (A) The transfer is in the best interest of the state of Missouri;
- (B) The transfer is not injurious to the public health, safety, morals, good order, or general welfare of the people of the state of Missouri, and that it would not discredit or tend to discredit the gaming industry or the state of Missouri;
- (C) It would have no material negative competitive impact;
- (D) It would have no potential to affect the licensee's suitability to hold a gaming license; and
- (E) It would not potentially result in any significant negative changes in the financial condition of the licensee; and

THEREFORE, BE IT RESOLVED by the Missouri Gaming Commission that the Joint Petition for Approval of Transfer of Interest and Change in Control filed by Pinnacle Entertainment, Inc., Gaming & Leisure Properties, Inc., and Gold Merger Sub, LLC, a copy of which is attached hereto and incorporated herein by reference, is hereby approved.

IT IS FURTHER ORDERED that PNK, GLPI, and GLPI Merger Sub shall comply with the following conditions:

1. PNK shall annually report capital expenditures as a percentage of net revenue;
2. The parties shall report all PNK capital expenditure requests submitted to GLPI for its consent and GLPI's response;
3. The parties shall report the annual rental amount by January 31<sup>st</sup> of each year;
4. The parties shall promptly report any lease dispute that remains unresolved for more than fifteen (15) days of the dispute occurring;
5. The parties shall immediately report any uncured lease Event of Default (as defined by the lease);
6. The parties shall immediately report any bankruptcy filing or any default on the terms of any financing agreement;
7. The parties shall report any lease amendment thirty (30) days before the amendment would become effective, unless such amendment is necessary to comply with any material law, rule or regulation, in which case such amendment may be effective immediately and reported promptly;
8. The parties shall report any lease renewal thirty (30) days before the renewal date;
9. GLPI shall report any other transactions it pursues that are approved by the GLPI Board of Directors, regardless of whether such transactions involve property in Missouri; and
10. The parties shall promptly report to the Commission, on an ongoing basis, any dispute, amendment or extension relating to the lease, and upon request promptly provide the MGC any relevant documents or information, and in addition shall file a written report with the Commission of the status of any communication or negotiation relative to amendments or extension to the lease on or within 30 days after January 2, 2027.