
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, DC 20549

FORM 8-K

**CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934**

Date of Report (Date of earliest event reported): **November 1, 2013**

PENN NATIONAL GAMING, INC.

Commission file number **0-24206**

Incorporated Pursuant to the Laws of the Commonwealth of Pennsylvania

IRS Employer Identification No. **23-2234473**

**825 Berkshire Blvd., Suite 200
Wyomissing, PA 19610**

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:

- 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))
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Item 1.01. Entry into a Material Definitive Agreement.

As previously disclosed, on November 1, 2013, Penn National Gaming, Inc. ("Penn") completed the spin-off (the "spin-off") of its real property assets through the distribution to its shareholders of shares of common stock of Gaming and Leisure Properties, Inc. ("GLPI"). In connection with the spin-off, Penn entered into several definitive agreements with GLPI that, among other things, set forth the terms and conditions of the spin-off and provide a framework for Penn's relationship with GLPI after the spin-off, including the following agreements:

- Separation and Distribution Agreement;
- Master Lease;
- Tax Matters Agreement;
- Employee Matters Agreement; and
- Transition Services Agreement.

A more comprehensive description of certain important terms of the definitive agreements referenced above can be found in the section entitled "Relationship Between GLPI and Penn After the Spin-Off" of GLPI's prospectus (File No. 333-188608) filed with the SEC on October 10, 2013 pursuant to Rule 424(b)(3) under the Securities Act of 1933, as amended, which description is incorporated herein by reference. The description is qualified in its entirety by the agreements filed with this Current Report on Form 8-K as Exhibits 2.1, 10.1, 10.2, 10.3 and 10.4, each of which is incorporated herein by reference.

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

In connection with the spin-off, Peter M. Carlino, formerly Penn's Chief Executive Officer, William J. Clifford, formerly Penn's Senior Vice President and Chief Financial Officer, and Steven T. Snyder, formerly Penn's Senior Vice President of Corporate Development, elected to cease employment with Penn as of the effective date of the spin-off and are now employed by GLPI. In addition, Wesley R. Edens resigned from the Penn board of directors as of the effective date of the spin-off. Mr. Carlino remains Chairman of Penn's board of directors. Timothy J. Wilmott has been appointed Chief Executive Officer of Penn and remains Penn's President, and Desiree A. Burke, Vice President and Chief Accounting Officer of Penn, has been temporarily appointed Penn's principal financial officer to serve until Penn completes a search for a permanent Chief Financial Officer.

Item 5.03. Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year.

Effective November 1, 2013, the Penn board of directors adopted Penn's Third Amended and Restated Bylaws (the "Restated Bylaws"), pursuant to the authority granted by Section 8.09 of the Penn's Second Amended and Restated Bylaws, as amended (the "Previous Bylaws"). These amendments are the result of the Board's overall review of Penn's corporate governance practices, and are intended to generally update the Previous Bylaws and to reflect recent changes to the Pennsylvania Business Corporation Law of 1988, as amended (the "PBCL"). The Restated Bylaws amend and restate the Previous Bylaws in their entirety. A copy of the Restated Bylaws is filed as Exhibit 3.1 to this Current Report on Form 8-K and is incorporated herein by reference.

The following summarizes the material differences between the Previous Bylaws and the Restated Bylaws:

- The Restated Bylaws codify and update the provisions relating to the procedure for submission of shareholder nominations and proposals and consolidate such provisions in one place (Article VII). The Restated Bylaws establish more detailed procedures for the submission of such nominations and proposals.
- The Restated Bylaws include a comprehensive definition of a person who is unsuitable to serve as a director of Penn (Section 4.02). The Previous Bylaws did not include such a definition.

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- The Restated Bylaws provide that a director who is subject to removal for "cause," including as a result of becoming an "unsuitable person," shall tender his or her resignation and the Board shall consider whether to accept such resignation (Section 4.03). The Previous Bylaws provided that a director who becomes unsuitable to serve on the Board may be removed by the Board.
- The Restated Bylaws provide that a director may only be removed from the Board, with or without cause, by the affirmative vote of the holders of seventy-five percent (75%) of the voting power of all shares of Penn (Section 4.05). This provision is consistent with the Penn's Amended and Restated Articles of Incorporation, as amended. The Previous Bylaws provided that a director may be removed either by the shareholders without cause or by the other directors upon the occurrence of certain specified events.
- The Restated Bylaws provide that the Chairman of the Board and the Chief Executive Officer of Penn are separate positions. Under the Restated Bylaws, the Chairman of the Board is not an officer of Penn (Section 4.07). In addition, the Restated Bylaws provide that the Chief Executive Officer of Penn will be responsible for the general supervision of the business and operations of Penn (Section 5.05). Under the Previous Bylaws, the Chairman of the Board was the chief executive officer of Penn.
- The Restated Bylaws include procedures pursuant to which the Board will determine whether any person entitled to indemnification and advancement of expenses under the Restated Bylaws has met the standards required by applicable law and whether the advancement of expenses is appropriate under the circumstances (Section 8.04). The Previous Bylaws did not include such a provision.
- The Restated Bylaws provide that the sole and exclusive forum for (i) any derivative action brought on behalf of Penn, (ii) any action asserting a claim of breach of fiduciary duty by any director, officer or other employee, (iii) any action asserting a claim under the PBCL, or (iv) any action relating to the relationships between Penn and its officers, directors and shareholders shall be a state or federal court located within Berks County in the Commonwealth of Pennsylvania (Article IX). The Previous Bylaws did not include such a provision.
- The Restated Bylaws provide that the Restated Bylaws may be amended or repealed (i) upon the vote of seventy-five percent (75%) of the votes cast at a meeting of shareholders, (ii) in the event of an amendment or repeal that has been proposed by the Board, upon the vote of fifty percent (50%) of the votes cast at a meeting of shareholders, or (iii) by the Board (Section 10.09). The Previous Bylaws provided that, except as provided in the express terms of any series of shares of Penn, the authority to amend and repeal the Previous Bylaws was vested in the Board, including in circumstances reserved by statute exclusively to the shareholders, subject to the power of the shareholders to change such amendment or repeal.

This description of the Restated Bylaws is only a summary and is qualified in its entirety by reference to the full text of the Restated Bylaws, a copy of which is filed as Exhibit 3.1 to this Current Report on Form 8-K and incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

Exhibit Number	Description
2.1	Separation and Distribution Agreement, dated as of November 1, 2013, between Gaming and Leisure Properties, Inc. and Penn National Gaming, Inc.

- 3.1 Third Amended and Restated Bylaws of Penn National Gaming, Inc., effective as of November 1, 2013
- 10.1 Master Lease, dated as of November 1, 2013, among GLP Capital, L.P. and Penn Tenant, LLC.
- 10.2 Tax Matters Agreement, dated as of November 1, 2013, among Penn National Gaming, Inc. and Gaming and Leisure Properties, Inc.
- 10.3 Transition Services Agreement, dated as of November 1, 2013, among Penn National Gaming, Inc. and Gaming and Leisure Properties, Inc.
- 10.4 Employee Matters Agreement, dated as of November 1, 2013, among Penn National Gaming, Inc. and Gaming and Leisure Properties, Inc.

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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 7, 2013

PENN NATIONAL GAMING, INC.

By: /s/ Robert Ippolito
Name: Robert Ippolito
Title: Vice President, Secretary and Treasurer

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SEPARATION AND DISTRIBUTION AGREEMENT

BY AND BETWEEN

PENN NATIONAL GAMING, INC.

AND

GAMING AND LEISURE PROPERTIES, INC.

Dated November 1, 2013

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SEPARATION AND DISTRIBUTION AGREEMENT

This SEPARATION AND DISTRIBUTION AGREEMENT, dated as of November 1, 2013 (this “Agreement”), is by and between Penn National Gaming, Inc., a Pennsylvania corporation (“Penn”), and Gaming and Leisure Properties, Inc., a Pennsylvania corporation (“GLPI”), and, solely for the purposes of Section 6.8, Article VII and Article VIII, Hollywood Casinos, LLC, a Delaware limited liability company (“Hollywood Casinos”).

WITNESSETH:

WHEREAS, the board of directors of Penn has determined that it is in the best interests of Penn to create and distribute the stock of a new publicly traded company which shall operate the GLPI Business, and such distribution is motivated, in substantial part, by the purpose of facilitating strategic expansion opportunities for the property ownership and development business of Penn by providing GLPI with the ability to (i) pursue transactions with other gaming operators that would not pursue transactions with Penn as a current competitor, (ii) fund acquisitions with its equity on significantly more favorable terms than those that would be available to Penn, (iii) diversify into different businesses in which Penn, as a practical matter, could not diversify, such as hotels, entertainment facilities and office space, and (iv) pursue certain transactions that Penn otherwise would be disadvantaged by or precluded from pursuing due to regulatory constraints;

WHEREAS, GLPI has been incorporated solely for these purposes and has not engaged in activities except in preparation for its corporate reorganization and the distribution of its stock;

WHEREAS, the board of directors of Penn and the board of directors of GLPI have approved the transfer by Penn and its Subsidiaries of the GLPI Assets to GLPI and its Subsidiaries in actual or constructive exchange for (i) the assumption by GLPI and certain of its Subsidiaries of the GLPI Liabilities, (ii) the issuance by GLPI to Penn or its Subsidiaries of shares of the common stock, par value one one-hundredth of one dollar (\$0.01) per share, of GLPI (the “GLPI Common Stock”), and (iii) the distribution by GLPI, directly or indirectly, to Penn of the GLPI Cash Payment, all as more fully described in this Agreement and the other Transaction Documents (together with certain related transactions, the “Reorganization”);

WHEREAS, the board of directors of Penn has further approved the distribution (the “Spin-Off”) of all of the issued and outstanding shares of GLPI Common Stock to the holders of the issued and outstanding common shares, par value one one-hundredth of one dollar (\$0.01) per share, of Penn (the “Penn Common Shares”) and the holders of Series C Convertible Preferred Stock (“Series C”) as of the close of business on the Record Date;

WHEREAS, Peter M. Carlino and a related trust will receive additional shares of GLPI Common Stock in exchange for Penn Common Shares that he will transfer to Penn immediately prior to the Spin-Off (together with the Spin-Off, the “Distribution”);

WHEREAS, GLPI has filed with the SEC the Form S-11, which sets forth disclosure concerning GLPI and the Distribution;

WHEREAS, in connection with the Distribution, Penn and GLPI have entered into the Financing Arrangements;

WHEREAS, for U.S. federal income tax purposes, certain aspects of the Reorganization and the Distribution, together with certain related transactions, are intended to qualify for tax-free treatment under Sections 355 and 368(a)(1)(D) of the Code;

WHEREAS, Penn has received a private letter ruling from the IRS to the effect that, among other things, (i) certain aspects of the Reorganization and the Distribution, together with certain related transactions, qualify as a transaction (a) that is described in Sections 355 and 368(a)(1)(D) of the Code, (b) in which the GLPI Common Stock distributed is “qualified property” under Section 361(c) of the Code and (c) in which the holders of Penn Common Shares recognize no income or gain for U.S. federal income tax purposes under Section 355 of the Code and (ii) certain other steps of the Plan of Reorganization qualify as transactions that are described in Sections 355(a) and 368(a)(1)(D) of the Code (the “Private Letter Ruling”);

WHEREAS, this Agreement is intended to be, and is hereby adopted as, a “plan of reorganization” within the meaning of Treas. Reg. 1.368-2(g); and

WHEREAS, it is appropriate and desirable to set forth the principal corporate transactions required to effect the Reorganization and the Distribution and to set forth certain other agreements that will, following the Distribution, govern certain matters relating to the Reorganization and the Distribution and the relationship of Penn, GLPI and their respective Subsidiaries.

NOW, THEREFORE, in consideration of the premises and the representations, warranties, covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, the parties hereby agree as follows:

ARTICLE I

DEFINITIONS

1.1 Certain Definitions. For purposes of this Agreement, the following terms shall have the meanings specified in this Section 1.1:

“Action” means any demand, action, claim, dispute, suit, countersuit, arbitration, inquiry, subpoena, proceeding or investigation of any nature (whether criminal, civil, legislative, administrative, regulatory, prosecutorial or otherwise) by or before any federal, state, local, foreign or international Governmental Authority or any arbitration or mediation tribunal.

“Affiliate” (including, with a correlative meaning, “affiliated”) means, when used with respect to a specified Person, a Person that directly or indirectly, through one (1) or more intermediaries, controls, is controlled by or is under common control with such specified Person. For the purpose of this definition and the definitions of “GLPI Group” and “Penn Group,” “control” (including with correlative meanings, “controlled by” and “under common control with”), when used with respect to any specified Person shall mean the possession, directly or

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indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities or other interests, by contract, agreement, obligation, indenture, instrument, lease, promise, arrangement, release, warranty, commitment, undertaking or otherwise. It is expressly agreed that, from and after the Effective Time and for purposes of this Agreement and the other Transaction Documents, no member of the GLPI Group shall be deemed to be an Affiliate of any member of the Penn Group, and no member of the Penn Group shall be deemed to be an Affiliate of any member of the GLPI Group.

“Agreement” has the meaning set forth in the Recitals.

“Amended and Restated Articles of Incorporation” has the meaning set forth in Section 3.2(m).

“Amended and Restated Bylaws” has the meaning set forth in Section 3.2(m).

“Approvals or Notifications” means any consents, waivers, approvals, permits or authorizations to be obtained from, notices, registrations or reports to be submitted to, or other filings to be made with, any third Person, including any Governmental Authority.

“Assets” means, with respect to any Person, the assets, properties, claims and rights (including goodwill) of such Person, wherever located (including in the possession of vendors or other third Persons or elsewhere), of every kind, character and description, whether real, personal or mixed, tangible, intangible or contingent, in each case whether or not recorded or reflected or required to be recorded or reflected on the books and records or financial statements of such Person, including the following:

(a) all accounting and other books, records and files whether in paper, microfilm, microfiche, computer tape or disc, magnetic tape, electronic or any other form and including all architectural, structural, service manuals, engineering and mechanical plans, electrical, soil, wetlands, environmental, and similar reports, studies and audits in a Person’s possession or control;

(b) all office, hotel, casino, barge, showroom, restaurant, bar, convention, meeting and other furniture, furnishings, fittings, appliances, equipment, equipment manuals, slot machines, gaming tables and gaming paraphernalia (including parts or inventories thereof), passenger/delivery vehicles, computer hardware and IT hardware systems, reservations terminals, software, point of sale equipment, two-way security radios and base station, machinery, spare parts, apparatus, appliances, draperies, art work, carpeting, keys, building materials, telephones and other communications equipment, televisions, maintenance equipment, tools, signs and signage, office supplies, engineering, maintenance and cleaning supplies and other supplies of all kinds, stationery and printing, linens (sheets, towels, blankets, napkins), uniforms, silverware, glassware, chinaware, pots, pans and utensils, and food, beverage, alcoholic beverage inventories and all other articles of tangible personal property;

(c) all interests in Real Property;

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(d) (i) all interests in any capital stock or other equity interests of any Subsidiary or any other Person, (ii) all bonds, notes, debentures or other securities issued by any Subsidiary or any other Person, (iii) all loans, advances or other extensions of credit or capital contributions to any Subsidiary or any other Person and (iv) all other investments in securities of any Person;

(e) all license agreements, leases of personal property, supplies, parts or services and other contracts, agreements or commitments;

(f) all deposits, letters of credit and performance and surety bonds;

(g) all written (including in electronic form) or oral technical information, data, specifications, research and development information, engineering drawings and specifications, operating and maintenance manuals, and materials and analyses prepared by consultants and other third Persons;

(h) all Intellectual Property and Technology;

(i) all Software;

(j) all cost information, sales data, customer lists, markers, supplier records, customer and supplier lists, customer and vendor data, correspondence and lists, product data and literature, artwork, design, formulations and specifications, bookings, contracts, reservations, advertising, marketing and promotional materials, telephone numbers, quality records and reports and other books, records, studies, surveys, reports, plans and documents;

(k) all prepaid expenses, trade accounts and other accounts and notes receivable;

(l) all rights under contracts or agreements, all claims or rights against any Person arising from the ownership of any Asset, all rights in connection with any bids or offers and all claims, choses in action or similar rights, whether accrued or contingent;

(m) all rights under insurance policies and all rights in the nature of insurance, indemnification or contribution;

(n) all licenses, permits, approvals and authorizations which have been issued by any Governmental Authority;

(o) all cash or cash equivalents, bank accounts, lock boxes and other deposit arrangements; and

(p) all interest rate, currency, commodity or other swap, collar, cap or other hedging or similar agreements or arrangements.

“Assumed Actions” has the meaning set forth in Section 6.5(a).

“Code” means the Internal Revenue Code of 1986, as amended.

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“CPR” means the International Institute for Conflict Prevention & Resolution.

“CPR Arbitration Rules” has the meaning set forth in Section 7.2(a).

“Disclosure Documents” means any registration statement (including the Form S-11) filed with the SEC by or on behalf of any party or any of its controlled Affiliates, and also includes any information statement, prospectus, offering memorandum, offering circular, periodic report or similar disclosure document, whether or not filed with the SEC or any other Governmental Authority, in each case which describes the Reorganization or the GLPI Group or primarily relates to the transactions contemplated hereby.

“Dispute” has the meaning set forth in Section 7.1(a).

“Distribution” has the meaning set forth in the Recitals.

“Distribution Agent” means Continental Stock Transfer & Trust.

“Distribution Date” means November 1, 2013, or such other time as determined by Penn in accordance with Section 3.3(b).

“Effective Time” means the time at which the Distribution occurs on the Distribution Date, which shall be deemed to be 12:01 a.m., New York City Time, on the Distribution Date.

“Employee Matters Agreement” means the Employee Matters Agreement in substantially the form attached hereto as Exhibit C, to be entered into by and between Penn and GLPI on or prior to the Distribution Date.

“Environmental Law” means any Law relating to pollution, protection or restoration of or prevention of harm to the environment or natural resources, including the use, handling, transportation, treatment, storage, disposal, release or discharge of Hazardous Materials or the protection of or prevention of harm to human health and safety.

“Exchange Act” means the United States Securities Exchange Act of 1934, as amended, and the rules and regulations of the SEC thereunder, all as the same shall be in effect at the time that reference is made.

“Financing Arrangements” has the meaning set forth in Section 3.2(j).

“Force Majeure” means, with respect to a party, an event beyond the control of such party (or any Person acting on its behalf), which by its nature could not reasonably have been foreseen by such party (or such Person), or, if it could have reasonably been foreseen, was unavoidable, and includes acts of God, storms, floods, riots, fires, sabotage, civil commotion or civil unrest, interference by civil or military authorities, acts of war (declared or undeclared) or armed hostilities or other national or international calamity or one (1) or more acts of terrorism or failure of energy sources. Notwithstanding the foregoing, the receipt by a party of an unsolicited takeover offer or other acquisition proposal, even if unforeseen or unavoidable, and such party’s response thereto shall not be deemed an event of Force Majeure.

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“Form S-11” means the registration statement on Form S-11 filed by GLPI with the SEC to effect the registration of GLPI Common Stock pursuant to the Securities Act in connection with the Distribution, as such registration statement may be amended or supplemented from time to time prior to the Effective Time.

“GLPI” has the meaning set forth in the Recitals.

“GLPI Assets” has the meaning set forth in Section 2.2(a).

“GLPI Balance Sheet” has the meaning set forth in Section 3.1(c).

“GLPI Business” means the business of owning or leasing the GLPI Real Property and owning and operating the GLPI Subsidiaries, provided, for the avoidance of doubt, that the GLPI Business shall not include the business of operating any casinos, racetracks or other facilities located at the GLPI Real Property other than the TRS Properties.

“GLPI Cash Payment” has the meaning set forth in Section 3.2(j).

“GLPI Common Stock” has the meaning set forth in the Recitals.

“GLPI Confidential Information” has the meaning set forth in Section 6.2(a).

“GLPI Contracts” means any contract, agreement, arrangement, commitment or understanding listed or described on Schedule 1.1(a) (or any applicable licenses, leases, addenda and similar arrangements thereunder as described on Schedule 1.1(a)) and any other contract, agreement, arrangement, commitment or understanding, whether or not in writing, that relates primarily to the GLPI Business.

“GLPI Group” means GLPI, each Subsidiary of GLPI and each other Person that is controlled directly or indirectly by GLPI, in each case immediately after the Effective Time; provided, however, that no director, officer, employee, agent or other representative of any of the foregoing who is a natural person shall be deemed to be a member of the GLPI Group.

“GLPI Indemnified Parties” has the meaning set forth in Section 5.3.

“GLPI Liabilities” has the meaning set forth in Section 2.3(a).

“GLPI Subsidiaries” means the entities intended to become Subsidiaries of GLPI in the Reorganization pursuant to the Plan of Reorganization.

“Governmental Authority” means any nation or government, any state, municipality or other political subdivision thereof, and any entity, body, agency, commission, department, board, bureau, court, tribunal or other instrumentality, whether federal, state, local, domestic, foreign or multinational, exercising executive, legislative, judicial, regulatory, administrative or other similar functions of, or pertaining to, government and any executive official thereof.

“Group” means the Penn Group or the GLPI Group, as the context requires.

“Hazardous Materials” means any chemical, material, substance, waste, pollutant, emission, discharge, release or contaminant that could result in liability under, or that is prohibited, limited or regulated by or pursuant to, any Environmental Law, and any natural or artificial substance (whether solid, liquid or gas, noise, ion, vapor or electromagnetic) which could cause harm to human health or the environment, including petroleum, petroleum products and byproducts, asbestos and asbestos-containing materials, urea formaldehyde foam insulation, electronic, medical or infectious wastes, polychlorinated biphenyls, radon gas, radioactive substances, chlorofluorocarbons and all other ozone-depleting substances.

“Indemnified Party” has the meaning set forth in Section 5.6(a).

“Indemnifying Party” has the meaning set forth in Section 5.6(a).

“Indemnity Payment” has the meaning set forth in Section 5.6(a).

“Information” means information, whether or not patentable or copyrightable, in written, oral, electronic or other tangible or intangible forms, stored in any medium, including studies, reports, records, books, contracts, instruments, surveys, discoveries, ideas, concepts, know-how, techniques, designs, specifications, drawings, blueprints, diagrams, models, prototypes, samples, flow charts, data, computer data, disks, diskettes, tapes, computer programs or other software, marketing plans, customer names, communications by or to attorneys (including attorney-client privileged communications), memoranda and other materials prepared by attorneys or under their direction (including attorney work product), and other technical, financial, employee or business information or data.

“Insurance Proceeds” means those monies (i) received by an insured from an insurance carrier, (ii) paid by an insurance carrier on behalf of the insured or (iii) received (including by way of set off) from any third Person in the nature of insurance, contribution or indemnification in respect of any Liability; in any such case net of any applicable premium adjustments (including reserves and retrospectively rated premium adjustments) and net of any costs or expenses incurred in the collection thereof.

“Intellectual Property” means all of the following whether arising under the Laws of the United States or of any other foreign or multinational jurisdiction: (i) patents, patent applications (including patents issued thereon) and statutory invention registrations, including reissues, divisions, continuations, continuations in part, substitutions, renewals, extensions and reexaminations of any of the foregoing, and all rights in any of the foregoing provided by international treaties or conventions, (ii) trademarks, service marks, trade names, service names, trade dress, logos and other source or business identifiers, including all goodwill associated with any of the foregoing, and any and all common law rights in and to any of the foregoing,

registrations and applications for registration of any of the foregoing, all rights in and to any of the foregoing provided by international treaties or conventions, and all reissues, extensions and renewals of any of the foregoing, (iii) Internet domain names, (iv) copyrightable works, copyrights, moral rights, mask work rights, database rights and design rights, in each case, other than Software, whether or not registered, and all registrations and applications for registration of any of the foregoing, and all rights in and to any of the foregoing provided by international treaties or conventions, (v) confidential and proprietary information, including trade secrets,

invention disclosures, processes and know-how, in each case, other than Software, and (vi) intellectual property rights arising from or in respect of any Technology.

“IP License” has the meaning set forth in Section 6.8(a).

“IRS” means the United States Internal Revenue Service.

“Law” means any national, supranational, federal, state, provincial, local or similar law (including common law), statute, code, order, ordinance, rule, regulation, treaty (including any income tax treaty), license, permit, authorization, approval, consent, decree, injunction, binding judicial or administrative interpretation or other requirement, in each case, enacted, promulgated, issued or entered by a Governmental Authority.

“Leased Property” has the meaning set forth in the Master Lease.

“Liabilities” means any and all debts, guarantees, liabilities, costs, expenses, interest and obligations, whether accrued or fixed, absolute or contingent, matured or unmatured, reserved or unreserved, or determined or determinable, including those arising under any Law, claim (including any third Person product liability claim), demand, Action, whether asserted or unasserted, or order, writ, judgment, injunction, decree, stipulation, determination or award entered by or with any Governmental Authority and those arising under any contract, agreement, obligation, indenture, instrument, lease, promise, arrangement, release, warranty, commitment or undertaking, or any fines, damages or equitable relief that is imposed, in each case, including all costs and expenses relating thereto.

“Licensed Intellectual Property” has the meaning set forth in Section 6.8(a).

“Licensed Marks” means any rights under the trade marks and service marks listed on Schedule 6.8 and the goodwill represented thereby.

“Master Lease” means the Master Lease Agreement to be entered into by Penn and GLPI prior to or as of the Effective Time.

“NASDAQ” means the NASDAQ Stock Market.

“Penn” has the meaning set forth in the Recitals.

“Penn Assets” has the meaning set forth in Section 2.2(b).

“Penn Business” means the businesses and operations conducted prior to the Effective Time by any member of the Penn Group that are not included in the GLPI Business.

“Penn Common Shares” has the meaning set forth in the Recitals.

“Penn Confidential Information” has the meaning set forth in Section 6.2(b).

“Penn Group” means Penn, each Subsidiary of Penn and each other Person that is controlled directly or indirectly by Penn, in each case immediately after the Effective Time;

provided, however, that no director, officer, employee, agent or other representative of any of the foregoing who is a natural person shall be deemed a member of the Penn Group.

“Penn Indemnified Parties” has the meaning set forth in Section 5.2.

“Penn Liabilities” has the meaning set forth in Section 2.3(b).

“Person” means any individual, corporation, partnership, firm, joint venture, association, joint-stock company, trust, unincorporated organization, limited liability company, Governmental Authority or other entity.

“Plan of Reorganization” has the meaning set forth in Section 2.1(a).

“Private Letter Ruling” has the meaning set forth in the Recitals.

“Prospectus” means the prospectus, which will be part of the Form S-11, to be sent to each holder of Penn common stock in connection with the Distribution.

“Qualifying Income” has the meaning set forth in Section 5.8(a).

“Real Property” means all interests in real property of whatever nature, whether as owner, mortgagee or holder of a Security Interest in real property, lessor, sublessor, lessee, sublessee or otherwise, and including all buildings or barges located thereon, and all associated parking areas, fixtures and all other improvements located on thereon, and including all rights, benefits, privileges, tenements, hereditaments, covenants, conditions, restrictions, easements and other appurtenances on such a real property or otherwise appertaining to or benefitting the real property and/or the improvements situated thereon, including all mineral rights, development rights, air and water rights, subsurface rights, vested rights entitling, or prospective rights which may entitle the owner of the real property to related easements, land use rights, air rights, viewshed rights, density credits, water, sewer, electrical or other utility service, credits and/or rebates, strips and gores and any land lying in the bed of any street, road or alley, open or proposed, adjoining the real property, and all easements, rights of way and other appurtenances used or connected with the beneficial use or enjoyment of the real property.

“Record Date” means October 16, 2013.

“REIT” has the meaning set forth in Section 5.8(a).

“Reorganization” has the meaning set forth in the Recitals.

“Representatives” has the meaning set forth in Section 6.2(a).

“Required Approvals” has the meaning set forth in Section 2.5(a).

“SEC” means the United States Securities and Exchange Commission.

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“Securities Act” means the United States Securities Act of 1933, as amended, and the rules and regulations of the SEC thereunder, all as the same shall be in effect at the time that reference is made.

“Security Interest” means any mortgage, security interest, pledge, lien, charge, claim, option, right to acquire, voting or other restriction, right-of-way, covenant, condition, easement, encroachment, restriction on transfer, or other encumbrance of any other nature.

“Series C” has the meaning set forth in the Recitals.

“Software” means any and all (i) computer programs, including any and all software implementation of algorithms, models and methodologies, whether in source code, object code, human readable form or other form, (ii) databases and compilations, including any and all data and collections of data, whether machine readable or otherwise, (iii) descriptions, flow charts and other work products used to design, plan, organize and develop any of the foregoing, screens, user interfaces, report formats, firmware, development tools, templates, menus, buttons and icons, and (iv) documentation, including user manuals and other training documentation, relating to any of the foregoing.

“Special Damages” has the meaning set forth in Section 5.10.

“Specified REIT Requirements” has the meaning set forth in Section 5.8(a)

“Spin-Off” has the meaning set forth in the Recitals.

“Subsidiary” means, with respect to any Person, any corporation, limited liability company, joint venture or partnership of which such Person (i) beneficially owns, either directly or indirectly, more than fifty percent (50%) of (A) the total combined voting power of all classes of voting securities of such Person, (B) the total combined equity interests or (C) the capital or profit interests, in the case of a partnership, or (ii) otherwise has the power to vote, either directly or indirectly, sufficient securities to elect a majority of the board of directors or similar governing body.

“Tax” has the meaning set forth in the Tax Matters Agreement.

“Tax Attributes” has the meaning set forth in the Tax Matters Agreement.

“Tax Matters Agreement” means the Tax Matters Agreement, in substantially the form attached hereto as Exhibit B, to be entered into by and between Penn and GLPI on or prior to the Distribution Date.

“Technology” means all technology, designs, formulae, algorithms, procedures, methods, discoveries, processes, techniques, ideas, know-how, research and development, technical data, tools, materials, specifications, processes, inventions (whether patentable or unpatentable and whether or not reduced to practice), apparatus, creations, improvements, works of authorship in any media, confidential, proprietary or non-public information, and other similar materials, and all recordings, graphs, drawings, reports, analyses and other writings, and other

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tangible embodiments of the foregoing in any form whether or not listed herein, in each case, other than Software.

“Term” has the meaning set forth in Section 6.8(a).

“Third Party Claim” has the meaning set forth in Section 5.7(a).

“TPA” has the meaning set forth in Section 6.3(b)(i).

“Transaction Documents” means this Agreement, the Master Lease, the Transition Services Agreement, the Tax Matters Agreement, the Employee Matters Agreement and the Transfer Documents.

“Transactions” means, collectively, (i) the Reorganization, (ii) the Distribution and (iii) all other transactions contemplated by this Agreement or any other Transaction Document.

“Transfer Documents” means the documents executed by Penn, GLPI or their applicable Affiliates or Subsidiaries in connection with the transactions contemplated by Section 2.1(b) and Section 2.4(b).

“Transferred Actions” has the meaning set forth in Section 6.5(b).

“Transition Services Agreement” means the Transition Services Agreement in substantially the form attached hereto as Exhibit A, to be entered into by and between Penn and GLPI on or prior to the Distribution Date.

“TRS Properties” means the properties set forth on Schedule 6.8.

ARTICLE II

THE REORGANIZATION

2.1 Transfer of Assets; Assumption of Liabilities.

(a) Prior to the Distribution, in accordance with the plan and structure set forth on Schedule 2.1(a) (such plan and structure being referred to herein as the “Plan of Reorganization”), which Plan of Reorganization Penn shall effectuate on or prior to the Distribution, and to the extent not previously effected pursuant to the steps of the Plan of Reorganization that have been completed prior to the date hereof:

(i) Penn shall, and shall cause its applicable Subsidiaries to, assign, transfer, convey and deliver to GLPI or certain Persons designated by GLPI who are or will become members of the GLPI Group, and GLPI or such Persons shall accept from Penn and its applicable Subsidiaries, all of Penn’s and such Subsidiaries’ respective direct or indirect right, title and interest in and to all GLPI Assets;

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(ii) subject to Section 2.5(c), GLPI and certain Persons designated by GLPI who are or will become members of the GLPI Group shall accept, assume and agree faithfully to perform, discharge and fulfill all the GLPI Liabilities in accordance with their respective terms. GLPI and such Persons shall be responsible for all GLPI Liabilities, regardless of when or where such GLPI Liabilities arose or arise, or whether the facts on which they are based occurred prior to or subsequent to the Distribution Date, regardless of where or against whom such GLPI Liabilities are asserted or determined (including any GLPI Liabilities arising out of claims made by Penn’s or GLPI’s respective directors, officers, employees, agents, Subsidiaries or Affiliates against any member of the Penn Group or the GLPI Group) or whether asserted or determined prior to the date hereof, and regardless of whether arising from or alleged to arise from negligence, recklessness, violation of Law, fraud or misrepresentation by any member of the Penn Group or the GLPI Group, or any of their respective directors, officers, employees, agents, Subsidiaries or Affiliates; and

(iii) GLPI shall make the GLPI Cash Payment.

(b) In furtherance of the assignment, transfer, conveyance and delivery of the GLPI Assets and the assumption of the GLPI Liabilities in accordance with Sections 2.1(a)(i) and 2.1(a)(ii), on the date that such GLPI Assets are assigned, transferred, conveyed or delivered or such GLPI Liabilities are assumed (i) Penn shall execute and deliver, and shall cause its Subsidiaries to execute and deliver, such bills of sale, quitclaim deeds, stock powers, certificates of title, assignments of contracts and other instruments of transfer, conveyance and assignment as and to the extent necessary to evidence the transfer, conveyance and assignment of all of Penn’s and its Subsidiaries’ (other than GLPI and its Subsidiaries) right, title and interest in and to the GLPI Assets to GLPI and its Subsidiaries, and (ii) GLPI shall execute and deliver, and shall cause its Subsidiaries to execute and deliver, such assumptions of contracts and other instruments of assumption as and to the extent necessary to evidence the valid and effective assumption of the GLPI Liabilities by GLPI and its Subsidiaries.

(c) If at any time or from time to time (whether prior to or after the Effective Time), any party hereto (or any member of such party’s respective Group), shall receive or otherwise possess any Asset or Liability (including any Intellectual Property or Technology) that is allocated to any other Person pursuant to this Agreement or any other Transaction Document, such party shall, as applicable, promptly transfer or accept, or cause to be transferred or accepted, such Asset or Liability, as the case may be, to the Person entitled to such Asset or responsible for such Liability, as the case may be. Prior to any such transfer, the Person receiving, possessing or responsible for such Asset or Liability shall be deemed to be holding such Asset or Liability, as the case may be, in trust for any such other Person.

(d) GLPI hereby waives compliance by each and every member of the Penn Group with the requirements and provisions of any “bulk-sale” or “bulk-transfer” Laws of any jurisdiction that may otherwise be applicable with respect to the transfer or sale of any or all of the GLPI Assets to any member of the GLPI Group.

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2.2 GLPI Assets.

(a) For purposes of this Agreement, “GLPI Assets” shall mean (without duplication):

(i) all Leased Property;

(ii) all issued and outstanding capital stock of, or other equity interests in, the GLPI Subsidiaries;

(iii) all GLPI Contracts;

(iv) the Assets listed or described on Schedule 2.2(a)(iv), the Assets reflected as assets of the GLPI Group on the GLPI Balance Sheet and all other Assets that are expressly provided by this Agreement or any other Transaction Document as Assets to be transferred to GLPI or any other member of the GLPI Group; and

(v) any and all Assets owned or held immediately prior to the Effective Time by Penn or any of its Subsidiaries that are used primarily in the GLPI Business (the intention of this clause (v) is only to rectify any inadvertent omission of transfer or conveyance of any Assets that, had the parties given specific consideration to such Asset as of the date hereof, would have otherwise been classified as a GLPI Asset; no Asset shall be deemed to be a GLPI Asset solely as a result of this clause (v) if such Asset is within the category or type of Asset expressly covered by the terms of another Transaction Document unless the party claiming entitlement to such Asset can establish that the omission of the transfer or conveyance of such Asset was inadvertent, and no Asset shall be deemed a GLPI Asset solely as a result of this clause (v) unless a claim with respect thereto is made by GLPI on or prior to the second (2nd) anniversary of the Distribution Date).

Notwithstanding the foregoing, the GLPI Assets shall not in any event include any Assets governed by the Tax Matters Agreement.

(b) For the purposes of this Agreement, "Penn Assets" shall mean (without duplication), (i) any and all Assets of the Penn Group as of the Effective Time that are not expressly contemplated by this Agreement or any other Transaction Document to be GLPI Assets and (ii) those Assets listed or described on Schedule 2.2(b).

Notwithstanding the foregoing, the Penn Assets shall not in any event include any Assets governed by the Tax Matters Agreement.

2.3 GLPI Liabilities.

(a) For the purposes of this Agreement, "GLPI Liabilities" shall mean (without duplication):

(i) except as limited by any Transaction Document, including Section 32.4 of the Master Lease, all Liabilities to the extent relating to, arising out of or resulting from any GLPI Assets, whether arising before, at or after the Effective Time;

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(ii) all Liabilities provided by this Agreement or any other Transaction Document to be assumed by GLPI;

(iii) all Liabilities reflected as liabilities or obligations of GLPI or its Subsidiaries in the GLPI Balance Sheet; and

(iv) those Liabilities set forth on Schedule 2.3(a);

provided, however, that GLPI Liabilities shall not include any Liabilities for Taxes that are governed by the Tax Matters Agreement.

(b) For the purposes of this Agreement, "Penn Liabilities" shall mean (without duplication) any and all Liabilities of Penn, GLPI and their respective Subsidiaries as of the Effective Time that are not expressly contemplated by this Agreement or any other Transaction Document to be GLPI Liabilities; provided, however, that Penn Liabilities shall not include any Liabilities for Taxes that are governed by the Tax Matters Agreement

2.4 Transfer of Assets and Assumption of Liabilities from and after the Effective Time.

(a) To the extent any Penn Asset is transferred or assigned to, or any Penn Liability is assumed by, a member of the GLPI Group at the Effective Time or is owned or held by a member of the GLPI Group after the Effective Time, and to the extent any GLPI Asset has not been transferred or assigned to, or any GLPI Liability has not been assumed by, a member of the GLPI Group at the Effective Time or is owned or held by a member of the Penn Group after the Effective Time, from and after the Effective Time:

(i) GLPI or Penn, as applicable, shall, and shall cause its applicable Subsidiaries to, promptly assign, transfer, convey and deliver to the other party or certain of its Subsidiaries designated by such party, and GLPI or Penn, or such Subsidiaries, as applicable, shall accept from Penn or GLPI and such applicable Subsidiaries, all of Penn's or GLPI's or such Subsidiaries' respective right, title and interest in and to such Penn or GLPI Assets; and

(ii) Penn or GLPI, as applicable, or certain Subsidiaries of Penn or GLPI designated by such party, shall promptly accept, assume and agree faithfully to perform, discharge and fulfill all such Liabilities of Penn or GLPI in accordance with their respective terms.

(b) In furtherance of the assignment, transfer, conveyance and delivery of Assets and the assumption of Liabilities set forth in this Section 2.4, and without any additional consideration therefor: (A) the applicable party shall execute and deliver, and shall cause its Subsidiaries to execute and deliver, such bills of sale, quitclaim deeds, stock powers, certificates of title, assignments of contracts and other instruments of transfer, conveyance and assignment as and to the extent necessary to evidence the transfer, conveyance and assignment of all of such party's and its Subsidiaries' right, title and interest in and to the applicable Assets to the other party and its Subsidiaries, and (B) the applicable party shall execute and deliver such assumptions of contracts and other instruments of assumption as and to the extent necessary to evidence the valid and effective assumption of the applicable Liabilities by such party.

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2.5 Approvals and Notifications.

(a) To the extent that the transfer or assignment of any Asset, the assumption of any Liability, the Reorganization or the Distribution requires any Approvals or Notifications (the "Required Approvals"), the parties will use their commercially reasonable efforts to obtain or make such Approvals or Notifications as soon as reasonably practicable; provided, however, that, except to the extent expressly provided in any of the other Transaction

Documents, neither Penn nor GLPI shall be obligated to contribute capital or pay any consideration in any form (including providing any letter of credit, guaranty or other financial accommodation) to any Person in order to obtain or make such Approvals or Notifications.

(b) If and to the extent that the valid, complete and perfected transfer or assignment of any Assets or assumption of any Liabilities would be a violation of applicable Law or require any Approvals or Notifications in connection with the Reorganization, or the Distribution, that has not been obtained or made by the Effective Time then, unless the parties hereto mutually shall otherwise determine, the transfer or assignment of such Assets or the assumption of such Liabilities, as the case may be, shall be automatically deemed deferred and any such purported transfer, assignment or assumption shall be null and void until such time as all legal impediments are removed or such Approvals or Notifications have been obtained or made; provided, however, that if such legal impediments are not removed, or such Approvals or Notifications are not obtained or made, in each case by the second (2nd) anniversary of the Distribution Date, then, unless the parties hereto mutually shall otherwise determine, all Assets and Liabilities that are held by any member of the Penn Group or the GLPI Group, as the case may be, will be retained by such party indefinitely, and the parties shall execute mutually acceptable documentation to such effect in accordance with applicable Law.

(c) If any transfer or assignment of any GLPI Asset or any assumption of any GLPI Liabilities intended to be transferred, assigned or assumed hereunder, as the case may be, is not consummated on or prior to the Distribution Date, whether as a result of the provisions of Section 2.5(b) or for any other reason, then, insofar as reasonably possible, the member of the Penn Group retaining such GLPI Asset or such GLPI Liability, as the case may be, shall thereafter hold such GLPI Asset or GLPI Liability, as the case may be, for the use and benefit of the member of the GLPI Group entitled thereto (at the expense of the member of the GLPI Group entitled thereto) until such GLPI Asset or GLPI Liability is transferred to a member of the GLPI Group or until such GLPI Asset or GLPI Liability is retained by the member of the Penn Group pursuant to Section 2.5(b), whichever is sooner. In addition, for such period, the member of the Penn Group retaining such GLPI Asset or such GLPI Liability shall, insofar as reasonably possible and to the extent permitted by applicable Law, treat such GLPI Asset or GLPI Liability in the ordinary course of business in accordance with past practice and take such other actions as may be reasonably requested by the member of the GLPI Group to whom such GLPI Asset is to be transferred or assigned, or which will assume such GLPI Liability, as the case may be, in order to place such member of the GLPI Group in a substantially similar position as if such GLPI Asset or GLPI Liability had been transferred, assigned or assumed as contemplated hereby and so that all the benefits and burdens relating to such GLPI Asset or GLPI Liability, as the case may be, including use, risk of loss, potential for gain, and dominion, control and command over such GLPI Asset or GLPI Liability, as the case may be, is to inure from and after the Effective Time to the GLPI Group.

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(d) If and when the Approvals or Notifications, the absence of which caused the deferral of transfer or assignment of any GLPI Asset or the deferral of assumption of any GLPI Liability pursuant to Section 2.5(b), are obtained or made, and, if and when any other legal impediments for the transfer or assignment of any GLPI Asset or the assumption of any GLPI Liability have been removed, the transfer or assignment of the applicable GLPI Asset or the assumption of the applicable GLPI Liability, as the case may be, shall be effected in accordance with the terms of this Agreement and/or the applicable Transaction Document.

(e) Any member of the Penn Group retaining a GLPI Asset or GLPI Liability due to the deferral of the transfer or assignment of such GLPI Asset or the deferral of the assumption of such GLPI Liability, as the case may be, shall not be obligated, in connection with the foregoing and unless the parties have executed documentation providing for such asset or liability to be retained by such party pursuant to Section 2.5(b), to expend any money unless the necessary funds are advanced (or otherwise made available) by GLPI or the member of the GLPI Group entitled to the GLPI Asset or GLPI Liability, other than reasonable out-of-pocket expenses, attorneys' fees and recording or similar fees, all of which shall be promptly reimbursed by GLPI or the member of the GLPI Group entitled to such GLPI Asset or GLPI Liability.

(f) To the extent any GLPI Asset intended to be subject to the Master Lease is retained by a member of the Penn Group, the rent payable under the Master Lease and the other obligations of the tenant under the Master Lease with respect to such GLPI Asset shall not be impacted by the retention of such GLPI Asset by a member of the Penn Group (and such rent and other obligations shall be determined as if such GLPI Asset had been transferred or assigned to GLPI or a member of the GLPI Group); provided that if such GLPI Asset is not transferred or assigned to GLPI or a member of the GLPI Group by the second (2nd) anniversary of the Distribution Date, then, unless the parties mutually shall otherwise determine, the rent payable under the Master Lease and the other obligations of the tenant under the Master Lease with respect to such GLPI Asset shall be modified by mutual agreement of the parties acting in good faith to reflect the exclusion of such GLPI Asset from the Master Lease (and the landlord under the Master Lease shall have no obligations with respect to any such GLPI Asset unless and until such GLPI Asset is transferred and assigned to GLPI or a member of the GLPI Group).

2.6 Responsibility for GLPI Liabilities Retained by Penn. If Penn or GLPI is unable to obtain, or to cause to be obtained, any consent, substitution, approval, amendment or release required to transfer a GLPI Liability to a member or members of the GLPI Group, then until the second (2nd) anniversary of the Effective Time, the applicable member of the Penn Group shall continue to be bound by such agreement, lease, license or other obligation or Liability and, unless not permitted by the terms thereof or by Law, GLPI shall, as agent or subcontractor for such member of the Penn Group, as the case may be, pay, perform and discharge fully all the obligations or other Liabilities of such member of the Penn Group that constitute GLPI Liabilities, as the case may be, thereunder from and after the Effective Time. GLPI shall indemnify each Penn Indemnified Party, and hold each of them harmless, against any Liabilities arising in connection therewith; provided, that pursuant hereto GLPI shall have no obligation to indemnify any Penn Indemnified Party that has engaged in any knowing and intentional violation of Law, breach of contract, tort, fraud or misrepresentation in connection therewith. Penn shall cause each member of the Penn Group without further consideration, to pay and remit, or cause to be paid or remitted, to GLPI, promptly all money, rights and other consideration received by it

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or any member of the Penn Group in respect of such performance (unless any such consideration is a Penn Asset). If and when any such consent, substitution, approval, amendment or release shall be obtained or the obligations under such agreement, lease, license or other obligations or Liabilities shall otherwise become assignable or able to be novated, Penn shall promptly assign, or cause to be assigned, all its obligations and other Liabilities thereunder or any obligations of any member of the Penn Group to GLPI without payment of further consideration and GLPI shall, without the payment of any further consideration, assume such obligations in accordance with the terms of this Agreement and/or the applicable Transaction Document.

2.7 Disclaimer of Representations and Warranties. EACH OF PENN (ON BEHALF OF ITSELF AND EACH MEMBER OF THE PENN GROUP) AND GLPI (ON BEHALF OF ITSELF AND EACH MEMBER OF THE GLPI GROUP) UNDERSTANDS AND AGREES THAT, EXCEPT AS

EXPRESSLY SET FORTH HEREIN OR IN ANY OTHER TRANSACTION DOCUMENT, NO PARTY TO THIS AGREEMENT, ANY OTHER TRANSACTION DOCUMENT OR ANY OTHER AGREEMENT OR DOCUMENT CONTEMPLATED BY THIS AGREEMENT, OR OTHERWISE, IS REPRESENTING OR WARRANTING TO ANY OTHER PARTY HERETO OR THERETO IN ANY WAY AS TO THE ASSETS, BUSINESSES OR LIABILITIES TRANSFERRED OR ASSUMED AS CONTEMPLATED HEREBY OR THEREBY, AS TO ANY APPROVALS OR NOTIFICATIONS REQUIRED IN CONNECTION HERewith OR THEREWITH, AS TO THE VALUE OR FREEDOM FROM ANY SECURITY INTERESTS OF, OR ANY OTHER MATTER CONCERNING, ANY ASSETS OF SUCH PARTY, OR AS TO THE ABSENCE OF ANY DEFENSES OR RIGHT OF SETOFF OR FREEDOM FROM COUNTERCLAIM WITH RESPECT TO ANY ACTION OR OTHER ASSET, INCLUDING ANY ACCOUNTS RECEIVABLE, OF ANY PARTY, OR AS TO THE LEGAL SUFFICIENCY OF ANY ASSIGNMENT, DOCUMENT, CERTIFICATE OR INSTRUMENT DELIVERED HEREUNDER TO CONVEY TITLE TO ANY ASSET OR THING OF VALUE UPON THE EXECUTION, DELIVERY AND FILING HEREOF OR THEREOF. EXCEPT AS MAY EXPRESSLY BE SET FORTH IN THIS AGREEMENT OR IN ANY TRANSACTION DOCUMENT, ALL SUCH ASSETS ARE BEING TRANSFERRED ON AN "AS IS," "WHERE IS" BASIS (AND, IN THE CASE OF ANY REAL PROPERTY, BY MEANS OF A QUITCLAIM OR SIMILAR FORM DEED OR CONVEYANCE) AND THE RESPECTIVE TRANSFEREES SHALL BEAR THE ECONOMIC AND LEGAL RISKS THAT (I) ANY CONVEYANCE SHALL PROVE TO BE INSUFFICIENT TO VEST IN THE TRANSFEREE GOOD TITLE, FREE AND CLEAR OF ANY SECURITY INTEREST, AND (II) ANY NECESSARY APPROVALS OR NOTIFICATIONS ARE NOT OBTAINED OR MADE OR THAT ANY REQUIREMENTS OF LAWS OR JUDGMENTS ARE NOT COMPLIED WITH.

ARTICLE III

THE DISTRIBUTION

3.1 Actions on or Prior to the Distribution Date. Prior to the Distribution, the following shall occur:

(a) *Prospectus; Listing.* Penn shall make the Prospectus available to the holders of Penn common stock as of the Record Date. GLPI shall prepare, file with the SEC and

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use commercially reasonable efforts to cause to become effective the Form S-11 and amendments thereto and the Form S-8 and amendments thereto required to effect the transactions contemplated by this Agreement or any of the Transaction Documents. Penn and GLPI shall take all such actions as may be necessary or appropriate under the securities or "blue sky" Laws of states or other political subdivisions of the United States and shall use commercially reasonable efforts to comply with all applicable foreign securities Laws in connection with the transactions contemplated by this Agreement and the other Transaction Documents. GLPI shall prepare, file and pursue an application to permit listing of the GLPI Common Stock on NASDAQ.

(b) *The Distribution Agent.* Penn shall enter into a distribution agent agreement with the Distribution Agent or otherwise provide instructions to the Distribution Agent regarding the Distribution.

(c) *GLPI Balance Sheet.* Penn shall prepare a pro forma combined balance sheet of GLPI and its Subsidiaries as of the Effective Time, or the latest time prior to the Effective Time that is reasonably practicable (the "GLPI Balance Sheet").

(d) *Efforts.* The parties agree to use commercially reasonable efforts to take, or cause to be taken, all actions, and to do, or cause to be done, all things reasonably necessary, proper or advisable to satisfy or cause to be satisfied each of the conditions set forth in Section 3.2.

3.2 Conditions Precedent to Distribution. In no event shall the Distribution occur unless each of the following conditions shall have been satisfied (or waived by Penn, in whole or in part, in its sole discretion):

(a) each of the other Transaction Documents shall have been duly executed and delivered by the parties thereto;

(b) the Reorganization shall have been completed in accordance with the Plan of Reorganization;

(c) (i) the Private Letter Ruling shall not have been revoked or modified in any material respect, (ii) Penn shall have received (A) an opinion of Wachtell, Lipton, Rosen & Katz substantially to the effect that, with respect to certain requirements for tax-free treatment under Section 355 of the Code on which the IRS will not rule, such requirements will be satisfied, (B) an opinion of KPMG LLP substantially to the effect that, with respect to certain requirements for tax-free treatment under Section 355 of the Code on which the IRS will not rule, such requirements will be satisfied, and (iii) GLPI shall have received (A) an opinion of Wachtell, Lipton, Rosen & Katz, to the effect that the manner in which GLPI is organized and its proposed method of operation will enable it to qualify to be taxed as a real estate investment trust under Sections 856 through 859 of the Code following the Distribution, and (B) an opinion of KPMG LLP, to the effect that the manner in which GLPI is organized and its proposed method of operation will enable it to qualify to be taxed as a real estate investment trust under Sections 856 through 859 of the Code following the Distribution;

(d) the Form S-11 filed with the SEC shall have been declared effective by the SEC, no stop order suspending the effectiveness of the Form S-11 shall be in effect, no

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proceedings for such purpose shall be pending before or threatened by the SEC, and the Prospectus shall have been mailed to holders of Penn Common Shares as of the Record Date;

(e) prior to the Distribution Date, such Registration Statements on Form S-8 as are necessary and appropriate to register the equity awards of GLPI contemplated by the Form S-11 to be available for granting to directors and employees of GLPI and Penn shall have been filed with the SEC;

(f) all actions and filings necessary or appropriate under applicable federal, state or foreign securities or "blue sky" Laws and the rules and regulations thereunder shall have been taken and, where applicable, become effective or been accepted;

(g) the GLPI Common Stock to be delivered in the Distribution shall have been accepted for listing on NASDAQ, subject to compliance with applicable listing requirements;

(h) no order, injunction or decree issued by any court of competent jurisdiction or other legal restraint or prohibition preventing consummation of the Distribution or any of the transactions related thereto, including the Reorganization, shall be threatened, pending or in effect;

(i) any material consents and governmental authorizations to complete the Distribution, including all Required Approvals, shall have been obtained and be in full force and effect;

(j) (i) GLPI shall have entered into the financing transactions described in the Form S-11 and contemplated to occur on or prior to the Distribution Date, and Penn shall have entered into the financing transactions to be entered into in connection with the Plan of Reorganization (the "Financing Arrangements") and the respective financings thereunder shall have been consummated, (ii) GLPI shall have transferred to the applicable member of the Penn Group, no later than immediately prior to the Distribution, as contemplated by the Plan of Reorganization, the proceeds of GLPI debt issued to one or more banks (in an amount approximately equal to \$2.1 billion dollars) in exchange for Penn's transfer of the GLPI Assets to GLPI pursuant to this Agreement (the "GLPI Cash Payment") and (iii) the Financing Arrangements shall be in full force and effect immediately prior to the Distribution;

(k) on or prior to the Distribution, the persons specified in the Prospectus shall have been duly elected as members of GLPI's board of directors;

(l) Penn and the other parties to Penn's agreements with Peter M. Carlino, FIF V PFD LLC and Centerbridge Capital Partners, L.P. and certain of their respective affiliates, in each case as described in the Form S-11, shall have fulfilled all of their respective obligations under such agreements that are contemplated by such agreements to be fulfilled prior to the Distribution, and each such agreement shall be in full force and effect immediately prior to the Distribution;

(m) (i) Penn and GLPI shall each have taken all necessary action that may be required to provide for the adoption by GLPI of the Amended and Restated Articles of

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Incorporation of GLPI in substantially the form attached hereto as Exhibit D (the "Amended and Restated Articles of Incorporation"), and the Amended and Restated Bylaws of GLPI in substantially the form attached hereto as Exhibit E (the "Amended and Restated Bylaws") and (ii) GLPI shall have filed the Amended and Restated Articles of Incorporation of GLPI with the Secretary of State of the Commonwealth of Pennsylvania;

(n) at or prior to the Effective Time, Penn and GLPI shall have taken all actions as may be necessary to approve the stock-based employee benefit plans of GLPI in order to satisfy the applicable rules and regulations of NASDAQ; and

(o) no other condition shall fail to be satisfied and no event or development shall have occurred or exist that, in the judgment of the board of directors of Penn, in its sole discretion, makes it inadvisable to effect the Reorganization, the Distribution or the other transactions contemplated hereby or in connection herewith.

Notwithstanding Section 3.1(c) or any other provision hereof, each of the foregoing conditions is for the sole benefit of Penn and shall not give rise to or create any duty on the part of Penn or its board of directors to waive or not to waive any such condition or to effect the Reorganization and the Distribution, or in any way limit Penn's rights of termination set forth in this Agreement. Any determination made by Penn prior to the Distribution concerning the satisfaction or waiver of any or all of the conditions set forth in this Section 3.2 shall be conclusive and binding on the parties.

3.3 The Distribution.

(a) Subject to the terms and conditions set forth in this Agreement, including Section 3.3(b), (i) on or prior to the Distribution Date, Penn shall deliver to the Distribution Agent for the benefit of holders of record of Penn Common Shares and Series C on the Record Date book-entry transfer authorizations for such number of the issued and outstanding shares of GLPI Common Stock necessary to effect the Distribution, (ii) the Distribution shall be effective at the Effective Time and (iii) Penn shall instruct the Distribution Agent to distribute, on or as soon as practicable after the Effective Time, (A) to each holder of record of Penn Common Shares as of the Record Date, by means of a pro rata distribution, one (1) share of GLPI Common Stock for every one (1) Penn Common Share so held and (B) to each holder of record of Series C as of the Record Date, by means of a pro rata distribution, one (1) share of GLPI Common Stock for every 1/1,000th (one one-thousandth) of a share of Series C. Following the Distribution Date, GLPI agrees to provide all book-entry transfer authorizations for shares of GLPI Common Stock that Penn or the Distribution Agent shall require in order to effect the Distribution.

(b) NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THIS AGREEMENT, PENN SHALL, IN ITS SOLE AND ABSOLUTE DISCRETION, DETERMINE THE DISTRIBUTION DATE AND ALL TERMS OF THE DISTRIBUTION, INCLUDING THE FORM, STRUCTURE AND TERMS OF ANY TRANSACTIONS AND/OR OFFERINGS TO EFFECT THE DISTRIBUTION AND THE TIMING OF AND CONDITIONS TO THE CONSUMMATION THEREOF. IN ADDITION, PENN MAY AT ANY TIME AND FROM TIME TO TIME UNTIL THE COMPLETION OF

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THE DISTRIBUTION DECIDE TO ABANDON THE DISTRIBUTION OR MODIFY OR CHANGE THE TERMS OF THE DISTRIBUTION, INCLUDING BY ACCELERATING OR DELAYING THE TIMING OF THE CONSUMMATION OF ALL OR PART OF THE DISTRIBUTION.

(c) The Parties agree that this Agreement constitutes a "plan of reorganization" within the meaning of Treasury Regulation Section 1.368-2(g).

4.1 Agreement for Exchange of Information. After the Effective Time (or such earlier time as the parties may agree) and until the seventh (7th) anniversary of the date of this Agreement, each of Penn and GLPI, on behalf of its respective Group, agrees to provide, or cause to be provided, to the other Group, as soon as reasonably practicable after written request therefor, any Information in the possession or under the control of such respective Group which the requesting party reasonably needs; provided, however, that in the event that any party determines that any such provision of Information could be commercially detrimental, violate any Law or agreement, or waive any attorney-client privilege, the parties shall take all reasonable measures to permit the compliance with such obligations in a manner that avoids any such harm or consequence.

4.2 Ownership of Information. Any Information owned by one Group that is provided to a requesting party pursuant to Section 4.1 shall be deemed to remain the property of the providing party, except where such Information is an Asset of the requesting party pursuant to the provisions of this Agreement or any other Transaction Document. Unless specifically set forth herein, nothing contained in this Agreement shall be construed as granting or conferring rights of license or otherwise in any Information requested or provided pursuant to Section 4.1.

4.3 Compensation for Providing Information. The party requesting Information agrees to reimburse the other party for the reasonable out-of-pocket costs and expenses, if any of creating, gathering and copying such Information to the extent that such costs are incurred in connection with such other party's provision of Information in response to the requesting party.

4.4 Record Retention.

(a) To facilitate the possible exchange of Information pursuant to this Article IV and other provisions of this Agreement after the Effective Time, the parties agree to use their commercially reasonable efforts to retain all Information in their respective possession or control in accordance with the policies or ordinary course practices of Penn in effect on the Distribution Date (including any Information that is subject to a "Litigation Hold" issued by either party prior to the Distribution Date) or such other policies or practices as may be reasonably adopted by the appropriate party after the Effective Time.

(b) Except in accordance with its, or its applicable Subsidiaries', policies and ordinary course practices, no party will destroy, or permit any of its Subsidiaries to destroy, any Information that would, in accordance with such policies or ordinary course practices, be

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archived or otherwise filed in a centralized filing system by such party or its applicable Subsidiaries; in furtherance of the foregoing, no party will destroy, or permit any of its Subsidiaries to destroy, any Information required to be retained by applicable Law.

(c) In the event of either party's or any of its Subsidiaries' inadvertent failure to comply with its applicable document retention policies as required under this Section 4.4, such party shall be liable to the other party solely for the amount of any monetary fines or penalties imposed or levied against such other party by a Governmental Authority (which fines or penalties shall not include any Liabilities asserted in connection with the claims underlying the applicable Action, other than fines or penalties resulting from any claim of spoliation) as a result of such other party's inability to produce Information caused by such inadvertent failure and, notwithstanding Sections 5.2 and 5.3, shall not be liable to such other party for any other Liabilities.

4.5 Liability. No party shall have any liability to any other party in the event that any Information exchanged or provided pursuant to this Agreement which is an estimate or forecast, or which is based on an estimate or forecast, is found to be inaccurate in the absence of willful misconduct by the party providing such Information.

4.6 Other Agreements Providing for Exchange of Information.

(a) The rights and obligations granted under this Article IV are subject to any specific limitations, qualifications or additional provisions on the sharing, exchange, retention or confidential treatment of Information set forth in any other Transaction Document, including Section 23.1(c) of the Master Lease.

(b) Any party that receives, pursuant to a request for Information in accordance with this Article IV, Information that is not relevant to its request shall (i) either destroy such Information or return it to the providing party and (ii) deliver to the providing party a certificate certifying that such Information was destroyed or returned, as the case may be, which certificate shall be signed by an officer of the requesting party holding the title of vice president or above.

(c) When any Information provided by one Group to the other (other than Information provided pursuant to Section 4.4) is no longer needed for the purposes contemplated by this Agreement or any other Transaction Document or is no longer required to be retained by applicable Law, the receiving party will promptly after request of the other party either return to the other party all Information in a tangible form (including all copies thereof and all notes, extracts or summaries based thereon) or certify to the other party that it has destroyed such Information (and such copies thereof and such notes, extracts or summaries based thereon).

4.7 Production of Witnesses; Records; Cooperation.

(a) After the Effective Time, except in the case of an adversarial Action by one party against another party, each party hereto shall use its commercially reasonable efforts to make available to each other party, upon written request, the former, current and future directors, officers, employees, other personnel and agents of the members of its respective Group as witnesses and any books, records or other documents within its control or which it otherwise has

the ability to make available, to the extent that any such person (giving consideration to business demands of such directors, officers, employees, other personnel and agents) or books, records or other documents may reasonably be required in connection with any Action in which the requesting party may from time to time be involved, regardless of whether such Action is a matter with respect to which indemnification may be sought hereunder. The requesting party shall bear all reasonable out-of-pocket costs and expenses in connection therewith.

(b) If an Indemnifying Party chooses to defend or to seek to compromise or settle any Third Party Claim, the Indemnified Party shall use commercially reasonable efforts to make available to such Indemnifying Party, upon written request, the former, current and future directors, officers, employees, other personnel and agents of the members of its respective Group as witnesses and any books, records or other documents within its control or which it otherwise has the ability to make available, to the extent that any such persons (giving consideration to business demands of such directors, officers, employees, other personnel and agents) or books, records or other documents may reasonably be required in connection with such defense, settlement or compromise, or the prosecution, evaluation or pursuit thereof, as the case may be, and shall otherwise cooperate in such defense, settlement or compromise, or such prosecution, evaluation or pursuit, as the case may be. The Indemnifying Party shall bear all reasonable out-of-pocket costs and expenses in connection therewith.

(c) For the avoidance of doubt, the provisions of this Section 4.7 are in furtherance of the provisions of Section 4.1 and shall not be deemed to in any way limit or otherwise modify the parties' rights and obligations under Section 4.1.

4.8 Privileged Matters.

(a) The parties recognize that legal and other professional services that have been and will be provided prior to the Effective Time have been and will be rendered for the collective benefit of each of the members of the Penn Group and the GLPI Group, and that each of the members of the Penn Group and the GLPI Group should be deemed to be the client with respect to such services for the purposes of asserting all privileges which may be asserted under applicable Law in connection therewith.

(b) The parties agree as follows:

(i) Penn shall be entitled, in perpetuity, to control the assertion or waiver of all privileges in connection with any privileged Information that relates solely to the Penn Business and not to the GLPI Business, whether or not the privileged Information is in the possession or under the control of any member of the Penn Group or any member of the GLPI Group. Penn shall also be entitled, in perpetuity, to control the assertion or waiver of all privileges in connection with any privileged Information that relates solely to any Penn Liabilities resulting from any Actions that are now pending or may be asserted in the future, whether or not the privileged Information is in the possession or under the control of any member of the Penn Group or any member of the GLPI Group; and

(ii) GLPI shall be entitled, in perpetuity, to control the assertion or waiver of all privileges in connection with any privileged Information that relates solely to the

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GLPI Business and not to the Penn Business, whether or not the privileged Information is in the possession or under the control of any member of the GLPI Group or any member of the Penn Group. GLPI shall also be entitled, in perpetuity, to control the assertion or waiver of all privileges in connection with any privileged Information that relates solely to any GLPI Liabilities resulting from any Actions that are now pending or may be asserted in the future, whether or not the privileged Information is in the possession or under the control of any member of the GLPI Group or any member of the Penn Group.

(c) Subject to the restrictions set forth in this Section 4.8, the parties agree that they shall have a shared privilege, each with equal right to assert or waive any such shared privilege, with respect to all privileges not allocated pursuant to Section 4.8(b) and all privileges relating to any Actions or other matters that involve both the Penn Group and the GLPI Group and in respect of which both parties have Liabilities under this Agreement, and that no such shared privilege or immunity may be waived by either party without the consent of the other party.

(d) In the event of any Actions between Penn and GLPI, or any members of their respective Groups, either party may waive a privilege in which the other party or member of such other party's Group has a shared privilege, without obtaining consent pursuant to Section 4.8(c); provided, that such waiver of a shared privilege shall be effective only as to the use of Information with respect to the Action between the parties and/or the applicable members of their respective Groups, and shall not operate as a waiver of the shared privilege with respect to any third Person.

(e) If any dispute arises between Penn and GLPI, or any members of their respective Groups, regarding whether a privilege should be waived to protect or advance the interests of either the Penn Group or the GLPI Group, each party agrees that it shall (i) negotiate with the other party in good faith, (ii) endeavor to minimize any prejudice to the rights of the other party and (iii) not unreasonably withhold, condition or delay consent to any request for waiver by the other party. Further, each party specifically agrees that it will not withhold its consent to the waiver of a privilege for any purpose except to protect its own legitimate interests.

(f) In furtherance of the parties' agreement under this Section 4.8, Penn and GLPI shall, and shall cause applicable members of their respective Group to, maintain their respective separate and joint privileges, including by executing joint defense and common interest agreements where necessary or useful for this purpose.

ARTICLE V

RELEASE AND INDEMNIFICATION

5.1 Release of Pre-Distribution Claims.

(a) Except as provided in (i) Section 5.1(c) and (ii) any Transaction Document, effective as of the Effective Time, GLPI does hereby, for itself and each other member of the GLPI Group, their respective Affiliates, successors and assigns, and all Persons who at any time prior to the Effective Time have been directors, officers, agents or employees of

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any member of the GLPI Group (in each case, in their respective capacities as such), release and forever discharge Penn and the other members of the Penn Group, their respective Affiliates, successors and assigns, and all Persons who at any time prior to the Effective Time have been shareholders, directors, officers, agents or employees of any member of the Penn Group (in each case, in their respective capacities as such), and their respective heirs, executors, administrators, successors and assigns, from any and all Liabilities whatsoever, whether at Law or in equity (including any right of contribution), whether arising under any contract or agreement, by operation of Law or otherwise, existing or arising from any acts or events occurring or failing to occur or alleged to have occurred or to have failed to occur or any conditions existing or alleged to have existed on or before the Effective Time, including in connection with the transactions and all other activities to implement the Reorganization, the Distribution and any of the other transactions contemplated hereunder and under the other Transaction Documents.

(b) Except as provided in (i) [Section 5.1\(c\)](#) and (ii) any Transaction Document, effective as of the Effective Time, Penn does hereby, for itself and each other member of the Penn Group, their respective Affiliates, successors and assigns, and all Persons who at any time prior to the Effective Time have been shareholders, directors, officers, agents or employees of any member of the Penn Group (in each case, in their respective capacities as such), release and forever discharge GLPI, the other members of the GLPI Group, their respective Affiliates, successors and assigns, and all Persons who at any time prior to the Effective Time have been directors, officers, agents or employees of any member of the GLPI Group (in each case, in their respective capacities as such), and their respective heirs, executors, administrators, successors and assigns, from any and all Liabilities whatsoever, whether at Law or in equity (including any right of contribution), whether arising under any contract or agreement, by operation of Law or otherwise, existing or arising from any acts or events occurring or failing to occur or alleged to have occurred or to have failed to occur or any conditions existing or alleged to have existed on or before the Effective Time, including in connection with the transactions and all other activities to implement the Reorganization, the Distribution and any of the other transactions contemplated hereunder and under the other Transaction Documents.

(c) Nothing contained in [Section 5.1\(a\)](#) or [Section 5.1\(b\)](#) shall impair any right of any Person to enforce this Agreement or any other Transaction Document, in each case in accordance with its terms. In addition, nothing contained in [Section 5.1\(a\)](#) or [Section 5.1\(b\)](#) shall release any member of a Group from:

(i) any Liability, contingent or otherwise, assumed, transferred, assigned or allocated to the Group of which such Person is a member in accordance with, or any other Liability of any member of any Group under, this Agreement or any other Transaction Document; or

(ii) any Liability that the parties may have with respect to indemnification or contribution pursuant to this Agreement or any of the other Transaction Documents.

Further, nothing contained in [Section 5.1\(a\)](#) shall release Penn from indemnifying any director, officer or employee of GLPI who was or is a director, officer or

employee of Penn or any of its Affiliates, to the extent such director, officer or employee is or becomes a named defendant in any Action with respect to which he or she was or is entitled to such indemnification pursuant to then existing obligations, it being understood that if the underlying obligation giving rise to such Action is a GLPI Liability, GLPI shall indemnify Penn for such Liability (including Penn's costs to indemnify the director, officer or employee) in accordance with the provisions set forth in this [Article V](#).

(d) GLPI shall not make, and shall not permit any member of the GLPI Group to make, any claim or demand, or commence any Action asserting any claim or demand, including any claim of contribution or any indemnification, against Penn or any member of the Penn Group, or any other Person released pursuant to [Section 5.1\(a\)](#), with respect to any Liabilities released pursuant to [Section 5.1\(a\)](#). Penn shall not, and shall not permit any member of the Penn Group, to make any claim or demand, or commence any Action asserting any claim or demand, including any claim of contribution or any indemnification against GLPI or any member of the GLPI Group, or any other Person released pursuant to [Section 5.1\(b\)](#), with respect to any Liabilities released pursuant to [Section 5.1\(b\)](#).

(e) It is the intent of each of Penn and GLPI, by virtue of the provisions of this [Section 5.1](#), to provide for a full and complete release and discharge of all Liabilities existing or arising from all acts and events occurring or failing to occur or alleged to have occurred or to have failed to occur and all conditions existing or alleged to have existed on or before the Effective Time, between or among GLPI or any member of the GLPI Group and their respective directors, officers, agents or employees, on the one hand, and Penn or any member of the Penn Group and their respective directors, officers, agents or employees, on the other hand (including any contractual agreements or arrangements existing or alleged to exist between or among any such members on or before the Distribution Date), except as expressly set forth in [Section 5.1\(c\)](#).

5.2 [General Indemnification by GLPI](#). Except as provided in [Section 5.6](#), GLPI shall, and shall cause the other members of the GLPI Group to, indemnify, defend and hold harmless each member of the Penn Group and each of their respective directors, officers and employees, and each of the heirs, executors, successors and assigns of any of the foregoing (collectively, the "[Penn Indemnified Parties](#)"), from and against (i) any and all Liabilities of the Penn Indemnified Parties relating to, arising out of or resulting from any GLPI Liability and (ii) except as provided in [Section 5.1](#), any and all Liabilities of the Penn Indemnified Parties relating to, arising out of or resulting from GLPI's breach of this Agreement or any other Transaction Document other than the Master Lease.

5.3 [General Indemnification by Penn](#). Except as provided in [Section 5.6](#), Penn shall indemnify, defend and hold harmless each member of the GLPI Group and each of their respective directors, officers and employees, and each of the heirs, executors, successors and assigns of any of the foregoing (collectively, the "[GLPI Indemnified Parties](#)"), from and against (i) any and all Liabilities of the GLPI Indemnified Parties relating to, arising out of or resulting from any Penn Liability and (ii) except as provided in [Section 5.1](#), any and all Liabilities of the GLPI Indemnified Parties relating to, arising out of or resulting from Penn's breach of this Agreement or any other Transaction Document other than the Master Lease.

5.4 Disclosure Indemnification. GLPI agrees to indemnify and hold harmless the Penn Indemnified Parties and each Person, if any, who controls any member of the Penn Group within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act from and against any and all Liabilities arising out of or based upon any untrue statement or alleged untrue statement of a material fact contained in the Form S-11 or any amendment thereof or any other Disclosure Document, or arising out of or based upon any omission or alleged omission to state a material fact required to be stated therein or necessary to make the statements therein not misleading.

5.5 Contribution. If the indemnification provided for in this Article V is unavailable to, or insufficient to hold harmless, an indemnified party under Section 5.4 hereof in respect of any Liabilities referred to therein, then each indemnifying party shall contribute to the amount paid or payable by such indemnified party as a result of such Liabilities (or actions in respect thereof) in such proportion as is appropriate to reflect the relative fault of the indemnifying party and the indemnified party in connection with the actions which resulted in Liabilities as well as any other relevant equitable considerations. The relative fault of such indemnifying party and indemnified party shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or omission or alleged omission to state a material fact relates to information supplied by such indemnifying party or indemnified party, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. For the purposes of this Section 5.5, the information relating to Penn after the Effective Time set forth in the Form S-11 shall be the only "information supplied by" Penn and all other information shall be deemed "information supplied by" GLPI.

5.6 Indemnification Obligations Net of Insurance Proceeds and Other Amounts.

(a) Any Liability subject to indemnification or contribution pursuant to this Article V will be net of Insurance Proceeds that actually reduce the amount of the Liability or Loss, as applicable. Accordingly, the amount which any party (an "Indemnifying Party") is required to pay to any Person entitled to indemnification under this Article V (an "Indemnified Party") will be reduced by any Insurance Proceeds theretofore actually recovered by or on behalf of the Indemnified Party in respect of the related Liability, as applicable. If an Indemnified Party receives a payment (an "Indemnity Payment") required by this Agreement from an Indemnifying Party in respect of any Liability and subsequently receives Insurance Proceeds, then the Indemnified Party will pay to the Indemnifying Party an amount equal to such Insurance Proceeds but not exceeding the amount of the Indemnity Payment paid by the Indemnifying Party in respect of such Liability.

(b) An insurer who would otherwise be obligated to pay any claim shall not be relieved of the responsibility with respect thereto or, solely by virtue of the indemnification provisions hereof, have any subrogation rights with respect thereto. The Indemnified Party shall use its commercially reasonable efforts to seek to collect or recover any third-party Insurance Proceeds (other than Insurance Proceeds under an arrangement where future premiums are adjusted to reflect prior claims in excess of prior premiums) to which the Indemnified Party is entitled in connection with any Liability for which the Indemnified Party seeks indemnification pursuant to this Article V; provided, that the Indemnified Party's inability to collect or recover any such Insurance Proceeds shall not limit the Indemnifying Party's obligations hereunder.

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(c) Any indemnity payment under this Article V shall be increased to take into account any inclusion in income of the Indemnified Party arising from the receipt of such indemnity payment and shall be decreased to take into account any reduction in income of the Indemnified Party arising from such indemnified Liability or Loss, as applicable. For purposes hereof, any inclusion or reduction shall be determined (i) using the highest marginal rates applicable to the Indemnified Party in effect at the time of the determination and (ii) assuming that the Indemnified Party will be liable for Taxes at such rate and has no Tax Attributes (as such term is defined in the Tax Matters Agreement) at the time of the determination.

5.7 Procedures for Indemnification of Third Party Claims.

(a) If an Indemnified Party receives written notice that a Person (including any Governmental Authority) that is not a member of the Penn Group or the GLPI Group has asserted any claim or commenced any Action (collectively, a "Third Party Claim") that may implicate an Indemnifying Party's obligation to indemnify pursuant to Sections 5.2, 5.3 or 5.4, or any other Section of this Agreement or any other Transaction Document, the Indemnified Party shall provide the Indemnifying Party written notice thereof as promptly as practicable (and no later than twenty (20) days or sooner, if the nature of the Third Party Claim so requires) after becoming aware of the Third Party Claim. Such notice shall describe the Third Party Claim in reasonable detail and include copies of all notices and documents (including court papers) received by the Indemnified Party relating to the Third Party Claim. Notwithstanding the foregoing, the failure of an Indemnified Party to provide notice in accordance with this Section 5.7(a) shall not relieve an Indemnifying Party of its indemnification obligations under this Agreement, except to the extent to which the Indemnifying Party is actually prejudiced by the Indemnified Party's failure to provide notice in accordance with this Section 5.7(a).

(b) Subject to this Section 5.7(b) and Section 5.7(c), an Indemnifying Party may elect to control the defense of (and seek to settle or compromise), at its own expense and with its own counsel, any Third Party Claim. Within thirty (30) days after the receipt of notice from an Indemnified Party in accordance with Section 5.7(a) (or sooner, if the nature of the Third Party Claim so requires), the Indemnifying Party shall notify the Indemnified Party whether the Indemnifying Party will assume responsibility for defending the Third Party Claim and shall specify any reservations or exceptions to its defense. After receiving notice of an Indemnifying Party's election to assume the defense of a Third Party Claim, whether with or without any reservations or exceptions with respect to such defense, an Indemnified Party shall have the right to employ separate counsel and to participate in (but not control) the defense, compromise, or settlement thereof, but the Indemnified Party shall be responsible for the fees and expenses of its counsel and, in any event, shall cooperate with the Indemnifying Party in such defense and make available to the Indemnifying Party, at the Indemnifying Party's expense, all witnesses, information and materials in such Indemnified Party's possession or under such Indemnified Party's control relating thereto as are reasonably required by the Indemnifying Party. If an Indemnifying Party has elected to assume the defense of a Third Party Claim, whether with or without any reservations or exceptions with respect to such defense, then such Indemnifying Party shall be solely liable for all fees and expenses incurred by it in connection with the defense of such Third Party Claim and shall not be entitled to seek any indemnification or reimbursement from the Indemnified Party for any such fees or expenses incurred during the course of its

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defense of such Third Party Claim, regardless of any subsequent decision by the Indemnifying Party to reject or otherwise abandon its assumption of such defense.

(c) Notwithstanding Section 5.7(b), if any Indemnified Party shall in good faith determine that there is an actual conflict of interest (whether legal, business or otherwise) if counsel for the Indemnifying Party represented both the Indemnified Party and Indemnifying Party, then the Indemnified Party shall have the right to employ separate counsel and to participate in (but not control) the defense, compromise, or settlement thereof, and the Indemnifying Party shall bear the reasonable fees and expenses of one (1) separate counsel for all Indemnified Parties.

(d) If an Indemnifying Party elects not to assume responsibility for defending a Third Party Claim, or fails to notify an Indemnified Party of its election within thirty (30) days after the receipt of notice from an Indemnified Party as provided in Section 5.7(b), the Indemnified Party may defend the Third Party Claim at the cost and expense of the Indemnifying Party. If the Indemnified Party is conducting the defense against any such Third Party Claim, the Indemnifying Party shall cooperate with the Indemnified Party in such defense and make available to the Indemnified Party, at the Indemnifying Party's expense, all witnesses, information and materials in such Indemnifying Party's possession or under such Indemnifying Party's control relating thereto as are reasonably required by the Indemnified Party.

(e) Without the prior written consent of any Indemnifying Party, which consent shall not be unreasonably withheld, conditioned or delayed, no Indemnified Party may settle or compromise, or seek to settle or compromise, any Third Party Claim; provided, however, in the event that the Indemnifying Party elects not to assume responsibility for defending a Third Party Claim or fails to notify the Indemnified Party of its election within thirty (30) days after the receipt of notice from the Indemnified Party as provided in Section 5.7(b), the Indemnified Party shall have the right to settle or compromise such Third Party Claim in its sole discretion. Without the prior written consent of any Indemnified Party, which consent shall not be unreasonably withheld, conditioned or delayed, no Indemnifying Party shall consent to the entry of any judgment or enter into any settlement of any pending or threatened Third Party Claim for which the Indemnified Party is seeking or may seek indemnity pursuant to this Section 5.7 unless such judgment or settlement is solely for monetary damages, does not impose any expense or obligation on the Indemnified Party, does not involve any finding or determination of wrongdoing or violation of law by the Indemnified Party and provides for a full, unconditional and irrevocable release of that Indemnified Party from all liability in connection with the Third Party Claim.

5.8 Tax Procedures.

(a) With respect to any period in which GLPI has made or will make an election to be taxed as a real estate investment trust within the meaning of Section 856 of the Code (a "REIT"), notwithstanding any other provisions in this Agreement, any payments to be made by Penn to any member of the GLPI Group pursuant to Section 5.3 or 5.6 for any calendar year shall not exceed the sum of (i) the amount that it is determined will not be gross income of GLPI for purposes of the requirements of Sections 856(c)(2) and (3) of the Code for any period in which GLPI has made any election to be taxed as a REIT, with such determination to be set

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forth in an opinion of outside tax counsel selected by GLPI, which opinion shall be reasonably satisfactory to GLPI plus (ii) such additional amount that is estimated can be paid to GLPI in such taxable year without causing GLPI to fail to meet the requirements of Sections 856(c)(2) and (3) of the Code, determined (x) as if the payment of such amount did not constitute income described in Sections 856(c)(2)(A) through (I) and 856(c)(3)(A) through (I) of the Code ("Qualifying Income") and (y) by taking into account any other payments to GLPI during such taxable year that do not constitute Qualifying Income, which determination shall be (A) made by independent tax accountants to GLPI, and (B) submitted to and approved by GLPI's outside tax counsel, and (iii) in the event that GLPI receives a ruling from the IRS to the effect that GLPI's receipt of the additional amount otherwise to be paid under this Agreement either would constitute Qualifying Income or would be excluded from gross income of GLPI for purposes of Sections 856(c)(2) and (3) of the Code (the "Specified REIT Requirements"), the aggregate payments otherwise required to be made pursuant to Section 5.3 or 5.6 (determined without regard to this Section 5.8(a)) less the amount otherwise previously paid under clauses (i) and (ii) above.

(b) Penn shall place the full amount of any payments otherwise to be made by Penn pursuant to Section 5.3 or 5.6 in a mutually agreed escrow account upon mutually acceptable terms (which shall provide that (i) the amount in the escrow account shall be treated as the property of Penn, unless it is released from such escrow account to any GLPI Indemnified Party, (ii) all income earned upon the amount in the escrow account shall be treated as the property of Penn and reported, as and to the extent required by applicable Law, by the escrow agent to the IRS, or any other taxing authority, on IRS Form 1099 or 1042S (or other appropriate form) as income earned by Penn whether or not said income has been distributed during such taxable year and (iii) any portion thereof shall not be released to any GLPI Indemnified Party unless and until Penn receives any of the following: (A) a letter from GLPI's independent tax accountants indicating the amount that it is estimated can be paid at that time to the GLPI Indemnified Parties without causing GLPI to fail to meet the Specified REIT Requirements for the taxable year in which the payment would be made, which determination shall be made by such independent tax accountants or (B) an opinion of outside tax counsel selected by GLPI, such opinion to be reasonably satisfactory to GLPI, to the effect that, based upon a change in applicable Law after the date on which payment was first deferred hereunder, receipt of the additional amount otherwise to be paid pursuant to Section 5.3 or 5.6 either would be excluded from gross income of GLPI for purposes of the Specified REIT Requirements or would constitute Qualifying Income, in either of which events Penn shall pay to the applicable GLPI Indemnified Parties the lesser of the unpaid amounts due pursuant to Section 5.3 or 5.6 (determined without regard to this Section 5.8) or the maximum amount stated in the letter referred to in clause (iii)(A) above.

(c) Any amount held in escrow pursuant to Section 5.8(b) for five years shall be released from such escrow to be used as determined by Penn in its sole and absolute discretion.

(d) GLPI shall bear all costs and expenses with respect to the escrow.

(e) Penn shall cooperate in good faith to amend this Section 5.8 at the reasonable request of GLPI in order to (i) maximize the portion of such payment that may be

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distributed to GLPI hereunder without causing GLPI to fail to meet the requirements of Sections 856(c)(2) and (3) of the Code, (ii) improve GLPI's chances of securing a favorable ruling described in this Section 5.8, or (iii) assist GLPI in obtaining a favorable opinion from its outside tax counsel or determination from its tax accountants as described in this Section 5.8. GLPI shall reimburse Penn for all reasonable costs and expenses of such cooperation.

5.9 Additional Matters.

(a) Indemnification or contribution payments in respect of any Liabilities for which an Indemnified Party is entitled to indemnification or contribution under this Article V shall be paid by the Indemnifying Party to the Indemnified Party as such Liabilities are incurred upon demand by the Indemnified Party, including reasonably satisfactory documentation setting forth the basis for the amount of such indemnification or contribution payment, including documentation with respect to calculations made and consideration of any Insurance Proceeds that actually reduce the amount of such Liabilities. The indemnity and contribution agreements contained in this Article V shall remain operative and in full force and effect, regardless of (i) any investigation made by or on behalf of any Indemnified Party, (ii) the knowledge by the Indemnified Party of Liabilities for which it might be entitled to indemnification or contribution hereunder and (iii) any termination of this Agreement.

(b) Any claim for indemnification under this Agreement which does not result from a Third Party Claim shall be asserted by written notice given by the Indemnified Party to the applicable Indemnifying Party. Such Indemnifying Party shall have a period of thirty (30) days after the receipt of such notice within which to respond thereto. If such Indemnifying Party does not respond within such thirty (30)-day period, such Indemnifying Party shall be deemed to have refused to accept responsibility to make payment. If such Indemnifying Party does not respond within such thirty (30)-day period or rejects such claim in whole or in part, such Indemnified Party shall be free to pursue such remedies as may be available to such party as contemplated by this Agreement and the other Transaction Documents without prejudice to its continuing rights to pursue indemnification or contribution hereunder.

(c) If payment is made by or on behalf of any Indemnifying Party to any Indemnified Party in connection with any Third Party Claim, such Indemnifying Party shall be subrogated to and shall stand in the place of such Indemnified Party as to any events or circumstances in respect of which such Indemnified Party may have any right, defense or claim relating to such Third Party Claim against any claimant or plaintiff asserting such Third Party Claim or against any other Person. Such Indemnified Party shall cooperate with such Indemnifying Party in a reasonable manner, and at the cost and expense of such Indemnifying Party, in prosecuting any subrogated right, defense or claim.

(d) In an Action in which the Indemnifying Party is not a named defendant, if either the Indemnified Party or Indemnifying Party shall so request, the parties shall endeavor to substitute the Indemnifying Party for the named defendant if they conclude that substitution is desirable and practical. If such substitution or addition cannot be achieved for any reason or is not requested, the named defendant shall allow the Indemnifying Party to manage the Action as set forth in this section, and the Indemnifying Party shall fully indemnify the named defendant against all costs of defending the Action (including court costs, sanctions imposed by a court,

attorneys' fees, experts fees and all other external expenses), the costs of any judgment or settlement, and the cost of any interest or penalties relating to any judgment or settlement.

(e) For all Tax purposes other than for purposes of Section 355(g) of the Code, Penn and GLPI agree to treat (i) any payment required by this Agreement (other than payments with respect to interest accruing after the Effective Time) as either a contribution by Penn to GLPI or a distribution by GLPI to Penn, as the case may be, occurring immediately prior to the Effective Time or as a payment of an assumed or retained Liability, and (ii) any payment of interest as taxable or deductible, as the case may be, to the party entitled under this Agreement to retain such payment or required under this Agreement to make such payment, in either case except as otherwise required by applicable Law.

5.10 Remedies Cumulative; Limitations of Liability. The rights provided in this Article V shall be cumulative and, subject to the provisions of Article VII, shall not preclude assertion by any Indemnified Party of any other rights or the seeking of any and all other remedies against any Indemnifying Party. Notwithstanding the foregoing, neither GLPI or its Affiliates, on the one hand, nor Penn or its Affiliates, on the other hand, shall be liable to the other for any special, indirect, punitive, exemplary, remote, speculative or similar damages in excess of compensatory damages (collectively, "Special Damages") of the other arising in connection with the Transactions (provided, that any such liability with respect to a Third Party Claim shall be considered direct damages).

5.11 Survival of Indemnities. The rights and obligations of each of Penn and GLPI and their respective Indemnified Parties under this Article V shall survive the sale or other transfer by any party of any Assets or businesses or the assignment by it of any Liabilities.

ARTICLE VI

OTHER AGREEMENTS

6.1 Further Assurances.

(a) In addition to the actions specifically provided for elsewhere in this Agreement, each of the parties hereto will cooperate with each other and use (and will cause their respective Subsidiaries and Affiliates to use) commercially reasonable efforts, prior to, on and after the Distribution Date, to take, or to cause to be taken, all actions, including the actions listed on Schedule 6.1(a), and to do, or to cause to be done, all things reasonably necessary on its part under applicable Law or contractual obligations to consummate and make effective the transactions contemplated by this Agreement and the other Transaction Documents.

(b) Without limiting the foregoing, prior to, on and after the Distribution Date, each party hereto shall cooperate with the other parties, and without any further consideration, but at the expense of the requesting party from and after the Effective Time, to execute and deliver, or use its commercially reasonable efforts to cause to be executed and delivered, all instruments, including instruments of conveyance, assignment and transfer, and to obtain or make any Approvals or Notifications from or with any Governmental Authority or any other Person under any permit, license, agreement, indenture or other instrument, and to take all such

other actions as such party may reasonably be requested to take by any other party hereto from time to time, consistent with the terms of this Agreement and the other Transaction Documents, in order to effectuate the provisions and purposes of this Agreement and the other Transaction Documents and the transfers of the GLPI Assets and the assignment and assumption of the GLPI Liabilities and the other transactions contemplated hereby and thereby. Without limiting

the foregoing, each party will, at the reasonable request, cost and expense of any other party, take such other actions as may be reasonably necessary to vest in such other party good and marketable title to the Assets allocated to such party under this Agreement or any of the other Transaction Documents, free and clear of any Security Interest except as contemplated by any of the Financing Arrangements or any Transaction Document.

(c) At or prior to the Effective Time, Penn and GLPI in their respective capacities as direct and indirect shareholders of their respective Subsidiaries, shall each ratify any actions that are reasonably necessary or desirable to be taken by GLPI or any other Subsidiary of Penn or GLPI, as the case may be, to effectuate the transactions contemplated by this Agreement.

6.2 Confidentiality.

(a) From and after the Effective Time, subject to Section 6.2(c) and except as contemplated by or otherwise provided in this Agreement or any other Transaction Document, Penn shall not, and shall cause its Affiliates and officers, directors, employees, and other agents and representatives, including attorneys, agents, customers, suppliers, contractors, consultants and other representatives of any Person providing financing (collectively, "Representatives"), not to, directly or indirectly, disclose, reveal, divulge or communicate to any Person other than Representatives of such party or of its Affiliates who reasonably need to know such information in providing services to any member of the Penn Group, any GLPI Confidential Information. If any disclosures are made to any member of the Penn Group in connection with any services provided to a member of the GLPI Group under this Agreement or any other Transaction Document, then the GLPI Confidential Information so disclosed shall be used only as required in connection with the receipt of such services. Penn shall use the same degree of care to prevent and restrain the unauthorized use or disclosure of the GLPI Confidential Information by any of its Representatives as it currently uses for its own confidential information of a like nature, but in no event less than a reasonable standard of care. For purposes of this Section 6.2(a), any Information, material or documents relating to the GLPI Business currently or formerly conducted, or proposed to be conducted, by any member of the GLPI Group furnished to, or in possession of, Penn, irrespective of the form of communication, and all notes, analyses, compilations, forecasts, data, translations, studies, memoranda or other documents prepared by Penn or its officers, directors and Affiliates, that contain or otherwise reflect such information, material or documents is hereinafter referred to as "GLPI Confidential Information." GLPI Confidential Information does not include, and there shall be no obligation hereunder with respect to, information that (i) is or becomes generally available to the public, other than as a result of a disclosure by Penn not otherwise permissible hereunder, (ii) Penn can demonstrate was or became available to Penn from a source other than GLPI or its Affiliates or (iii) is developed independently by Penn without reference to the GLPI Confidential Information; provided, however, that, in the case of clause (ii), the source of such information was not known by Penn to be bound by a confidentiality agreement with, or other contractual, legal or fiduciary

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obligation of confidentiality to, GLPI or any member of the GLPI Group with respect to such information.

(b) From and after the Effective Time, subject to Section 6.2(c) and except as contemplated by this Agreement or any other Transaction Document, GLPI shall not, and shall cause its Affiliates and their respective Representatives, not to, directly or indirectly, disclose, reveal, divulge or communicate to any Person other than Representatives of such party or of its Affiliates who reasonably need to know such information in providing services to GLPI or any member of the GLPI Group, any Penn Confidential Information. If any disclosures are made to any member of the GLPI Group in connection with any services provided to a member of the GLPI Group under this Agreement or any other Transaction Document, then the Penn Confidential Information so disclosed shall be used only as required in connection with the receipt of such services. The GLPI Group shall use the same degree of care to prevent and restrain the unauthorized use or disclosure of the Penn Confidential Information by any of their Representatives as they use for their own confidential information of a like nature, but in no event less than a reasonable standard of care. For purposes of this Section 6.2(b), any Information, material or documents relating to the businesses currently or formerly conducted, or proposed to be conducted, by Penn or any of its Affiliates (other than any member of the GLPI Group) furnished to, or in possession of, any member of the GLPI Group, irrespective of the form of communication, and all notes, analyses, compilations, forecasts, data, translations, studies, memoranda or other documents prepared by GLPI, any member of the GLPI Group or their respective officers, directors and Affiliates, that contain or otherwise reflect such information, material or documents is hereinafter referred to as "Penn Confidential Information." Penn Confidential Information does not include, and there shall be no obligation hereunder with respect to, information that (i) is or becomes generally available to the public, other than as a result of a disclosure by any member of the GLPI Group not otherwise permissible hereunder, (ii) GLPI can demonstrate was or became available to GLPI from a source other than Penn and its respective Affiliates or (iii) is developed independently by such member of the GLPI Group without reference to the Penn Confidential Information; provided, however, that, in the case of clause (ii), the source of such information was not known by GLPI to be bound by a confidentiality agreement with, or other contractual, legal or fiduciary obligation of confidentiality to, Penn or its Affiliates with respect to such information.

(c) If Penn or its Affiliates, on the one hand, or GLPI or its Affiliates, on the other hand, are requested or required (by oral question, interrogatories, requests for information or documents, subpoena, civil investigative demand or similar process) by any Governmental Authority or pursuant to applicable Law to disclose or provide any GLPI Confidential Information or Penn Confidential Information (other than with respect to any such information furnished pursuant to the provisions of Article IV of this Agreement), as applicable, the Person receiving such request or demand shall use commercially reasonable efforts to provide the other party with written notice of such request or demand as promptly as practicable under the circumstances so that such other party shall have an opportunity to seek an appropriate protective order. The party receiving such request or demand agrees to take, and cause its representatives to take, at the requesting party's expense, all other reasonable steps necessary to obtain confidential treatment by the recipient. Subject to the foregoing, the party that received such request or demand may thereafter disclose or provide any GLPI Confidential Information or

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Penn Confidential Information, as the case may be, to the extent required by such Law (as so advised by counsel) or by lawful process or such Governmental Authority.

(d) Each of Penn and GLPI acknowledges that it and the other members of its Group may have in their possession confidential or proprietary information of third Persons that was received under confidentiality or non-disclosure agreements with such third Person prior to the Distribution Date. Penn and GLPI each agrees that it will hold, and will cause the other members of its Group and their respective Representatives to hold, in strict confidence the confidential and proprietary information of third Persons to which it or any other member of its respective Group has access, in accordance with the terms of any agreements entered into prior to the Distribution Date between or among one (1) or more members of the applicable party's Group and such third Persons to the extent disclosed to such party.

6.3 Insurance Matters.

(a) GLPI acknowledges and agrees, on its own behalf and on behalf of each of the GLPI Subsidiaries, that, from and after the Effective Time, neither GLPI nor any of the GLPI Subsidiaries shall have any rights to or under any of Penn's or the Penn Subsidiaries' insurance policies, other than any insurance policies acquired prior to the Effective Time directly by and in the name of a member of GLPI or any of the GLPI Subsidiaries or as expressly provided in this Section 6.3 or in the Employee Matters Agreement.

(b) Notwithstanding Section 6.3(a), from the Effective Time through December 31, 2013, the TRS Properties shall continue to be covered by Penn's or a Penn Subsidiary's existing property insurance policies, it being understood that GLPI shall promptly reimburse Penn or such Penn Subsidiary for any premiums or other costs associated with such coverage. In addition, from and after the Effective Time, with respect to any Liability incurred by GLPI or any of the GLPI Subsidiaries prior to the Effective Time (or, solely with respect to any property insurance policies relating to the TRS Properties, prior to December 31, 2013), Penn shall provide GLPI with access to, and GLPI may make claims under insurance policies purchased by Penn if and to the extent that the terms of such policies provide such coverage to GLPI or the GLPI Subsidiaries, and subject to the terms and conditions of such insurance policies, including any limits on coverage or scope, any deductibles or self-insured retentions and other fees and expenses, and subject to the following additional conditions:

(i) GLPI shall report claims under such policies directly to the applicable insurance company or its Third-Party Administrator ("TPA") as applicable, as promptly as practicable, and shall provide a copy of all such claim reports to the Corporate Risk Management Department of Penn, and if Penn disagrees with any matter covered in such claims reports, Penn may notify the applicable insurance company, and shall provide a copy of such communication to GLPI;

(ii) GLPI shall exclusively bear and be responsible for (and Penn shall have no obligation to repay or reimburse GLPI or any of the GLPI Subsidiaries for) and pay the applicable insurers or TPA as required under the applicable insurance policies and TPA agreements for any and all costs as a result of having access to, or making claims under, any insurance provided pursuant to this Section 6.3(b), including any deductibles and self-insured

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retentions associated with such claims, retrospective, retroactive or prospective premium adjustments associated with the applicable insurance policies, catastrophic coverage charges, overhead, claim handling and administrative costs, Taxes, surcharges, state assessments, reinsurance costs, other related costs and claim payments, relating to all open, closed, re-opened claims covered by the applicable policies, whether such claims are made by GLPI, its employees or third Parties, and GLPI shall indemnify, hold harmless and reimburse Penn and the Penn Subsidiaries for any deductibles and self-insured retentions incurred by Penn or the Penn Subsidiaries to the extent resulting from any access to, any claims made by GLPI or any of the GLPI Subsidiaries under, any insurance provided pursuant to this Section 6.3(b), including any indemnity payments, settlements, judgments, legal fees and allocated claims expenses and claim handling fees, whether such claims are made by GLPI, any GLPI Subsidiary, their respective employees or third Parties;

(iii) GLPI shall exclusively bear (and Penn shall have no obligation to repay or reimburse GLPI or any of the GLPI Subsidiaries for) and shall be liable for all uninsured, uncovered, unavailable or uncollectible amounts of all such claims made by GLPI or any of the GLPI Subsidiaries under the policies as provided for in this Section 6.3(b); and

(iv) Neither GLPI nor any GLPI Subsidiary, in connection with making a claim under any insurance policy of Penn or any Penn Subsidiary pursuant to this Section 6.3(b), shall take any action that would be reasonably likely to: (A) have an adverse impact on the then-current relationship between Penn or any Penn Subsidiary, on the one hand, and the applicable insurance company, on the other hand or (B) otherwise compromise, jeopardize or interfere with the rights of Penn or any Penn Subsidiary under the applicable insurance policy.

At all times, the Parties shall, and shall cause their respective Subsidiaries to, cooperate with reasonable requests for information by the other Party or the insurance companies regarding any such insurance policy claim.

(c) Any payments, costs and adjustments required pursuant to Section 6.3(b) shall be billed by Penn, on behalf of itself and the Penn Subsidiaries, to GLPI on a monthly basis and GLPI, on behalf of itself and the GLPI Subsidiaries, shall pay such payments, costs and adjustments to Penn within sixty (60) days from receipt of invoice. If Penn incurs costs to enforce GLPI's obligations under this Section 6.3, GLPI agrees to indemnify Penn for such enforcement costs, including reasonable attorneys' fees.

(d) At the Effective Time, GLPI shall have in effect all insurance programs required to comply with GLPI's statutory and contractual obligations and such other insurance policies as reasonably necessary or customary for companies operating a business similar to the GLPI Business. Such insurance programs include general liability, commercial auto liability, workers' compensation, employers liability, product liability, employment practices liability, employee dishonesty/crime, directors' and officers' liability and fiduciary liability. GLPI shall obtain a property insurance program on or prior to December 31, 2013, and, notwithstanding Section 6.3(a), between the Effective Date and December 31, 2013, the property insurance of Penn shall provide coverage (determined in the sole discretion of Penn) for GLPI and the GLPI Subsidiaries.

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(e) Neither Penn nor any of the Penn Subsidiaries shall have any obligation to secure extended reporting for any claims under any of Penn's or the Penn Subsidiaries' claims-made or occurrence-reported liability policies for any acts or omissions by GLPI or any GLPI Subsidiary incurred prior to the Effective Time.

(f) This Agreement shall not be considered as an attempted assignment of any policy of insurance or as a contract of insurance and shall not be construed to waive any right or remedy of either Penn or any Penn Subsidiary in respect of any of the Penn insurance policies and programs or any other contract or policy of insurance.

6.4 Allocation of Costs and Expenses. Penn and GLPI shall be responsible for the costs and expenses set forth on Schedule 6.4 according to the allocation provided therein.

6.5 Litigation; Cooperation.

(a) As of the Effective Time, GLPI shall assume and thereafter, except as provided in Article V, be responsible for the administration of all Liabilities that may result from the Assumed Actions and all fees and costs relating to the defense of the Assumed Actions, including attorneys' fees and costs incurred after the Effective Time. "Assumed Actions" means those Actions (in which any member of the Penn Group or any Affiliate of a member of the Penn Group is a defendant or the party against whom the claim or investigation is directed) primarily relating to the GLPI Business, including the Actions listed on Schedule 6.5(a).

(b) Penn shall transfer the Transferred Actions to GLPI, and GLPI shall receive and have the benefit of all of the proceeds of such Transferred Actions. "Transferred Actions" means those Actions (in which any member of the Penn Group or any Affiliate of a member of the Penn Group is a plaintiff or claimant) primarily relating to the GLPI Business, including the Actions listed on Schedule 6.5(b).

(c) (i) Penn agrees that at all times from and after the Effective Time if a Third Party Claim relating primarily to the Penn Business is commenced naming both Penn and GLPI as defendants thereto, then Penn shall use its commercially reasonable efforts to cause GLPI to be removed from such Third Party Claim; provided, that, if Penn is unable to cause GLPI to be removed from such Third Party Claim, Penn and GLPI shall cooperate and consult to the extent necessary or advisable with respect to such Third Party Claim.

(ii) GLPI agrees that at all times from and after the Effective Time if a Third Party Claim relating primarily to the GLPI Business is commenced naming both Penn and GLPI as defendants thereto, then GLPI shall use its commercially reasonable efforts to cause Penn to be removed from such Third Party Claim; provided, that, if GLPI is unable to cause Penn to be removed from such Third Party Claim, Penn and GLPI shall cooperate and consult to the extent necessary or advisable with respect to such Third Party Claim.

(iii) Penn and GLPI agree that at all times from and after the Effective Time if a Third Party Claim which does not relate primarily to the GLPI Business or the Penn Business is commenced naming both Penn (or any member of the Penn Group) and GLPI (or any member of the GLPI Group) as defendants thereto, then Penn and GLPI shall cooperate fully with each other, maintain a joint defense (in a manner that would preserve for both parties

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and their respective Affiliates any attorney-client privilege, joint defense or other privilege with respect thereto) and consult each other to the extent necessary or advisable with respect to such Third Party Claim.

6.6 Tax Matters. Penn and GLPI shall enter into the Tax Matters Agreement on or prior to the Distribution Date. To the extent that any representations, warranties, covenants or agreements between the parties with respect to Taxes or other Tax matters are set forth in the Tax Matters Agreement, such Taxes and other Tax matters shall be governed exclusively by the Tax Matters Agreement and not by this Agreement.

6.7 Employment Matters. Penn and GLPI shall enter into the Employee Matters Agreement on or prior to the Distribution Date. To the extent that any representations, warranties, covenants or agreements between the parties with respect to employment matters are set forth in the Employee Matters Agreement, such employment matters shall be governed exclusively by the Employee Matters Agreement and not by this Agreement.

6.8 Intellectual Property Matters.

(a) Hollywood Casinos hereby grants to GLPI a perpetual, non-exclusive license to use the Intellectual Property that is set forth on Schedule 6.8 (the "Licensed Intellectual Property") solely in connection with the ownership, management, development, operation of and promotion of the TRS Properties, including the offering or sale by GLPI of products bearing the Licensed Marks (the "IP License"). For a period of two years commencing on the date of this Agreement (the "Term"), the IP License shall be royalty-free. The royalty to be paid for the continued use of the IP License after the Term shall reflect the fair market value thereof, determined pursuant to good faith negotiations between the parties prior to the end of Term or, if the parties have not reached such agreement by the end of Term, pursuant to the arbitration procedures set forth in Section 7.2 with any decision being applied retroactive to the first day following the end of Term.

(b) GLPI shall have the right to sublicense the Licensed Intellectual Property to any member of the GLPI Group (solely for so long as such entity remains a member of the GLPI Group), provided, however, that any sublicense granted hereunder shall contain provisions whereby the sublicensee agrees to assume, observe and perform all of the obligations of GLPI and be bound by all of the restrictions under this Agreement applicable to the use of the Licensed Intellectual Property.

(c)

(i) GLPI recognizes and acknowledges the exclusive right, title and interest of Hollywood Casinos in and to the ownership of the Licensed Intellectual Property, including the Licensed Marks. GLPI agrees to assign and hereby assigns any and all rights in the Licensed Intellectual Property (including any and all rights in the Licensed Marks) it might acquire during or after the Term to Hollywood Casinos and agrees to execute and undertake during or after the Term and after termination of the IP License all documents and all actions reasonably necessary to effect the clarification or perfection of ownership of all Licensed Intellectual Property in and to Hollywood Casinos, and to allow Hollywood Casinos to apply for

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registrations of the Licensed Intellectual Property and to maintain any registrations issued thereon.

(ii) All rights in and to the Licensed Intellectual Property not specifically granted to GLPI herein are expressly reserved by Hollywood Casinos. GLPI neither has nor under any circumstances shall be deemed to have any ownership, right, title or interest in or to any Licensed

(iii) All goodwill associated with or identified by the Licensed Intellectual Property shall inure directly and exclusively to the benefit of, and is the sole property of Hollywood Casinos and all use (whether authorized or unauthorized) of any other indicia of source, mark, logo or slogan by GLPI in the course of promoting or marketing the Licensed Intellectual Property shall likewise inure directly and exclusively to the benefit and shall be the sole property of Hollywood Casinos.

(iv) During the Term and thereafter, GLPI shall not: (A) challenge the validity of Hollywood Casinos's ownership of, or right to license, the Licensed Intellectual Property or any registration, or application for registration thereof; (B) represent in any manner that it has any title or right to the ownership, registration or use of the Licensed Intellectual Property except as set forth in this Agreement; (C) challenge the right of Hollywood Casinos to grant the licenses granted herein; or (D) interfere in any manner with nor attempt to prohibit the use or registration by Hollywood Casinos of any Licensed Intellectual Property.

(v) GLPI acknowledges that certain of the Licensed Intellectual Property may have been and may potentially be misappropriated by third Persons. Hollywood Casinos provides neither any guarantee nor assurance that Hollywood Casinos will be able to cause cessation of such misappropriation nor any assurance that such third Persons may fail in an ability to claim superiority of rights with respect to the subject Licensed Intellectual Property.

(vi) Nothing contained in this Agreement shall be construed to confer upon GLPI any right or license to have any of the Licensed Intellectual Property registered in the name of GLPI, any member of the GLPI Group or any third Person or to vest in GLPI, any member of the GLPI Group or any third Person any right, title or interest in and to the Licensed Intellectual Property. GLPI shall not, directly or indirectly, register or cause to be registered in any country or governmental subdivision any trademark, trade name, service mark, trade dress, Internet domain name, other universal resource locator, patent, mask work or copyright consisting of, embodied in, relating to, arising out of or similar to any of the Licensed Intellectual Property. GLPI shall not knowingly damage, do any act or fail to do any act, which could be reasonably anticipated to damage, dilute, or materially modify any of the Licensed Intellectual Property or knowingly permit a third Person to do so.

(vii) GLPI shall immediately notify Hollywood Casinos in writing of any infringement, misappropriation, dilution or other claim of right, title, or interest (or any suspected activity with respect to any of the foregoing) with respect to any of the Licensed Intellectual Property of which GLPI knows or otherwise becomes aware.

(viii) (A) GLPI shall use the Licensed Marks without any accompanying words or symbols of any nature (save as required by the provisions hereof) unless first approved in writing by Hollywood Casinos or Penn and GLPI shall not modify the Licensed Marks or conjoin the Licensed Marks with any other name, service mark, trade name or trademark whatsoever, unless otherwise approved by Hollywood Casinos or Penn, in Hollywood Casinos's and Penn's reasonable discretion, in writing; and (B) GLPI agrees to include on all uses of the Licensed Intellectual Property all notices and legends reasonably requested by Hollywood Casinos.

(ix) GLPI shall neither file any application for registration or other recognition of any name incorporating or embodying in any manner the Licensed Marks, or variant thereof, as a fictitious business name nor use the Licensed Marks, or any variant thereof, as part of its formal entity name (including any corporate, partnership, limited-liability company, limited-liability partnership, limited partnership or any other formal entity name) or permit any member of the GLPI Group or any third Person to do so, unless Hollywood Casinos or Penn grants such use of the Licensed Marks, in its reasonable discretion.

(d)

(i) GLPI agrees to use the Licensed Intellectual Property in good faith and in a dignified manner, in a manner consistent with Penn and Hollywood Casinos's high standards of, and reputation for quality, in a manner consistent with the standards of quality of the TRS Properties immediately prior to the Effective Time, and in accordance with generally accepted trademark practice wherever the Licensed Marks are used. GLPI agrees to use commercially reasonable efforts to protect the Licensed Intellectual Property and the goodwill associated therewith.

(ii) GLPI covenants that the nature and quality of the products and services provided at the TRS Properties and all promotional, advertising or other material relating to the any such products and services, and all representations of the Licensed Intellectual Property, shall be of good quality comparable to the quality of similar goods and services presently sold or provided by the TRS Properties immediately prior to the Effective Date and shall conform to any applicable brand rules of Penn or Hollywood Casinos in effect as of the Effective Time. With respect to any additional services or products that may be provided by the TRS Properties, GLPI agrees that the nature and quality of such products and services shall be equal to and commensurate with that of existing products and services offered by the TRS Properties immediately prior to the Effective Time.

(iii) GLPI covenants that no promotional, advertising or other material that utilizes any of the Licensed Intellectual Property (including the "Hollywood" name or logo) shall display such Licensed Intellectual Property without also prominently indicating the full name of the applicable property (i.e., "Hollywood Casino Baton Rouge" or "Hollywood Casino Perryville").

(iv) In furtherance of the provisions of Section 8.9, GLPI covenants that it shall not assign or otherwise transfer any interest in the Licensed Intellectual Property to any third party without Hollywood Casinos's prior written consent. For purposes of this

paragraph, it shall be deemed a transfer if any person other than GLPI acquires at least 25% of the voting control of GLPI, or of any GLPI Subsidiary that directly or indirectly owns one or more TRS Properties. Hollywood Casinos agrees that, in the event of a change of control or sale of all or substantially all of the assets of GLPI or of any GLPI Subsidiary that directly or indirectly owns one or more of the TRS Properties, for no additional consideration Hollywood Casinos will grant a license to use the Licensed Intellectual Property for a term of one year from the date of such change in control or transfer on the same terms as are applicable to GLPI pursuant to this Section 6.8 to such GLPI Subsidiary or the acquiror, as applicable, at such Person's election.

(v) Solely for the purposes of ensuring compliance with this Section 6.8, Hollywood Casinos's and Penn's duly authorized representatives shall have the right to inspect the quality of the products and services provided at the TRS Properties, and GLPI shall permit, subject to applicable Law, such representatives of Hollywood Casinos and Penn to have reasonable access to all areas of the TRS Properties for such inspection purposes during regular business hours and on reasonable notice and in a manner that will cause minimal disruption to GLPI's business.

(e) Penn agrees to take such actions as may be necessary to cause Hollywood Casinos to comply with this Section 6.8.

6.9 Compliance with Legal Requirements(a). After the Effective Time, GLPI covenants and agrees that it will comply in all material respects with all legal requirements and regulations applicable to it that have been enacted by a Governmental Authority as a condition to or otherwise in connection with the Distribution.

ARTICLE VII

DISPUTE RESOLUTION

7.1 General Provisions.

(a) Any dispute, controversy or claim arising out of or relating to this Agreement or the other Transaction Documents (other than the Master Lease), or the validity, interpretation, breach or termination thereof (a "Dispute"), shall be resolved in accordance with the procedures set forth in this Article VII, which shall be the sole and exclusive procedures for the resolution of any such Dispute unless otherwise specified in the applicable Transaction Document or in this Article VII below.

(b) Commencing with a request contemplated by Section 7.2 set forth below, all communications between the parties or their representatives in connection with the attempted resolution of any Dispute shall be deemed to have been delivered in furtherance of a Dispute settlement and shall be exempt from discovery and production, and shall not be admissible into evidence for any reason (whether as an admission or otherwise), in any arbitral or other proceeding for the resolution of any Dispute.

(c) THE PARTIES EXPRESSLY WAIVE AND FOREGO ANY RIGHT TO (I) SPECIAL DAMAGES, AS DEFINED HEREIN (PROVIDED, THAT LIABILITY FOR ANY SUCH SPECIAL DAMAGES, AS DEFINED HEREIN, WITH RESPECT TO ANY THIRD PARTY CLAIM SHALL BE CONSIDERED DIRECT DAMAGES) AND (II) TRIAL BY JURY.

(d) The specific procedures set forth in this Article VII below, including the time limits referenced therein, may be modified by agreement of both of the parties in writing.

(e) All applicable statutes of limitations and defenses based upon the passage of time shall be tolled while the procedures specified in this Article VII are pending. The parties will take any necessary or appropriate action required to effectuate such tolling.

7.2 Arbitration.

(a) In the event of any Dispute, either party may (i) pursuant to its rights under Section 8.11, submit a request for interim injunctive relief to the arbitral tribunal appointed pursuant to Section 7.2(b) (provided, that, if the tribunal shall not have been constituted, either party may seek interim relief either before a special arbitrator, as provided for in Rule 14 of the CPR Arbitration Rules, or before any court of competent jurisdiction) if, in the reasonable opinion of such party, such interim injunctive relief is necessary to preserve its rights pending resolution of the Dispute, and (ii) submit such Dispute to be finally resolved by binding arbitration, in each case, pursuant to the CPR Rules for Non-Administered Arbitration as then in effect (the "CPR Arbitration Rules").

(b) The neutral organization for purposes of the CPR Arbitration Rules will be the CPR. The arbitral tribunal will be composed of one arbitrator to be mutually agreed by the parties or, if the parties are unable to agree on an arbitrator, the arbitrator will be appointed by

CPR from a list of eight (8) proposed neutrals submitted by the CPR each of whom shall have at least ten (10) years' experience in arbitrating commercial disputes. Each party may strike no more than three (3) neutrals from the list submitted by CPR.

(c) Arbitration will take place in Wyomissing, Pennsylvania. Along with the arbitrator appointed, the parties will agree to a mutually convenient date and time to conduct the arbitration, but in no event will the hearing(s) be scheduled less than six (6) months from submission of the Dispute to arbitration unless the parties agree otherwise in writing; provided, that, if injunctive or other interim relief contemplated by Section 7.2(d) below is requested, the hearing(s) will be expedited in accordance with any order entered by the court, tribunal or special arbitrator adjudicating that request.

(d) The arbitral tribunal will have the right to award, on an interim basis, or include in the final award, any relief which it deems proper in the circumstances, including money damages (with interest on unpaid amounts from the due date), injunctive relief (including specific performance) and attorneys' fees and costs; provided, that the arbitral tribunal will not award any relief not specifically requested by the parties and, in any event, will not award Special Damages. Upon constitution of the arbitral tribunal following any grant of interim relief by a special arbitrator or court pursuant to Sections 7.2(a) and 8.11, the tribunal may affirm or disaffirm that relief, and the parties will seek modification or rescission of the order entered by the special arbitrator or court as necessary to accord with the tribunal's decision.

(e) The parties agree to be bound by the provisions of Rule 13 of the Federal Rules of Civil Procedure with respect to compulsory counterclaims (as the same may be amended from time to time); provided, that any such compulsory counterclaim shall be filed within thirty (30) days of the

filing of the original claim.

(f) So long as either party has a timely claim to assert, the agreement to arbitrate Disputes set forth in this Section 7.2 will continue in full force and effect subsequent to, and notwithstanding the completion, expiration or termination of, this Agreement.

(g) A party obtaining an order of interim injunctive relief may enter judgment upon such award in any court of competent jurisdiction. The final award in an arbitration pursuant to this Article VII shall be conclusive and binding upon the parties, and a party obtaining a final award may enter judgment upon such award in any court of competent jurisdiction.

(h) It is the intent of the parties that the agreement to arbitrate Disputes set forth in this Section 7.2 shall be interpreted and applied broadly such that all reasonable doubts as to arbitrability of a Dispute shall be decided in favor of arbitration.

(i) If a Dispute includes both arbitrable and nonarbitrable claims, counterclaims or defenses, the parties shall arbitrate all such arbitrable claims, counterclaims or defenses and shall concurrently litigate, subject to and in accordance with Section 8.2, all such nonarbitrable claims, counterclaims or defenses.

(j) The parties agree that any Dispute submitted to arbitration shall be governed by, and construed and interpreted in accordance with, Section 8.2 and, except as

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otherwise provided in this Article VII or mutually agreed to in writing by the parties, the Federal Arbitration Act, 9 U.S.C. §§ 1 et seq., shall govern any arbitration between the parties pursuant to this Section 7.2.

(k) Each party shall bear (i) its own fees, costs and expenses and shall bear an equal share of the expenses of the arbitration, including the fees, costs and expenses of the arbitrator; provided, in the case of any Disputes relating to the parties' rights and obligations with respect to indemnification under Article V, the substantially prevailing party shall be entitled to reimbursement by the other party of its reasonable out-of-pocket fees and expenses (including attorneys' fees) incurred in connection with the arbitration.

ARTICLE VIII

MISCELLANEOUS

8.1 Corporate Power. Penn represents on behalf of itself and on behalf of other members of the Penn Group, and GLPI represents on behalf of itself and on behalf of other members of the GLPI Group, as follows:

(a) each such Person has the requisite corporate power and authority and has taken all corporate action necessary in order to execute, deliver and perform each of this Agreement and each other Transaction Document to which it is a party and to consummate the transactions contemplated hereby and thereby; and

(b) this Agreement and each Transaction Document to which it is a party has been duly executed and delivered by it and constitutes a valid and binding agreement of it enforceable in accordance with the terms thereof.

8.2 Governing Law; Jurisdiction. This Agreement and, unless expressly provided therein, each other Transaction Document, shall be governed by and construed and interpreted in accordance with the Laws of the Commonwealth of Pennsylvania irrespective of the choice of Laws principles of the Commonwealth of Pennsylvania. In addition, with respect to this Agreement (other than arbitrable Disputes governed by Section 7.2) and, unless expressly provided therein, each other Transaction Document, Penn and GLPI agree that any legal action or proceeding shall be brought or determined exclusively in a state or federal court located within the County of Berks in the Commonwealth of Pennsylvania.

8.3 Survival of Covenants. Except as expressly set forth in any other Transaction Document, the covenants and other agreements contained in this Agreement and each other Transaction Document, and liability for the breach of any obligations contained herein or therein, shall survive each of the Reorganization and the Distribution and shall remain in full force and effect.

8.4 Force Majeure. No party hereto (or any Person acting on its behalf) shall have any liability or responsibility for failure to fulfill any obligation (other than a payment obligation) under this Agreement or, unless otherwise expressly provided therein, any other Transaction Document, so long as and to the extent to which the fulfillment of such obligation is prevented, frustrated, hindered or delayed as a consequence of circumstances of Force Majeure.

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A party claiming the benefit of this provision shall, as soon as reasonably practicable after the occurrence of any such event, (i) notify the other parties of the nature and extent of any such Force Majeure condition and (ii) use due diligence to remove any such causes and resume performance under this Agreement as soon as feasible.

8.5 Notices. All notices, requests, claims, demands and other communications under this Agreement and, to the extent applicable and unless otherwise provided therein, under each of the other Transaction Documents shall be in writing and shall be given or made (and shall be deemed to have been duly given or made upon receipt) by delivery in person, by overnight courier service, by facsimile or electronic transmission with receipt confirmed (followed by delivery of an original via overnight courier service) or by registered or certified mail (postage prepaid, return receipt requested) to the respective parties at the following addresses (or at such other address for a party as shall be specified in a notice given in accordance with this Section 8.5):

If to Penn or a member of the Penn Group, to:

Penn National Gaming, Inc.
825 Berkshire Boulevard, Suite 200
Wyomissing, Pennsylvania 19610
Attention: Chief Executive Officer
Facsimile: (610) 373-4966

with a copy to:

Ballard Spahr LLP
1735 Market Street, 51st Floor
Philadelphia, Pennsylvania 19103
Attention: Justin P. Klein, Esq.
Facsimile: (215) 864-9166

if to GLPI:

Gaming and Leisure Properties, Inc.
825 Berkshire Boulevard, Suite 400
Wyomissing, Pennsylvania 19610
Attention: Chief Executive Officer
Facsimile: (610) 401-2901

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with a copy to:

Pepper Hamilton LLP
300 Two Logan Square
Eighteenth and Arch Streets
Philadelphia, Pennsylvania 19103
Attention: Barry M. Abelson, Esq.
Facsimile: (215) 981-4750

8.6 **Termination.** Notwithstanding any provision to the contrary, this Agreement may be terminated and the Distribution abandoned at any time prior to the Effective Time by and in the sole discretion of Penn without the prior approval of any Person, including GLPI. In the event of such termination, this Agreement shall become void and no party, or any of its officers and directors shall have any liability to any Person by reason of this Agreement. After the Effective Time, this Agreement may not be terminated except by an agreement in writing signed by each of the parties to this Agreement.

8.7 **Severability.** If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced under any Law or as a matter of public policy, all other conditions and provisions of this Agreement shall remain in full force and effect. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties to this Agreement shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated by this Agreement be consummated as originally contemplated to the greatest extent possible.

8.8 **Entire Agreement.** Except as otherwise expressly provided in this Agreement, this Agreement (including the Schedules and Exhibits hereto) constitutes the entire agreement of the parties hereto with respect to the subject matter of this Agreement and supersedes all prior agreements and undertakings, both written and oral, between or on behalf of the parties hereto with respect to the subject matter of this Agreement.

8.9 **Assignment; No Third-Party Beneficiaries.** This Agreement shall not be assigned by either party without the prior written consent of the other party hereto. Except as provided in Article V with respect to Indemnified Parties, this Agreement is for the sole benefit of the parties to this Agreement and members of their respective Group and their permitted successors and assigns and nothing in this Agreement, express or implied, is intended to or shall confer upon any other Person any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

8.10 **Public Announcements.** From and after the Effective Time, Penn and GLPI agree that they shall make no public statement that would be inconsistent with any of the representations or assumptions underlying the Private Letter Ruling or that would otherwise in any manner compromise or undermine the tax treatment of any of the Transactions without the prior written consent of the other, except as may be required by applicable Law, court process or by obligations pursuant to any listing agreement with any national securities exchange or national securities quotation system.

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8.11 **Specific Performance.** Subject to the provisions of Article VII, in the event of any actual or threatened default in, or breach of, any of the terms, conditions and provisions of this Agreement or any other Transaction Document, the party or parties who are or are to be thereby aggrieved shall have the right to specific performance and injunctive or other equitable relief (on an interim or permanent basis) of its rights under this Agreement or such Transaction Document, in addition to any and all other rights and remedies at law or in equity, and all such rights and remedies shall be cumulative. The parties agree that the remedies at law for any breach or threatened breach, including monetary damages, may be inadequate compensation for any loss and that any defense in any action for specific performance that a remedy at law would be adequate is waived. Any requirements for the securing or posting of any bond with such remedy are waived by each of the parties to this Agreement.

8.12 **Amendment.** No provision of this Agreement may be amended or modified except by a written instrument signed by all the parties to this Agreement. No waiver by any party of any provision of this Agreement shall be effective unless explicitly set forth in writing and executed by the party so waiving. The waiver by any party of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any other subsequent breach.

8.13 Rules of Construction. Interpretation of this Agreement shall be governed by the following rules of construction: (i) words in the singular shall be held to include the plural and vice versa and words of one gender shall be held to include the other gender as the context requires, (ii) references to the terms Article, Section, paragraph, clause, Exhibit and Schedule are references to the Articles, Sections, paragraphs, clauses, Exhibits and Schedules of this Agreement unless otherwise specified, (iii) the terms “hereof,” “herein,” “hereby,” “hereto,” and derivative or similar words refer to this entire Agreement, including the Schedules and Exhibits hereto, (iv) references to “\$” shall mean U.S. dollars, (v) the word “including” and words of similar import when used in this Agreement shall mean “including without limitation,” unless otherwise specified, (vi) the word “or” shall not be exclusive, (vii) references to “written” or “in writing” include in electronic form, (viii) unless the context requires otherwise, references to “party” shall mean Penn or GLPI, as appropriate, and references to “parties” shall mean Penn and GLPI (except that with reference to Section 6.8, Article VII and Article VIII, “parties” shall mean Penn, GLPI and, to the extent applicable in the context, Hollywood Casinos, and to the extent applicable, “party” shall mean Penn or GLPI or Hollywood Casinos, as applicable), (ix) provisions shall apply, when appropriate, to successive events and transactions, (x) the table of contents and headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement, (xi) Penn and GLPI have each participated in the negotiation and drafting of this Agreement and if an ambiguity or question of interpretation should arise, this Agreement shall be construed as if drafted jointly by the parties hereto and no presumption or burden of proof shall arise favoring or burdening either party by virtue of the authorship of any of the provisions in this Agreement or any interim drafts of this Agreement, and (xii) a reference to any Person includes such Person’s successors and permitted assigns.

8.14 Counterparts. This Agreement may be executed in one (1) or more counterparts, and by the different parties to each such agreement in separate counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this

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Agreement by facsimile or portable document format (PDF) shall be as effective as delivery of a manually executed counterpart of any such Agreement.

[The remainder of this page is intentionally left blank.]

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IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed on the date first written above by their respective duly authorized officers.

PENN NATIONAL GAMING, INC.

By: /s/ Robert S. Ippolito
Name: Robert S. Ippolito
Title: VP, Secretary & Treasurer

GAMING AND LEISURE PROPERTIES, INC.

By: /s/ William J. Clifford
Name: William J. Clifford
Title: Chief Financial Officer

HOLLYWOOD CASINOS, LLC, solely for the purposes of Section 6.8,
Article VII and Article VIII of this Agreement

By: CRC Holdings, Inc., its sole member

By: /s/ Robert S. Ippolito
Name: Robert S. Ippolito
Title: Secretary & Treasurer

[Signature Page to Separation and Distribution Agreement]

**THIRD AMENDED AND RESTATED BYLAWS
OF
PENN NATIONAL GAMING, INC.
(a Pennsylvania corporation)**

Effective as of November 1, 2013

ARTICLE I

Offices

Section 1.01. Registered Office. The registered office of Penn National Gaming, Inc. (the “Corporation”) in the Commonwealth of Pennsylvania shall be 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 — 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 transmission, e-mail or other electronic communication to his or her facsimile number or address for e-mail or other electronic communication 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) or courier service, charges prepaid, to the address 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 supplied by the director to the Corporation for the purpose of notice. If the notice is sent by mail, telegram 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. 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 at least 24 hours (in the case of notice by telephone, 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. Notice in record form 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, to the extent required by the Business Corporation Law, to each shareholder of record not entitled to vote at the meeting) at least (a) 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 (b) 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.

Section 2.04. 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) If so provided in the notice of the meeting or by the presiding officer, 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 or at 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, if so designated by the board of directors, 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, pose questions to the directors of the Corporation, make appropriate motions and comment on the business of the meeting.

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, 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.

(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) provided 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 substantive and procedural requirements set forth in Article VII below.

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 a majority of the directors then in office.

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 the 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 the presiding officer of the meeting or a majority of the shareholders present and entitled to vote shall direct.

Section 3.05. Action by Shareholders. 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. The shareholders of the Corporation may act only at a duly organized meeting.

Section 3.06. 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 3.07. Voting and Other Action by Proxy.

(a) General Rules.

(1) Every shareholder entitled to vote at a meeting of shareholders may authorize another person to act for the shareholder by proxy.

(2) The vote or other action on behalf of a shareholder at a meeting of shareholders by a proxy of a shareholder entitled to vote shall constitute the presence of, or vote or action by the shareholder.

(3) Where a shareholder entitled to vote 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 or other action of all shares represented thereby the vote cast or other action taken 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 or taking the other action, the voting of the shares or right to take other action shall be divided equally among those persons.

(b) Minimum Requirements. Every proxy shall be signed 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 sign or authenticate a writing or transmit an electronic message authorizing another person to act for him or her by proxy. A telegram, 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 signed by a shareholder or attorney-in-fact may be treated as properly signed 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 signature, 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

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the vote is counted or the authority is exercised, notice in record form 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 3.08. 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 entitled to vote and that have been 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 3.09. Voting by Joint Holders of Shares.

(a) General Rule. Where shares of the Corporation that are entitled to vote 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 3.10. Voting by Entities.

(a) Voting by Shareholders that are Entities. Any corporation, limited liability company, partnership or other entity that is a holder of shares entitled to vote may vote such shares at meetings of shareholders of 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 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 the Corporation, is appointed its general or special proxy in which case the person so appointed shall be entitled to vote the shares.

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(b) Controlled Shares. Shares of the Corporation owned, directly or indirectly, by it and controlled, directly or indirectly, by the board of directors of the 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 3.11. 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.

Section 3.12. 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 shareholder. 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; provided, however, that the Corporation shall not be required to produce or make available to its shareholders a list of shareholders in connection with any meeting of its shareholders for which a judge or judges of election are appointed, but such a list must be furnished to the judge or judges of election.

(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 within 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, subject to any provision of the Articles that results in any shares being not entitled to be voted.

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Section 3.13. 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. 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. 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 3.14. 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 a shareholder, 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 one or more 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 of elections.

(b) Vacancies. In case any person appointed as a judge of elections 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 (1) determine the number of shares outstanding and the voting power and entitlement of each, the shares represented at the meeting, the existence of a quorum, and the authenticity, validity and effect of proxies, (2) receive votes or ballots, (3) hear and determine all challenges and questions in any way arising in connection with the right to vote, (4) count and tabulate all votes, and (5) determine the result and do such acts as may be proper to conduct the election or vote. 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 of election 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 the judges of election shall be prima facie evidence of the facts stated therein.

Section 3.15. Minors as Security Holders. The Corporation may treat a minor who holds shares entitled to vote, or who holds any other obligation 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.

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ARTICLE IV

Board of Directors

Section 4.01. Powers. Unless otherwise provided by applicable law, 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.

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, and shall not be an Unsuitable Person, as defined below.

(1) No person shall qualify for service as a director of the Corporation if he or she is a party to any compensatory, payment or other financial agreement, arrangement or understanding with any person or entity other than the Corporation, or has received any such compensation or other payment from any person or entity other than the Corporation, in each case in connection with candidacy or service as a director of the Corporation, except as may otherwise be approved by the board of directors.

(2) The term “Unsuitable Person” shall mean a person who (i) fails or refuses to file an application, or has withdrawn or requested the withdrawal of a pending application, to be found suitable by any Gaming Authority or for any Gaming License, (ii) is denied or disqualified from eligibility for any Gaming License by any Gaming Authority, (iii) is determined by a Gaming Authority to be unsuitable or disqualified to Own or Control any Securities, (iv) is determined by a Gaming Authority to be unsuitable to be Affiliated, associated or involved with a Person engaged in Gaming Activities in any Gaming Jurisdiction, (v) causes any Gaming License of the Corporation or any Affiliated Company to be lost, rejected, rescinded, suspended, revoked or not renewed by any Gaming Authority, or causes the Corporation or any Affiliated Company to be threatened by any Gaming Authority with the loss, rejection, rescission, suspension, revocation or non-renewal of any Gaming License (in each of (ii) through (v) above, regardless of whether such denial, disqualification or determination by a Gaming Authority is final and/or non-appealable), or (vi) is deemed likely, in the sole and absolute discretion of the board of directors, to (A) preclude or materially delay, impede, impair, threaten or jeopardize any Gaming License held by the Corporation or any Affiliated Company or the Corporation’s or any Affiliated Company’s application for, right to the use of, entitlement to, or ability to obtain or retain, any Gaming License, (B) cause or otherwise result in, the disapproval, cancellation, termination, material adverse modification or non-renewal of any material contract to which the Corporation or any Affiliated Company is a party, or (C) cause or otherwise result in the imposition of any materially burdensome or unacceptable terms or conditions on any Gaming License of the Corporation or any Affiliated Company.

(3) The term “Affiliated” (and derivatives of such term) shall have the meaning ascribed to the term “affiliate” under Rule 12b-2 promulgated by the U.S. Securities and Exchange Commission (the “SEC”) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”).

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(4) The term “Affiliated Company” shall mean any partnership, corporation, limited liability company, trust or other entity directly or indirectly Affiliated or under common Ownership or Control with the Corporation including, without limitation, any subsidiary, holding company or intermediary company (as those or similar terms are defined under the Gaming Laws of any applicable Gaming Jurisdictions), in each case that is registered or licensed under applicable Gaming Laws.

(5) The term “Control” (and derivatives of such term) (i) with respect to any Person, shall have the meaning ascribed to such term under Rule 12b-2 promulgated by the SEC under the Exchange Act, (ii) with respect to any Interest, shall mean the possession, directly or indirectly, of the power to direct, whether by agreement, contract, agency or otherwise, the voting rights or disposition of such Interest, and (iii) as applicable, the meaning ascribed to the term “control” (and derivatives of such term) under the Gaming Laws of any applicable Gaming Jurisdictions.

(6) The term “Gaming Activities” shall mean the conduct of gaming and gambling activities, race books and sports pools, or the use of gaming devices, equipment and supplies in the operation of a casino, simulcasting facility, racetrack, card club or other enterprise including, without limitation, slot machines, gaming tables, cards, dice, gaming chips, player tracking systems, cashless wagering systems, mobile gaming systems, inter-casino linked systems and related and associated equipment, supplies and systems.

(7) The term “Gaming Authorities” shall mean all international, national, foreign, domestic, federal, state, provincial, regional, local, tribal, municipal and other regulatory and licensing bodies, instrumentalities, departments, commissions, authorities, boards, officials, tribunals and agencies with authority over or responsibility for the regulation of Gaming Activities within any Gaming Jurisdiction.

(8) The term “Gaming Jurisdictions” shall mean all jurisdictions, domestic and foreign, and their political subdivisions, in which Gaming Activities are or may be lawfully conducted including, without limitation, all Gaming Jurisdictions in which the Corporation or any Affiliated Company currently conducts or may in the future conduct Gaming Activities.

(9) The term “Gaming Laws” shall mean all laws, statutes and ordinances pursuant to which any Gaming Authority possesses regulatory, permit and licensing authority over the conduct of Gaming Activities, or the Ownership or Control of an Interest in an entity which conducts Gaming Activities, in any Gaming Jurisdiction, all orders, decrees, rules and regulations promulgated thereunder, all written and unwritten policies of the Gaming Authorities and all written and unwritten interpretations by the Gaming Authorities of such laws, statutes, ordinances, orders, decrees, rules, regulations and policies.

(10) The term “Gaming Licenses” shall mean all licenses, permits, approvals, orders, authorizations, registrations, findings of suitability, franchises, exemptions, waivers, concessions and entitlements issued by any Gaming Authority necessary for or relating to the conduct of Gaming Activities by any Person or the Ownership or Control by any Person of an Interest in an entity that conducts or may in the future conduct Gaming Activities.

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(11) The term “Interest” shall mean the stock or other securities of an entity or any other interest or financial or other stake therein including, without limitation, the Securities.

(12) The terms “Own” or “Ownership” (and derivatives of such terms) shall mean (i) ownership of record, (ii) “beneficial ownership” as defined in Rule 13d-3 or Rule 16a-1(a)(2) promulgated by the SEC under the Exchange Act, and (iii) as applicable, the meaning ascribed to the terms “own” or “ownership” (and derivatives of such terms) under the Gaming Laws of any applicable Gaming Jurisdiction.

(13) The term “Person” shall mean an individual, corporation, partnership, limited liability company, estate, trust (including a trust qualified under Section 401(a) or 501(c)(17) of the Internal Revenue Code of 1986, as amended, or any successor statute (the “Code”), a portion of a trust permanently set aside for or to be used exclusively for the purposes described in Section 642(c) of the Code, association, private foundation

within the meaning of Section 509(a) of the Code, joint stock company or other entity or any government or agency or political subdivision thereof, and also includes a "group" as that term is used for purposes of Section 13(d)(3) of the Exchange Act.

(14) The term "Securities" shall mean the capital stock of the Corporation and the capital stock, member's interests or membership interests, partnership interests or other equity securities of any Affiliated Company.

(b) Director Nominees. Each nominee for election to the board of directors must be recommended for the board of director's nomination by a committee comprised solely of "independent directors" (the "Governance 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 SEC and the Nasdaq Stock Market (or such other securities exchange on which the capital stock of the Corporation is listed).

(c) Shareholder Recommendations. The Governance Committee will consider for recommendation to the board of directors for nomination for election to the board of directors persons recommended for nomination by the shareholders in accordance with the requirements of Article VII.

(d) Election of Directors. Except as otherwise provided in these Bylaws, directors of the Corporation shall be elected by the shareholders who are entitled to vote. 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 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

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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. Except as otherwise fixed by or pursuant to the provisions of the Articles 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 constituting the whole board and the number of directors constituting each class of directors as provided by Section 4.03(d) shall be fixed (and may be changed from time to time) 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 elected and until a successor has been elected 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.

(1) 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.

(2) In the event that a director becomes subject to removal for "cause," as defined in Section 4.05, the director shall tender his or her resignation and the board of directors shall consider whether to accept such resignation. No director who is required to tender his or her resignation pursuant to this Section 4.03(c)(2) shall participate in the deliberations or determination with respect to accepting or rejecting his or her resignation as a director. The resignation shall be effective immediately upon acceptance by the board of directors.

(d) Classified Board of Directors. The board of directors of the 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 elected for a term expiring at the annual meeting of shareholders held in the third year following the year of election, and until their respective successors are elected and qualified.

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Section 4.04. Vacancies.

(a) General Rule. Except as otherwise provided for or fixed by or pursuant to the provisions of the Articles 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 case 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.

(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) 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, by the affirmative vote of the holders of seventy-five percent (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.

(b) For purposes hereof, the term "cause" shall mean with respect to each director, any one of the following: (i) there is a judicial declaration that the director is physically or mentally disabled and cannot perform and discharge his or her duties and offices; (ii) the director breaches or fails to perform the statutory duties of that director's office and the breach or failure constitutes self-dealing, willful misconduct or recklessness; (iii) the director is a person described in Item 401(f) of Regulation S-K (Part 229 of Title 17 of the U.S. Code of Federal Regulations), other than Item 401(f)(1); (iv) within 30 days after notice of his or her election, the director does not accept the office either in writing or by attending a meeting of the board of directors; or (v) the director is an Unsuitable Person.

(c) 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.

(d) The amendment or repeal of this Section 4.05 shall not apply to any incumbent director during the balance of the term for which the director was elected.

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. Chairman of the Board. The board of directors of the Corporation shall elect from among its members a chairman of the board of directors and shall fill any vacancy in such position at such time and in such manner as the board of directors shall determine. The chairman of the

board of directors shall have the power to preside at all meetings of the board of directors and shareholders and shall have such other powers and shall be subject to such other duties as the board of directors may from time to time prescribe or as may be prescribed by these Bylaws.

Section 4.08. 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, a person chosen by a majority of the directors present, in the case of a vacancy, or designated by the chairman of the board, in the case of the chairman of the board's absence, 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 4.09. 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 the board of directors.

Section 4.10. Special Meetings. Special meetings of the board of directors shall be held whenever called by the chairman of the board of directors or by a majority of the directors then in office.

Section 4.11. 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 approved at a meeting of the directors may be approved without a meeting if a consent or consents to the action in record form are signed, before, on or after the effective date of the action, by all of the directors in office on the date the first consent is signed. The consent or consents must be filed with minutes of the proceedings of the board of directors. A photographic, facsimile or similar reproduction of a consent signed by a director, or any consent sent by a director by facsimile, e-mail or other electronic communication, shall be treated as properly signed for purposes of this Section 4.11(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 4.12. 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 as may be limited by the Business Corporation Law.

(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 4.13. 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.

Section 4.14. Liability of Directors. 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 the Articles, these Bylaws or the Business Corporation Law (or any successor provision(s)); and (ii) 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 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.

ARTICLE V

Officers

Section 5.01. Officers Generally.

(a) Number, Qualifications and Agents. The officers of the Corporation shall be a chief executive officer, a president, a vice president, a secretary and a treasurer, and such other officers and assistant officers as the board of directors may from time to time determine. 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. Appointment, Term of Office and Resignations.

(a) Appointment and Term of Office. Each officer, other than an officer determined by the board to be an “executive officer” within the meaning of Rule 3b-7 of the Exchange Act (an “Executive Officer”), shall be appointed annually, by either the chief executive officer or by the board of directors. Each Executive Officer shall be appointed annually by the board of directors. Each officer shall hold office for a term of one year and until a successor has been appointed and qualified or until his or her earlier death, resignation or removal. In addition, the board of directors may appoint officers or fill any vacancies among the officers, or any newly created offices, at any time or from time to time.

(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. Removal of Officers and Agents. Any officer or agent of the Corporation, whether appointed by the board of directors or the chief executive officer, may be removed by the board of directors with or without cause. Any officer appointed by the chief executive officer may be removed by the chief executive officer 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 5.04. 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 or persons appointing such officers or, in the absence of such provision, as may be determined by or pursuant to these Bylaws.

Section 5.05. Chief Executive Officer. The chief executive officer shall be the chief executive officer of the Corporation and shall have general supervision over the business and operations of the Corporation, subject to the provisions of these Bylaws and to the control of the board of directors. The chief executive officer shall perform all duties incident to the office of chief executive and such other duties as from time to time may be assigned to the chief executive officer by the board of directors.

The chief executive officer shall report directly to the board of directors and shall have the right to delegate any of such powers to any other officer or employee.

Section 5.06. The President. 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 chief executive officer. During the absence or disability of the chief executive officer, the president shall exercise all the powers and discharge all the duties of the chief executive officer.

Section 5.07. The Vice President. The vice president shall perform the duties of the president in the absence of the president or such other duties as may from time to time be assigned by the board of directors, the chief executive officer or the president.

Section 5.08. The Secretary. The secretary shall maintain records of 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 chief executive officer or the president.

Section 5.09. 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 chief executive officer, the president or the secretary.

Section 5.10. 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 chief executive officer or the president.

Section 5.11. 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 chief executive officer, the president or the treasurer.

Section 5.12. Salaries. The salary and other remuneration of the Executive Officers of the Corporation shall be fixed from time to time by, or under delegated authority from, the board of directors. The salaries and other remuneration of all other officers and employees shall be fixed from time to time by the chief executive officer. No officer shall be prevented from receiving such salary or other compensation by reason of the fact that such officer is also a director of the Corporation.

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Section 5.13. Liability of Officers. An officer of the Corporation shall not be personally liable, 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. An officer shall not be considered to have breached or failed to perform the duties of his or her office unless the officer shall have failed to perform his or her duties as an officer in good faith, in a manner he or she reasonably believes to be in the best interests of the Corporation and with such care, including reasonable inquiry, skill and diligence, as a person of ordinary prudence would use under similar circumstances, and (i) such failure constitutes self-dealing, willful misconduct or recklessness, or (ii) the officer is found expressly responsible or liable pursuant to any criminal statute to repay such amounts or found expressly liable for the payment of taxes pursuant to local, state or federal law.

ARTICLE VI

Certificates of Stock, Transfer, Etc.

Section 6.01. Share Certificates.

(a) Form of Certificates. To the extent that shares of the Corporation are certificated, such certificates 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. Any 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 any 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, may be issued as 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. Any 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 (1) in the case of certificated shares, upon surrender of any outstanding certificate therefor, or (2) in the case of uncertificated shares, upon delivery to the Corporation of a written instruction directing the Corporation to register such transfer, in each case endorsed or signed, as the case may be, by the person named in the certificate or owning the uncertificated security 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 represented by a certificate 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 (as defined in Article 8 of the Uniform Commercial Code), the Corporation shall either (a) 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, or (b) cause a notice to be sent to such holder evidencing the issuance of such shares as uncertificated shares in accordance with Section 6.01(c) and, in the case of either clause (a) or (b), upon the deposit of an indemnity bond by or on behalf of the shareholder in such form and in such sum, and with such surety or sureties, as the Corporation may direct.

ARTICLE VII

Procedure for Notice of Shareholder Nominations and Proposals

Section 7.01. Procedure for Notice of Shareholder Recommendations of Director Nominees and Shareholder Proposals.

Recommendations of nominees for election to the board of directors and the proposal of other business to be considered by the shareholders may be made at an annual meeting of shareholders (a) pursuant to the Corporation's notice of meeting, (b) by or at the direction of the board of directors (or, with respect to director nominations, by the Governance Committee), or (c) by any shareholder of the Corporation present in person at the meeting who (i) was a shareholder of record at the time of giving of notice provided for in this Article VII and, at the time of an annual meeting, (ii) is entitled to vote at the meeting, (iii) has owned beneficially at least 1% of the Corporation's common stock for a continuous period of not less than 12 months before making such recommendation or providing notice of its intent to propose business at the annual meeting, and (iv) complies with the notice procedures set forth in this Article VII as to such proposals or nominations. Clause (c)(iv) in the foregoing sentence provides the exclusive means for a shareholder to make recommendations for director nominations or submit proposals of other business (other than matters

properly brought under Rule 14a-8 under the Exchange Act and included in the Corporation's notice of meeting) before an annual meeting of shareholders. In addition, any business proposed by a shareholder to be considered by the shareholders at an annual meeting of shareholders must be a proper matter for shareholder action under the Business Corporation Law and the Articles. For purposes of this Article VII, "present in person" shall mean that the shareholder proposing that the business be brought before the meeting of the Corporation, or a qualified representative of such proposing shareholder, appear at such meeting. A "qualified representative" of such proposing shareholder shall be, if such proposing shareholder is (i) a general or limited partnership, any general partner or person who functions as a general partner of the general or limited partnership or who controls the general or limited partnership, (ii) a corporation or a limited liability company, any officer or person who functions as an officer of the corporation or limited liability company or any officer, director, general partner or person who functions as an officer, director or general partner of any entity ultimately in control of the corporation or limited liability company, or (iii) a trust, any trustee of such trust.

Section 7.02. Timing Requirements. Notice of any recommendation of a nominee for election or reelection as a director and the proposal of other business to be considered by the shareholders at an annual meeting of shareholders (the "next annual meeting") must be received by the secretary of the Corporation 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. The notice shall be hand-delivered or mailed by certified or registered mail, return receipt requested.

Section 7.03. Contents of Notice. The notice shall be in writing and shall contain:

(a) as to each person whom the shareholder recommends for nomination for election or reelection as a director, (1) all information relating to such person that is 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 in an election contest, or is otherwise required, in each case pursuant to Section 14 of the Exchange Act, and the rules and regulations promulgated thereunder (including such person's written consent to being named in the proxy statement as a nominee and to serving as a director if elected), (2) a description of all direct and indirect compensation, economic interests and other material monetary agreements, arrangements and understandings during the past three years, and any other material relationships, between or among such shareholder and beneficial owner, if any, and their respective affiliates and associates, or others acting in concert therewith, on the one hand, and each recommended nominee, and his or her respective affiliates and associates, or others acting in concert therewith, on the other hand, including, without limitation, all information that would be required to be disclosed pursuant to Item 404 promulgated under Regulation S-K if the shareholder making the nomination and any beneficial owner on whose behalf the nomination is made, if any, or any affiliate or associate thereof or person acting in concert therewith, were the "registrant" for purposes of such rule and the recommended nominee were a director or executive officer of such registrant, (3) a description of all relationships between the proposed nominee and the recommending shareholder and the beneficial owner, if any, and of any agreements, arrangements and understandings between the recommending shareholder and the beneficial owner, if any, and the recommended nominee regarding the nomination, (4) a description of all relationships between the recommended nominee

and any of the Corporation's competitors, customers, suppliers, labor unions (if any) and any other persons with special interests regarding the Corporation, and (5) a completed and signed questionnaire, representations and agreement required by this Article VII. The notice shall be accompanied by a written consent of each

recommended nominee to: (A) provide, within such time period specified by the Corporation, (i) all information necessary to enable the Corporation 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, (ii) a multijurisdictional personal disclosure form in the form customarily submitted by officers and directors of the Corporation, and (iii) such additional information concerning the recommended nominee as may reasonably be required by the Governance Committee and/or board of directors to determine the eligibility of such recommended nominee to serve as an independent director of the Corporation, that could be material to a reasonable shareholder's understanding of the independence, or lack thereof, of such proposed nominee, and to evaluate whether the recommended nominee is an Unsuitable Person, (B) a background check to confirm the qualifications and character of the recommended nominee, to evaluate whether the nominee is an Unsuitable Person, and to make such other determinations as the Governance Committee or the board of directors may deem appropriate or necessary;

(b) as to any business other than a recommendation for nomination of a director or directors that the shareholder proposes to bring before the meeting, set forth (1) a brief description of the business desired to be brought before the meeting, the reasons for conducting such business at the meeting and any material interest of such shareholder and beneficial owner, if any, in such business, (2) a description of all contracts, arrangements, understandings and relationships between such shareholder and beneficial owner, if any, on the one hand, and any other person or persons (including their names), on the other hand, in connection with the proposal of such business by such shareholder and (3) the text of the proposal or business (including the text of any resolutions proposed for consideration); and

(c) as to the shareholder giving the notice and the beneficial owner, if any, on whose behalf the recommendation for nomination or proposal is made, (1) the name and address of such shareholder, as they appear on the Corporation's books, the telephone number of such shareholder, and the name, address and telephone number of such beneficial owner, if any, (2)(A) the class or series and number of shares of the Corporation which are, directly or indirectly, owned of record by such shareholder and beneficially by such beneficial owner and the time period such shares have been held, (B) any option, warrant, convertible security, stock appreciation right, or similar right with an exercise or conversion privilege or a settlement payment or mechanism at a price related to any class or series of shares of the Corporation or with a value derived in whole or in part from the value of any class or series of shares of the Corporation, whether or not such instrument or right shall be subject to settlement in the underlying class or series of capital stock of the Corporation or otherwise (a "Derivative Instrument") directly or indirectly owned beneficially by such shareholder or beneficial owner, if any, and any other direct or indirect opportunity to profit or share in any profit derived from any increase or decrease in the value of shares of the Corporation, (C) any proxy, agreement, arrangement, understanding or relationship pursuant to which such shareholder or beneficial owner, if any, has a right to vote any shares of any security of the Corporation or has granted any such right to any person or persons, (D) any short interest in any security of the Corporation (for purposes of these Bylaws a person shall be deemed to have a short interest in a security if such person directly or indirectly, through any agreement, arrangement, understanding, relationship or otherwise, has the opportunity to profit or share in any profit derived from any decrease in value of the subject security), (E) any rights to dividends on the shares of the Corporation owned beneficially by such shareholder that are separated or separable from the underlying shares of the Corporation, (F) any proportionate interest in shares of the Corporation or Derivative Instruments held, directly or indirectly, by a general or limited partnership in which such

shareholder is a general partner or, directly or indirectly, beneficially owns an interest in a general partner and (G) any performance-related fees (other than an asset-based fee) that such shareholder is entitled to based on any increase or decrease in the value of shares of the Corporation or Derivative Instruments, if any, as of the date of such notice, including without limitation any such interests held by members of such shareholder's immediate family sharing the same household (which information shall be supplemented by such shareholder and beneficial owner, if any, not later than ten days after the record date for the meeting to disclose such ownership as of the record date), and (H) any other information relating to such shareholder and beneficial owner, if any, 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, as applicable, the proposal and/or the election of directors in a contested election pursuant to Section 14 of the Exchange Act and the rules and regulations promulgated thereunder, (I) any material pending or threatened legal proceeding in which such shareholder or beneficial owner is a party or material participant involving the Corporation or any of its officers or directors, or any affiliate of the Corporation, and (J) any direct or indirect material interest in any material contract or agreement of such shareholder or beneficial owner with the Corporation, any affiliate of the Corporation or any principal competitor of the Corporation (including, in any such case, any employment agreement, collective bargaining agreement or consulting agreement); (3) a representation that such shareholder and beneficial owner, if any, intend to be present in person at the meeting, (4) a representation that such shareholder and such beneficial owner, if any, intend to continue to hold the reported shares, Derivative Instruments or other interests through the date of the Corporation's next annual meeting of shareholders, and (5) a completed and signed questionnaire, representations, consent and agreement required elsewhere in this Article VII. For purposes of satisfying the requirements of clause (2) of this paragraph with respect to a beneficial owner, the beneficial owner shall supply to the Corporation either (A) a statement from the record holder of the shares, Derivative Instruments or other interests verifying the holdings of the beneficial owner and indicating the length of time the shares, Derivative Instruments or other interests have been held by such beneficial owner, or (B) a current Schedule 13D, Schedule 13G, Form 3, Form 4 or Form 5 filed with the SEC reflecting the holdings of the beneficial owner, together with a statement of the length of time that the shares, Derivative Instruments or other interests have been held. If a recommendation is submitted by a group of two or more shareholders, the information regarding the recommending shareholders and beneficial owners, if any, must be submitted with respect to each shareholder in the group and any beneficial owners.

Section 7.04. Requirement to Supplement Notice. A shareholder shall update and supplement its notice to the Corporation of any recommendation for nomination or of its intent to propose business at an annual meeting, if necessary, so that the information provided or required to be provided in such notice shall be true and correct as of the record date for notice of the meeting and as of the date that is ten business days prior to the meeting or any adjournment or postponement thereof, and such update and supplement shall be hand-delivered or mailed by certified or registered mail, return receipt requested, and received by, the secretary at the principal executive offices of the Corporation not later than: (i) in the case of the update and supplement required to be made as of the record date, five business days after the record date for notice of the meeting; and (ii) in the case of the update and supplement required to be made as of ten business days prior to the meeting or any adjournment or postponement thereof, not later than eight business days prior to the date for the meeting or, if practicable, any adjournment or postponement thereof (and, if not practicable, on the first practicable date prior to the date to which the meeting has been adjourned or postponed).

Section 7.05. Increase In Number of Directors to Be Elected. Notwithstanding anything in this Article VII to the contrary, in the event that the number of directors to be elected to the board of directors at the annual meeting is increased and there is no public announcement by the Corporation naming all of the nominees for director or specifying the size of the increased board of directors at least 70 days prior to the first anniversary of the preceding annual meeting, a shareholder's notice required by this Article VII shall also be considered timely, but only with respect to recommended nominees for any new positions created by such increase, if it shall be hand-delivered or mailed by certified or registered mail, return receipt requested, and received by, the secretary at the principal executive offices of the Corporation not later than the close of business on the tenth day following the day on which such public announcement naming all of the nominees for director or specifying the size of the increased board of directors is first made by the Corporation.

Section 7.06. Requirements of Recommended Nominee. To be eligible for consideration to be nominated for election or reelection as a director of the Corporation, a person must deliver (in accordance with the time periods prescribed for delivery of notice of a nomination under this Article VII) to the secretary of the Corporation at the principal executive offices of the Corporation a written questionnaire with respect to the background and qualification of such person and the background of any other person or entity on whose behalf the nomination is being made (which questionnaire shall be provided by the secretary upon written request), the written consent described in the last sentence of Section 7.03(a), and the written representation and agreement (in the form provided by the secretary upon written request) that such person (A) is not and will not become a party to (1) any agreement, arrangement or understanding with, and has not given any commitment or assurance to, any person or entity as to how such person, if elected as a director of the Corporation, will act or vote on any issue or question (a "Voting Commitment") that has not been disclosed to the Corporation or (2) any Voting Commitment that could limit or interfere with such person's ability to comply, if elected as a director of the Corporation, with such person's fiduciary duties under applicable law, (B) is not and will not become a party to any agreement, arrangement or understanding with any person or entity other than the Corporation with respect to any direct or indirect compensation, reimbursement or indemnification in connection with service or action as a director that has not been disclosed therein, and (C) in such person's individual capacity and on behalf of any person or entity on whose behalf the nomination is being made, would be in compliance, if elected as a director of the Corporation, and will comply with all applicable publicly disclosed corporate governance, conflict of interest, confidentiality and stock ownership and trading policies and guidelines of the Corporation.

Section 7.07. Authority of Chairman of the Meeting. The chairman of the meeting may, if the facts warrant, determine and declare to the meeting that any nomination proposed to be recommended or made or proposal of business to be presented at the meeting did not comply with the foregoing procedures and, in such event, the recommended or proposed nomination or proposal of business (as applicable) shall be disregarded.

Section 7.08. Special Meetings of Shareholders. Only such business shall be conducted at a special meeting of shareholders as shall have been brought before the meeting pursuant to the Corporation's notice of meeting (or any supplement thereto). Shareholder recommendations of proposed nominees to stand for election to the board of directors at a special meeting of shareholders at which directors are to be elected pursuant to the Corporation's notice of meeting (or any supplement thereto) will be considered by the Governance Committee provided that the recommending shareholder: (i) is a shareholder of record at the time of giving of notice provided for in this Article VII and at the

time of the special meeting, (ii) is entitled to vote at the special meeting, (iii) has owned beneficially at least 1% of the Corporation's common stock for a continuous period of not less than 12 months before giving the notice making such recommendation and (iv) complies with the notice procedures set forth in this Article VII as to such nomination, including the procedures regarding updating and supplementing notices (other than with respect to timing requirements, which shall be governed by the next sentence). A shareholder's notice with respect to any such nominee recommendation (including the completed and signed questionnaire, representations, consent and agreement required elsewhere in this Article VII) shall be hand-delivered or mailed by certified or registered mail, return receipt requested, and received by, the secretary at the principal executive offices of the Corporation not later than the close of business on the later of the 60th day prior to the date of such special meeting or, if the first public announcement of the date of such special meeting is less than 70 days prior to the date of such special meeting, then not later than the close of business on the tenth day following the day on which public announcement is first made of the date of the special meeting and of the nominees proposed by the board of directors to be elected at such meeting. In no event shall any adjournment or postponement of a special meeting or the announcement thereof commence a new time period for the giving of a shareholder's notice as described above. The chairman of a special meeting shall, if the facts warrant, determine and declare to the meeting that business was not properly brought before the meeting in accordance with the provisions of this Article VII and, if the chairman should so determine, any such business not properly brought before the meeting shall not be transacted.

Section 7.09. Rule 14a-8 under the Exchange Act; Preferred Stock. Nothing in this Article VII shall be deemed to affect any rights of (i) shareholders to request inclusion of proposals in the Corporation's proxy statement pursuant to Rule 14a-8 under the Exchange Act, or (ii) the holders of any series of Preferred Stock if and to the extent provided for under law, the Articles or these Bylaws.

Section 7.10. Definition of "Public Announcement." For purposes of this Article VII, the term "public announcement" shall mean disclosure by means of any method or combination of methods compliant with Regulation FD under the Exchange Act.

ARTICLE VIII

Indemnification of Directors, Officers and Other Authorized Representatives

Section 8.01. Right to Indemnification. The Corporation shall indemnify, to the fullest extent permitted by applicable law as it exists or may hereafter be amended or modified from time to time (but, in the case of any such amendment or modification, only to the extent that such amendment or modification permits the Corporation to provide greater indemnification rights than said law permitted the Corporation to provide prior to such amendment or modification), any director or officer of the Corporation or any employee that is requested, as part of the Corporation's disclosure controls and procedures and in connection with 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, and any other person approved by the board of directors (each, an "Indemnified Representative") against all liability, loss and expense (including attorneys' fees, judgments, fines and amounts paid in settlement) actually

and reasonably incurred by such person by reason of the fact that such person is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer,

employee, agent, fiduciary or trustee of another corporation or of a partnership, joint venture, trust, employee benefit plan or other enterprise or entity, whether or not for profit, whether domestic or foreign, including service with respect to an employee benefit plan, its participants or beneficiaries.

Section 8.02. Proceedings Initiated by Indemnified Persons. Notwithstanding any other provision of this Article VIII, the Corporation shall not indemnify under this Article VIII any person in respect of a suit or 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 8.02 shall in no way limit the obligation of the Corporation to reimburse the expenses incurred by any person in successfully prosecuting or defending the entitlement of such person to be indemnified or receive an expense advancement pursuant to this Article VIII.

Section 8.03. Advance of Expenses. Subject to Section 8.04 hereof, expenses incurred by an Indemnified Representative in connection with an indemnified matter pursuant to Section 8.01 (a "Proceeding") shall be paid by the Corporation in advance of the final disposition of such Proceeding, subject to the provisions of applicable law, upon receipt of an undertaking by or on behalf of any such Indemnified Representative to repay such amount if it shall ultimately be determined that such person is not entitled to be indemnified by the Corporation under applicable law. The financial ability of an Indemnified Representative to repay an advance shall not be a prerequisite to the making of such advance.

Section 8.04. Procedure for Determining Permissibility. To determine whether any indemnification or advance of expenses under this Article VIII is permissible, the board of directors by a majority vote of a quorum consisting of directors who are not parties to such proceeding may, and on request of any person seeking indemnification or advance of expenses shall, reasonably determine (i) in the case of indemnification, whether the standards under applicable law have been met and (ii) in the case of advance of expenses prior to a change of control of the Corporation as provided below, whether such advance is appropriate under the circumstance, provided that each such determination shall be made by outside legal counsel selected by the board of directors if such quorum is not obtainable, or even if obtainable, a majority vote of a quorum of directors who are not parties to the Proceeding so directs; and provided further that, if there has been a change in control of the Corporation between the time of the action or failure to act giving rise to the claim for indemnification or advance of expenses and the time such claim is made, at the option of the person seeking indemnification or advance of expenses, the permissibility of indemnification shall be determined by outside legal counsel selected by a majority of the members of the board of directors as constituted immediately prior to any change in control and the advance of expenses shall be obligatory subject to receipt of the undertaking specified in Section 8.03 hereof. The reasonable expenses of any Indemnified Representative in prosecuting a successful claim for indemnification, and the fees and expenses of any outside legal counsel engaged to determine permissibility of indemnification or advance of expenses, shall be borne by the Corporation.

Section 8.05. Partial Payment. If an Indemnified Representative is entitled to indemnification in respect of a portion, but not all, of any liabilities, losses or expenses to which such person may be subject, the Corporation shall indemnify such Indemnified Representative to the maximum extent for such portion of the liabilities, losses and expenses.

Section 8.06. Contractual Obligation. The obligations of the Corporation to indemnify a director or officer under this Article VIII, including, if applicable, the duty to advance expenses, shall be considered a contract between the Corporation and such Indemnified Representative, and no modification or repeal of any provision of this Article VIII shall affect, to the detriment of the director or officer, such obligations of the Corporation in connection with a claim based on any act or failure to act occurring before such modification or repeal.

Section 8.07. 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.

ARTICLE IX

Forum for Adjudication of Disputes

Unless the Corporation consents in writing to the selection of an alternative forum, the sole and exclusive forum for (i) any derivative action or proceeding brought on behalf of the Corporation, (ii) any action asserting a claim of breach of a fiduciary duty owed by any director, officer or other employee of the Corporation to the Corporation or the Corporation's shareholders, (iii) any action asserting a claim arising pursuant to any provision of the Business Corporation Law, or (iv) any action asserting a claim peculiar to the relationships among or between or among the Corporation and its officers, directors, and shareholders, shall be a state or federal court located within the County of Berks in the Commonwealth of Pennsylvania, in all cases subject to the court's having personal jurisdiction over the indispensable parties named as defendants. Any person or entity purchasing or otherwise acquiring any interest in shares of capital stock of the Corporation shall be deemed to have notice of and consented to the provisions of this Article IX.

ARTICLE X

Miscellaneous

Section 10.01. 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 10.02. 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 10.03. 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 10.04. 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;

(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;

(4) the contract or transaction is approved pursuant to the applicable policies with respect to related party transactions as described in the most recently filed proxy statement with the SEC that contains disclosures pursuant to Item 404 of Regulation S-K; or

(5) the contract or transaction, as of the time it is authorized, approved or ratified by the board of directors or the shareholders, is in, or is not inconsistent with, the best interest of the Corporation based on a review of (i) the benefits to the Corporation of the contract or transaction and (ii) the terms of the contract or transaction and the terms available to or from unrelated third parties, as applicable.

(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 10.04(a).

Section 10.05. 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 10.06. Corporate Records.

(a) Required Records. To the extent required by the Business Corporation Law, 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 10.07. 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 10.08. Fiscal Year. The fiscal year of the Corporation shall begin on the first day of January in each year.

Section 10.09. Amendment of Bylaws.

(a) General Rule. These Bylaws may be amended or repealed, or new Bylaws may be adopted, either:

(1) upon receiving at least seventy five percent (75%) of the votes cast at a duly organized meeting of shareholders by the holders of shares entitled to vote thereon;

(2) in the event that the proposed Bylaw amendment, repeal or adoption has been proposed by a majority of the directors, upon receiving a majority of the votes cast at a duly organized meeting of shareholders by the holders of shares entitled to vote thereon; or

(3) by the board of directors.

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(b) Provisions of the Bylaws in Conflict with Law or Regulation. The provisions of these Bylaws are severable, and if the board of directors shall determine, with the advice of counsel, that any one or more of the provisions contained herein are in conflict with any laws or regulations, including without limitation, any laws or regulations applicable to companies engaged in Gaming Activities, then such conflicting provisions shall be deemed never to have constituted a part of these Bylaws, and the board of directors shall amend these Bylaws in accordance with subsection (a); provided, however, that this determination shall not affect or impact any of the remaining provisions of these Bylaws or render invalid or improper any action taken or omitted (including but not limited to the election of the board of directors) prior to such determination. The board of directors shall not be liable for failure to make any determination under this subsection (b). If any provision of these Bylaws shall be held invalid or unenforceable, the invalidity or unenforceability shall attach only to that provision and shall not in any manner affect or render invalid or unenforceable any other provision, and these Bylaws shall be carried out as if the invalid or unenforceable provision was not present.

(c) Effective Date. Any change in these Bylaws shall take effect when adopted unless otherwise provided in the resolution effecting the change.

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MASTER LEASE

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MASTER LEASE

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MASTER LEASE

This **MASTER LEASE** (the "**Master Lease**") is entered into as of November 1, 2013, by and among GLP Capital, L.P. (together with its permitted successors and assigns, "**Landlord**"), and Penn Tenant, LLC (together with its permitted successors and assigns, "**Tenant**").

RECITALS

A. Capitalized terms used in this Master Lease and not otherwise defined herein are defined in Article II hereof.

B. Pursuant to that certain Separation and Distribution Agreement, dated as of November 1, 2013 (the "**Distribution Agreement**"), between Penn National Gaming, Inc., the sole member of the Tenant ("**Tenant's Parent**"), and Gaming and Leisure Properties, Inc. ("**GLP**"), the general partner of Landlord, Landlord desires to lease the Leased Property to Tenant and Tenant desires to lease the Leased Property from Landlord upon the terms set forth in this Master Lease.

C. A list of the Seventeen (17) facilities covered by this Master Lease as of the date hereof is attached hereto as Exhibit A (each a "**Facility**," and collectively, the "**Facilities**").

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

ARTICLE I

1.1 Leased Property. Upon and subject to the terms and conditions hereinafter set forth, Landlord leases to Tenant and Tenant leases from Landlord all of Landlord's rights and interest in and to the following with respect to each of the Facilities other than the Development Facilities (collectively, the "**Leased Property**"):

(a) the real property or properties described in Exhibit B attached hereto (collectively, the "**Land**");

(b) all buildings, structures, Fixtures (as hereinafter defined) and other improvements of every kind now or hereafter located on the Land or connected thereto including, but not limited to, alleyways and connecting tunnels, sidewalks, utility pipes, conduits and lines (on-site and off-site to the extent Landlord has obtained any interest in the same), parking areas and roadways appurtenant to such buildings and structures of each such Facility (collectively, the "**Leased Improvements**");

(c) all easements, rights and appurtenances relating to the Land and the Leased Improvements; and

(d) all equipment, machinery, fixtures, and other items of property, including all components thereof, that (i) are now or hereafter located in, on or used in connection with and

permanently affixed to or otherwise incorporated into the Leased Improvements and (ii) qualify as Long-Lived Assets, together with all replacements, modifications, alterations and additions thereto (collectively, the "**Fixtures**");

in each case, with respect to clauses (b) and (d) above, to the extent constituting "real property" as that term is defined in Treasury Regulation §1.856-3(d).

The Leased Property is leased subject to all covenants, conditions, restrictions, easements and other matters affecting the Leased Property as of the Commencement Date and such subsequent covenants, conditions, restrictions, easements and other matters as may be agreed to by Landlord or Tenant in accordance with the terms of this Master Lease, whether or not of record, including any matters which would be disclosed by an inspection or accurate survey of the Leased Property. Notwithstanding the foregoing, Leased Property shall exclude those items referenced on Schedule 1.1.

1.2 Single, Indivisible Lease. This Master Lease constitutes one indivisible lease of the Leased Property and not separate leases governed by similar terms. The Leased Property constitutes one economic unit, and the Rent and all other provisions have been negotiated and agreed to based on a demise of all of the Leased Property to Tenant as a single, composite, inseparable transaction and would have been substantially different had separate leases or a divisible lease been intended. Except as expressly provided in this Master Lease for specific, isolated purposes (and then only to the extent expressly otherwise stated), all provisions of this Master Lease apply equally and uniformly to all of the Leased Property as one unit. An Event of Default with respect to any portion of the Leased Property is an Event of Default as to all of the Leased Property. The parties intend that the provisions of this Master Lease shall at all times be construed, interpreted and applied so as to carry out their mutual objective to create an indivisible lease of all of the Leased Property and, in particular but without limitation, that, for purposes of any assumption, rejection or assignment of this Master Lease under 11 U.S.C. Section 365, or any successor or replacement thereof or any analogous state law, this is one indivisible and non-severable lease and executory contract dealing with one legal and economic unit and that this Master Lease must be assumed, rejected or assigned as a whole with respect to all (and only as to all) of the Leased Property. The parties may amend this Master Lease from time to time to include one or more additional Facilities as part of the Leased Property and such future addition to the Leased Property shall not in any way change the indivisible and nonseverable nature of this Master Lease and all of the foregoing provisions shall continue to apply in full force.

1.3 Term. The "**Term**" of this Master Lease is the Initial Term *plus* all Renewal Terms, to the extent exercised. The initial term of this Master Lease (the "**Initial Term**") shall commence on November 1, 2013 (the "**Commencement Date**") and end on the last day of the calendar month in which the fifteenth (15th) anniversary of the Commencement Date occurs, subject to renewal as set forth in Section 1.4 below.

1.4 Renewal Terms. The term of this Master Lease may be extended for four (4) separate "Renewal Terms" of five (5) years each if: (a) at least twelve (12), but not more than eighteen (18) months prior to the end of the then current Term, Tenant delivers to Landlord a "Renewal Notice" that it desires to exercise its right to extend this Master Lease for one (1) Renewal Term; and (b) no Event of Default shall have occurred and be continuing on the date

Landlord receives the Renewal Notice (the “**Exercise Date**”) or on the last day of the then current Term. During any such Renewal Term, except as otherwise specifically provided for herein, all of the terms and conditions of this Master Lease shall remain in full force and effect.

Tenant may exercise such options to renew with respect to all (and no fewer than all) of the Facilities which are subject to this Master Lease as of the Exercise Date; provided, however, that the exercise of each Renewal Term shall be applicable with respect to each Barge-Based Facility only if an Expert has confirmed prior to the applicable Exercise Date (but no more than 180 days prior thereto) that exercising such Renewal Term with respect to such Barge-Based Facility would not cause the aggregate Term to exceed eighty percent (80%) of the useful life of such Barge-Based Facility as measured from the Commencement Date or the estimated residual fair market value of such Barge-Based Facility at the end of the applicable Renewal Term to be less than 20% of the fair market value of such Barge-Based Facility as of the Commencement Date without regard to inflation or deflation. If exercising any Renewal Term would cause the aggregate Term to exceed eighty percent (80%) of any Barge-Based Facility’s estimated useful life, then (i) the remainder of the Leased Property (other than any Barge-Based Facility for which the aggregate Term would exceed eighty percent (80%) of such Barge-Based Facility’s estimated useful life or the estimated residual fair market value of such Barge-Based Facility at the end of the applicable Renewal Term to be less than 20% of the fair market value of such Barge-Based Facility as of the Commencement Date without regard to inflation or deflation) shall continue to be demised hereunder for the entire applicable Renewal Term, and (ii) each such Barge-Based Facility shall be included in such Renewal Term only for the period of time that is within (and does not exceed) eighty percent (80%) of the estimated useful life of such Barge-Based Facility and the estimated residual fair market value of such Barge-Based Facility at the end of the applicable Renewal Term shall be not less than 20% of the fair market value of such Barge-Based Facility as of the Commencement Date without regard to inflation or deflation and shall thereafter not be a part of the Leased Property hereunder and the Base Rent due hereunder shall thereafter be reduced to account for the period of time each such Barge-Based Facility is not part of the Leased Property by an amount determined in accordance with the formula set forth in Section 14.6 hereof and such Barge-Based Facility and the Tenant’s Property related thereto shall be sold at fair market value, with Landlord entitled to the value of the Leased Property relating to such Barge-Based Facility and Tenant entitled to the value of the Tenant’s Property relating to such Barge-Based Facility.

ARTICLE II

2.1 Definitions. For all purposes of this Master Lease, except as otherwise expressly provided or unless the context otherwise requires, (i) the terms defined in this Article II have the meanings assigned to them in this Article and include the plural as well as the singular; all accounting terms not otherwise defined herein have the meanings assigned to them in accordance with GAAP; (ii) all references in this Master Lease to designated “Articles,” “Sections” and other subdivisions are to the designated Articles, Sections and other subdivisions of this Master Lease; (iii) the word “including” shall have the same meaning as the phrase “including, without limitation,” and other similar phrases; (iv) the words “herein,” “hereof” and “hereunder” and other words of similar import refer to this Master Lease as a whole and not to any particular Article, Section or other subdivision; and (v) for the calculation of any financial ratios or tests referenced in this Master Lease (including the Adjusted Revenue to Rent Ratio and

the Indebtedness to EBITDA Ratio), this Master Lease, regardless of its treatment under GAAP, shall be deemed to be an operating lease and the Rent payable hereunder shall be treated as an operating expense and shall not constitute Indebtedness or interest expense.

AAA: As defined in Section 34.1(b).

Accounts: All accounts, including deposit accounts and any Facility Mortgage Reserve Account (to the extent actually funded by Tenant), all rents, profits, income, revenues or rights to payment or reimbursement derived from the use of any space within the Leased Property and/or from goods sold or leased or services rendered from the Leased Property (including, without limitation, from goods sold or leased or services rendered from the Leased Property by any subtenant) and all accounts receivable, in each case whether or not evidenced by a contract, document, instrument or chattel paper and whether or not earned by performance, including without limitation, the right to payment of management fees and all proceeds of the foregoing.

Additional Charges: All Impositions and all other amounts, liabilities and obligations which Tenant assumes or agrees to pay under this Master Lease and, in the event of any failure on the part of Tenant to pay any of those items, except where such failure is due to the acts or omissions of Landlord, every fine, penalty, interest and cost which may be added for non-payment or late payment of such items.

Adjusted Revenue: For any Test Period, Net Revenue (i) *minus* expenses other than Specified Expenses and (ii) *plus* Specified Proceeds, if any; provided, however, that for purposes of calculating Adjusted Revenue, Net Revenue shall not include Gaming Revenues, Retail Sales or Promotional Allowances of any subtenants of Tenant or any deemed payments under subleases of this Master Lease, licenses or other access rights from Tenant to its operating subsidiaries. Adjusted Revenue shall be calculated on a pro forma basis to give effect to any increase or decrease in Rent as a result of the addition or removal of Leased Property to this Master Lease since the beginning of any Test Period of Tenant as if each such increase or decrease had been effected on the first day of such Test Period.

Adjusted Revenue to Rent Ratio: As at any date of determination, the ratio for any period of Adjusted Revenue to Rent. For purposes of calculating the Adjusted Revenue to Rent Ratio, Adjusted Revenue shall be calculated on a pro forma basis (and shall be calculated to give effect to (x) pro forma adjustments reasonably contemplated by Tenant and (y) such other pro forma adjustments consistent with Regulation S-X under the Securities Act) to give effect to any material acquisitions and material asset sales consummated by the Tenant or any Guarantor during any Test Period of Tenant as if each such material acquisition had been effected on the first day of such Test Period and as if each such material asset sale had been consummated on the day prior to the first day of such Test Period. In addition, (i) Adjusted Revenue and Rent shall be calculated on a pro forma basis to give effect to any increase or decrease in Rent as a result of the addition or removal of Leased Property to this Master Lease during any Test Period as if such increase or decrease had been effected on the first day of such Test Period and (ii) in the event Rent is to be increased in connection with the addition or inclusion of a Long-Lived Asset that is projected to increase Adjusted Revenue, such Rent increase shall not be taken into account in

calculating the Adjusted Revenue to Rent Ratio until the first fiscal quarter following the completion of the installation or construction of such Long-Lived Assets.

Affected Facility: As defined in Section 7.4(a).

Affiliate: When used with respect to any corporation, limited liability company, or partnership, the term “Affiliate” shall mean any person which, directly or indirectly, controls or is controlled by or is under common control with such corporation, limited liability company or partnership. For the purposes of this definition, “control” (including the correlative meanings of the terms “controlled by” and “under common control with”), as used with respect to any person, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such person, through the ownership of voting securities, partnership interests or other equity interests.

Appointing Authority: As defined in Section 34.1(b).

Award: All compensation, sums or anything of value awarded, paid or received on a total or partial Taking.

Barge-Based Facility: Each Facility identified in Exhibit A, as amended from time to time, as a “Barge-Based Facility.”

Base Rent: The sum of (i) the Building Base Rent, and (ii) the Land Base Rent.

Building Base Rent:

(A) During the Initial Term, an annual amount equal to two hundred forty million, four hundred sixty-three thousand, seven hundred seven Dollars (\$240,463,707); provided, however, that commencing with the second (2nd) Lease Year and continuing each Lease Year thereafter during the Initial Term, the Building Base Rent shall increase to an annual amount equal to the sum of (i) the Building Base Rent for the immediately preceding Lease Year, and (ii) the Escalation.

(B) The Building Base Rent for the first year of each Renewal Term shall be an annual amount equal to the sum of (i) the Building Base Rent for the immediately preceding Lease Year, and (ii) the Escalation. Commencing with the second (2nd) Lease Year of any Renewal Term and continuing each Lease Year thereafter during such Renewal Term, the Building Base Rent shall increase to an annual amount equal to the sum of (i) the Building Base Rent for the immediately preceding Lease Year, and (ii) the Escalation.

(C) As applicable during the Term, Building Base Rent shall be increased pursuant to Section 10.3(c) in respect of Capital Improvements funded by Landlord (which increases shall, in each case, be subject to the Escalations provided in the foregoing clauses (A) and (B)).

(D) As applicable during the Term, Building Base Rent shall be increased on any Development Facility Commencement Date in respect of the applicable Development

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Facility (which increases shall, in each case, be subject to the Escalations provided in the foregoing clauses (A) and (B)) as contemplated in Exhibit C.

Building Base Rent shall be subject to further adjustment as and to the extent provided in Section 14.6.

Business Day: Each Monday, Tuesday, Wednesday, Thursday and Friday which is not a day on which national banks in the City of New York, New York are authorized, or obligated, by law or executive order, to close.

Capital Improvements: With respect to any Facility, any improvements or alterations or modifications of the Leased Improvements, including without limitation capital improvements and structural alterations, modifications or improvements, or one or more additional structures annexed to any portion of any of the Leased Improvements of such Facility, or the expansion of existing improvements, which are constructed on any parcel or portion of the Land of such Facility, during the Term, including construction of a new wing or new story, all of which shall constitute a portion of the Leased Improvements and Leased Property hereunder in accordance with Section 10.3.

Cash: Cash and cash equivalents and all instruments evidencing the same or any right thereto and all proceeds thereof.

Casualty Event: Any loss of title or any loss of or damage to or destruction of, or any condemnation or other taking (including by any governmental authority) of, any asset for which Tenant or any of its Subsidiaries (directly or through Tenant’s Parent) receives cash insurance proceeds or proceeds of a condemnation award or other similar compensation (excluding proceeds of business interruption insurance). “Casualty Event” shall include, but not be limited to, any taking of all or any part of any real property of Tenant or any of its Subsidiaries or any part thereof, in or by condemnation or other eminent domain proceedings pursuant to any applicable law, or by reason of the temporary requisition of the use or occupancy of all or any part of any real property of Tenant or any of its Subsidiaries or any part thereof by any governmental authority, civil or military.

Change in Control: (i) Any Person or “group” (within the meaning of Rules 13d-3 and 13d-5 under the Securities Exchange Act of 1934, as amended from time to time, and any successor statute), (a) shall have acquired direct or indirect beneficial ownership or control of thirty-five percent (35%) or more on a fully diluted basis of the direct or indirect voting power in the Equity Interests of Tenant’s Parent entitled to vote in an election of directors of Tenant’s Parent, or (b) shall have caused the election of a majority of the members of the board of directors or equivalent body of Tenant’s Parent, which such members have not been nominated by a majority of the members of the board of directors or equivalent body of Tenant’s Parent as such were constituted immediately prior to such election, (ii) except as permitted or required hereunder, the direct or indirect sale by Tenant or Tenant’s Parent of all or substantially all of Tenant’s assets, whether held directly or through Subsidiaries, relating to the Facilities in one transaction or in a series of related transactions (excluding sales to Tenant or its Subsidiaries), or (iii) (a) Tenant ceasing to be a wholly-owned Subsidiary (directly or indirectly) of Tenant’s Parent or (b) Tenant’s Parent ceasing to control one hundred percent

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(100%) of the voting power in the Equity Interests of Tenant or (iv) Tenant's Parent consolidates with, or merges with or into, any Person, or any Person consolidates with, or merges with or into, Tenant's Parent, in any such event pursuant to a transaction in which any of the outstanding Equity Interests of Tenant's Parent ordinarily entitled to vote in an election of directors of Tenant's Parent or such other Person is converted into or exchanged for cash, securities or other property, other than any such transaction where the Equity Interests of Tenant's Parent ordinarily entitled to vote in an election of directors of Tenant's Parent outstanding immediately prior to such transaction constitute or are converted into or exchanged into or exchanged for a majority (determined by voting power in an election of directors) of the outstanding Equity Interests ordinarily entitled to vote in an election of directors of such surviving or transferee Person (immediately after giving effect to such transaction).

Code: The Internal Revenue Code of 1986 and, to the extent applicable, the Treasury Regulations promulgated thereunder, each as amended from time to time.

Commencement Date: As defined in Section 1.3.

Competing Facility: As defined in Section 7.4(e).

Competing Facility Floor: As defined in Section 7.4(e).

Condemnation: The exercise of any governmental power, whether by legal proceedings or otherwise, by a Condemnor or a voluntary sale or transfer by Landlord to any Condemnor, either under threat of condemnation or while legal proceedings for condemnation are pending.

Condemnor: Any public or quasi-public authority, or private corporation or individual, having the power of Condemnation.

Consolidated Interest Expense: For any period, interest expense of Tenant and its Subsidiaries that are Guarantors for such period as determined on a consolidated basis for Tenant and its Subsidiaries that are Guarantors in accordance with GAAP.

CPI: The United States Department of Labor, Bureau of Labor Statistics Revised Consumer Price Index for All Urban Consumers (1982-84=100), U.S. City Average, All Items, or, if that index is not available at the time in question, the index designated by such Department as the successor to such index, and if there is no index so designated, an index for an area in the United States that most closely corresponds to the entire United States, published by such Department, or if none, by any other instrumentality of the United States.

CPI Increase: The product of (i) the CPI published for the beginning of each Lease Year, divided by (ii) the CPI published for the beginning of the first Lease Year. If the product is less than one, the CPI Increase shall be equal to one.

CPR Institute: As defined in Section 34.1(b).

CT Facilities: The Hollywood Casino located in Columbus, Ohio and the Hollywood Casino located in Toledo, Ohio.

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CT Land Base Rent: An annual amount equal to forty-two million, eight hundred fifty-seven thousand, three hundred seventy-nine Dollars (\$42,857,379). CT Land Base Rent shall be subject to further adjustment as and to the extent provided in Section 14.6.

Date of Taking: The date the Condemnor has the right to possession of the property being condemned.

Debt Agreement: If designated by Tenant to Landlord in writing to be included in the definition of "Debt Agreement," one or more (A) debt facilities or commercial paper facilities, providing for revolving credit loans, term loans, receivables financing (including through the sale of receivables to lenders or to special purpose entities formed to borrow from lenders against such receivables) or letters of credit, (B) debt securities, indentures or other forms of debt financing (including convertible or exchangeable debt instruments or bank guarantees or bankers' acceptances), or (C) instruments or agreements evidencing any other indebtedness, in each case, with the same or different borrowers or issuers and, in each case, (i) entered into from time to time by Tenant and/or its Affiliates, (ii) as amended, supplemented, modified, extended, restructured, renewed, refinanced, restated, replaced or refunded in whole or in part from time to time, (iii) which may be secured by assets of Tenant and its Subsidiaries, including, but not limited to, their Cash, Accounts, Tenant's Property, real property and leasehold estates in real property (including this Master Lease), and (iv) which shall provide Landlord, in accordance with Section 17.3 hereof, the right to receive copies of notices of Specified Debt Agreement Defaults thereunder and opportunity to cure any breaches or defaults by Tenant thereunder within the cure period, if any, that exists under such Debt Agreement.

Development Facility Commencement Date: As defined in Section 7.3.

Development Facilities: The Facilities which are identified in Exhibit A, as amended from time to time, as "Development Facilities."

"Dollars" and "\$" shall mean the lawful money of the United States.

Discretionary Transferee: A transferee that meets all of the following requirements: (a) such transferee has (1) at least five (5) years of experience (directly or through one or more of its Subsidiaries) operating or managing casinos with revenues in the immediately preceding fiscal year of at least seven hundred fifty million Dollars (\$750 million) (or retains a manager with such qualifications, which manager shall not be replaced other than in accordance with Article XXII hereof) that is not in the business, and that does not have an Affiliate in the business, of leasing properties to gaming operators, or (2) agreement(s) in place in a form reasonably satisfactory to Landlord to retain for a period of eighteen (18) months (or more) after the effective time of the transfer at least (i) eighty percent (80%) of Tenant and its Subsidiaries' personnel employed at the Facilities who have employment contracts as of the date of the relevant agreement to transfer and (ii) eighty percent (80%) of Tenant's and Tenant's Parent's ten most highly compensated corporate employees as of the date of the relevant agreement to transfer based on total compensation determined in accordance with Item 402 of Regulation S-K of the Securities and Exchange Act of 1934, as amended; (b) such transferee (directly or through one or more of its Subsidiaries) is licensed or certified by each gaming authority with jurisdiction over any portion of the Leased Property as of the date of any proposed assignment or transfer to

such entity (or will be so licensed upon its assumption of the Master Lease); (c) such transferee is Solvent, and, other than in the case of a Permitted Leasehold Mortgagee Foreclosing Party, if such transferee has a Parent Company, the Parent Company of such transferee is Solvent, and (d) (i) other than in the case of a Permitted Leasehold Mortgagee Foreclosing Party, (x) the Parent Company of such transferee or, if such transferee does not have a Parent Company, such transferee, has sufficient assets so that, after giving effect to its assumption of Tenant's obligations hereunder or the applicable assignment (including pursuant to a Change in Control under Section 22.2(iii)(x) or Section 22.2(iii)(y), its Indebtedness to EBITDA Ratio on a consolidated basis in accordance with GAAP is less than 8:1 on a pro forma basis based on projected earnings and after giving effect to the proposed transaction or (y) an entity that has an investment grade credit rating from a nationally recognized rating agency with respect to such entity's long term, unsecured debt has provided a Guaranty, or (ii) in the case of a Permitted Leasehold Mortgagee Foreclosing Party, (x) Tenant has an Indebtedness to EBITDA Ratio of less than 8:1 on a pro forma basis based on projected earnings and after giving effect to the proposed transaction or (y) an entity that has an investment grade credit rating from a nationally recognized rating agency with respect to such entity's long term, unsecured debt has provided a Guaranty.

Distribution Agreement: As defined in Recital B.

Distribution Agreement Ancillary Documents: The Transition Services Agreement, the Tax Sharing Agreement, the Intellectual Property Agreement and the Employee Matters Agreement, each dated as of the date of the Distribution Agreement and entered into between Affiliates of Tenant and GLP.

EBITDA: For any Test Period, the consolidated net income or loss of the Parent Company of a Discretionary Transferee (or, in the case of (x) a Permitted Leasehold Mortgagee Foreclosing Party, such Permitted Leasehold Mortgagee Foreclosing Party or (y) a Discretionary Transferee that does not have a Parent Company, such Discretionary Transferee) on a consolidated basis for such period, determined in accordance with GAAP, adjusted by excluding (1) income tax expense, (2) consolidated interest expense (net of interest income), (3) depreciation and amortization expense, (4) any income, gains or losses attributable to the early extinguishment or conversion of indebtedness or cancellation of indebtedness, (5) gains or losses on discontinued operations and asset sales, disposals or abandonments, (6) impairment charges or asset write-offs including, without limitation, those related to goodwill or intangible assets, long-lived assets, and investments in debt and equity securities, in each case, in accordance with GAAP, (7) any non-cash items of expense (other than to the extent such non-cash items of expense require or result in an accrual or reserve for future cash expenses), (8) extraordinary gains or losses and (9) unusual or non-recurring gains or items of income or loss.

Encumbrance: Any mortgage, deed of trust, lien, encumbrance or other matter affecting title to any of the Leased Property, or any portion thereof or interest therein.

End of Term Gaming Asset Transfer Notice: As defined in Section 36.1.

Environmental Costs: As defined in Section 32.4.

Environmental Laws: Any and all federal, state, municipal and local laws, statutes, ordinances, rules, regulations, guidances, policies, orders, decrees or judgments, whether statutory or common law, as amended from time to time, now or hereafter in effect, or promulgated, pertaining to the environment, public health and safety and industrial hygiene, including the use, generation, manufacture, production, storage, release, discharge, disposal, handling, treatment, removal, decontamination, cleanup, transportation or regulation of any Hazardous Substance, including the Industrial Site Recovery Act, the Clean Air Act, the Clean Water Act, the Toxic Substances Control Act, the Comprehensive Environmental Response Compensation and Liability Act, the Resource Conservation and Recovery Act, the Federal Insecticide, Fungicide, Rodenticide Act, the Safe Drinking Water Act and the Occupational Safety and Health Act.

Equity Interests: With respect to any person, any and all shares, interests, participations or other equivalents, including membership interests (however designated, whether voting or non-voting), of equity of such person, including, if such person is a partnership, partnership interests (whether general or limited) and any other interest or participation that confers on a person the right to receive a share of the profits and losses of, or distributions of assets of, such partnership.

Equity Rights: With respect to any person, any then outstanding subscriptions, options, warrants, commitments, preemptive rights or agreements of any kind (including any stockholders' or voting trust agreements) for the issuance, sale, registration or voting of any additional Equity Interests of any class, or partnership or other ownership interests of any type in, such person; provided, however, that a debt instrument convertible into or exchangeable or exercisable for any Equity Interests shall not be deemed an Equity Right.

Escalated Building Base Rent: For any Lease Year (other than the first Lease Year), an amount equal to 102% of the Building Base Rent as of the end of the immediately preceding Lease Year.

Escalation: For any Lease Year (other than the first Lease Year), the lesser of (a) an amount equal to the excess of (i) the Escalated Building Base Rent for such Lease Year over (ii) the Building Base Rent for the immediately preceding Lease Year, and (b) an amount (but not less than zero) that adding such amount to the Rent for the immediately preceding Lease Year will have yielded an Adjusted Revenue to Rent Ratio for such preceding Lease Year of 1.8:1.

Event of Default: As defined in Article XVI.

Exercise Date: As defined in Section 1.4.

Expert: An independent third party professional, with expertise in respect of a matter at issue, appointed by the agreement of Landlord and Tenant or otherwise in accordance with Article XXXIV hereof.

Facilit(y)(ies): As defined in Recital C.

Facility Mortgage Documents: With respect to each Facility Mortgage and Facility Mortgagee, the applicable Facility Mortgage, loan agreement, debt agreement, credit agreement or indenture, lease, note, collateral assignment instruments, guarantees, indemnity agreements and other documents or instruments evidencing, securing or otherwise relating to the loan made, credit extended, or lease or other financing vehicle entered into pursuant thereto.

Facility Mortgage Reserve Account: As defined in Section 31.3(b).

Facility Mortgagee: As defined in Section 13.1.

Financial Statements: (i) For a Fiscal Year, consolidated statements of Tenant's Parent and its consolidated subsidiaries (as defined by GAAP) of income, stockholders' equity and comprehensive income and cash flows for such period and for the period from the beginning of the Fiscal Year to the end of such period and the related consolidated balance sheet as at the end of such period, together with the notes thereto, all in reasonable detail and setting forth in comparative form the corresponding figures for the corresponding period in the preceding Fiscal Year and prepared in accordance with GAAP and audited by a "big four" or other nationally recognized accounting firm, and (ii) for a fiscal quarter, consolidated statements of Tenant's Parent's income, stockholders' equity and comprehensive income and cash flows for such period and for the period from the beginning of the Fiscal Year to the end of such period and the related consolidated balance sheet as at the end of such period, together with the notes thereto, all in reasonable detail and setting forth in comparative form the corresponding figures for the corresponding period in the preceding Fiscal Year and prepared in accordance with GAAP.

Fiscal Year: The annual period commencing January 1 and terminating December 31 of each year.

Fixtures: As defined in Section 1.1(d).

Foreclosure Assignment: As defined in Section 22.2(iii).

Foreclosure COC: As defined in Section 22.2(iii).

Foreclosure Purchaser: As defined in Section 31.1.

GAAP: Generally accepted accounting principles consistently applied in the preparation of financial statements, as in effect from time to time (except with respect to any financial ratio defined or described herein or the components thereof, for which purposes GAAP shall refer to such principles as in effect as of the date hereof).

Gaming Assets FMV: As defined in Section 36.1.

Gaming Facility: A facility at which there are operations of slot machines, table games or pari-mutuel wagering.

Gaming License: Any license, permit, approval, finding of suitability or other authorization issued by a state regulatory agency to operate, carry on or conduct any gambling game, gaming device, slot machine, race book or sports pool on the Leased Property, or required

by any Gaming Regulation, including each of the licenses, permits or other authorizations set forth on Exhibit D, as amended from time to time, and those related to any Facilities that are added to this Master Lease after the date hereof.

Gaming Regulation(s): Any and all laws, statutes, ordinances, rules, regulations, policies, orders, codes, decrees or judgments, and Gaming License conditions or restrictions, as amended from time to time, now or hereafter in effect or promulgated, pertaining to the operation, control, maintenance or Capital Improvement of a Gaming Facility or the conduct of a person or entity holding a Gaming License, including, without limitation, any requirements imposed by a regulatory agency, commission, board or other governmental body pursuant to the jurisdiction and authority granted to it under applicable law.

Gaming Revenues: As defined in the definition of Net Revenue.

GLP: As defined in the recitals.

Greenfield Floor: As defined in Section 7.4(a).

Greenfield Project: As defined in Section 7.4(a).

Ground Leased Property: The real property leased pursuant to the Ground Leases.

Ground Leases: Those certain leases with respect to real property that is a portion of the Leased Property, pursuant to which Landlord is a tenant and which leases have either been approved by Tenant or are in existence as of the date hereof and listed on Schedule 1A hereto.

Ground Lessor: As defined in Section 8.6(a).

Guarantor: Any entity that guarantees the payment or collection of all or any portion of the amounts payable by Tenant, or the performance by Tenant of all or any of its obligations, under this Master Lease, including any replacement guarantor consented to by Landlord in connection with the assignment of the Master Lease or a sublease of Leased Property pursuant to Article XXII.

Guaranty: That certain Guaranty of Master Lease dated as of the date hereof, a form of which is attached as Exhibit E hereto, as the same may be amended, supplemented or replaced from time to time, by and between Tenant's Parent, Landlord and certain Subsidiaries of Tenant from time to time party thereto, and any other guaranty in form and substance reasonably satisfactory to the Landlord executed by a Guarantor in favor of Landlord (as the same may be amended, supplemented or replaced from time to time) pursuant to which such Guarantor agrees to guaranty all of the obligations of Tenant hereunder.

Handling: As defined in Section 32.4.

Hazardous Substances: Collectively, any petroleum, petroleum product or by product or any substance, material or waste regulated or listed pursuant to any Environmental Law.

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Immaterial Subsidiary Guarantor: Any Subsidiary of Tenant having assets with an aggregate fair market value of less than twenty-five million Dollars (\$25.0 million) as of the most recent date on which Financial Statements have been delivered to Landlord pursuant to Section 23.1(b); provided, however, that in no event shall the aggregate fair market value of the assets of all Immaterial Subsidiary Guarantors exceed fifty million Dollars (\$50.0 million) as of the most recent date on which Financial Statements have been delivered to Landlord pursuant to Section 23.1(b).

Impartial Appraiser: As defined in Section 13.2.

Impositions: Collectively, all taxes, including capital stock, franchise, margin and other state taxes of Landlord, ad valorem, sales, use, single business, gross receipts, transaction privilege, rent or similar taxes; assessments including assessments for public improvements or benefits, whether or not commenced or completed prior to the date hereof and whether or not to be completed within the Term; ground rents (pursuant to the Ground Leases); water, sewer and other utility levies and charges; excise tax levies; fees including license, permit, inspection, authorization and similar fees; and all other governmental charges, in each case whether general or special, ordinary or extraordinary, or foreseen or unforeseen, of every character in respect of the Leased Property and/or the Rent and Additional Charges and all interest and penalties thereon attributable to any failure in payment by Tenant (other than failures arising from the acts or omissions of Landlord) which at any time prior to, during or in respect of the Term hereof may be assessed or imposed on or in respect of or be a lien upon (i) Landlord or Landlord's interest in the Leased Property, (ii) the Leased Property or any part thereof or any rent therefrom or any estate, right, title or interest therein, or (iii) any occupancy, operation, use or possession of, or sales from or activity conducted on or in connection with the Leased Property or the leasing or use of the Leased Property or any part thereof; provided, however, that nothing contained in this Master Lease shall be construed to require Tenant to pay (a) any tax based on net income (whether denominated as a franchise or capital stock or other tax) imposed on Landlord or any other Person, (b) any transfer, or net revenue tax of Landlord or any other Person except Tenant and its successors, (c) any tax imposed with respect to the sale, exchange or other disposition by Landlord of any Leased Property or the proceeds thereof, or (d) any principal or interest on any indebtedness on or secured by the Leased Property owed to a Facility Mortgagee for which Landlord or its Subsidiaries or GLP is the obligor; provided, further, Impositions shall include any tax, assessment, tax levy or charge set forth in clause (a) or (b) that is levied, assessed or imposed in lieu of, or as a substitute for, any Imposition.

Indebtedness: Of any Person, without duplication, (a) all indebtedness of such Person for borrowed money, whether or not evidenced by bonds, debentures, notes or similar instruments, (b) all obligations of such Person as lessee under capital leases which have been or should be recorded as liabilities on a balance sheet of such Person in accordance with GAAP, (c) all obligations of such Person to pay the deferred purchase price of property or services (excluding trade accounts payable in the ordinary course of business), (d) all indebtedness secured by a lien on the property of such Person, whether or not such indebtedness shall have been assumed by such Person, (e) all obligations, contingent or otherwise, with respect to the face amount of all letters of credit (whether or not drawn) and banker's acceptances issued for the account of such Person, (f) all obligations under any agreement with respect to any swap, forward, future or derivative transaction or option or similar arrangement involving, or settled by

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reference to, one or more rates, currencies, commodities, equity or debt instruments or securities or economic, financial or pricing indices or measures of economic, financial or pricing risk or value or any similar transaction or combination of transactions, (g) all guarantees by such Person of any of the foregoing and (h) all indebtedness of the nature described in the foregoing clauses (a)-(g) of any partnership of which such Person is a general partner.

Indebtedness to EBITDA Ratio: As at any date of determination, the ratio of (a) Indebtedness of the applicable (x) Discretionary Transferee or Parent Company of the Discretionary Transferee or (y) in the case of a Permitted Leasehold Mortgagee Foreclosing Party, the Permitted Leasehold Mortgagee Foreclosing Party (such Discretionary Transferee, Parent Company or Permitted Leasehold Mortgagee Foreclosing Party, as applicable the "**Relevant Party**") on a consolidated basis, as of such date (excluding (i) Indebtedness of the type referenced in clauses (e) or (f) of the definition of Indebtedness or Indebtedness referred to in clauses (d) or (g) of the definition of Indebtedness to the extent relating to Indebtedness of the type referenced in clauses (e) or (f) of the definition of Indebtedness, to (b) EBITDA for the Test Period most recently ended prior to such date for which financial statements are available. For purposes of calculating the Indebtedness to EBITDA Ratio, EBITDA shall be calculated on a pro forma basis (and shall be calculated, except for pro forma adjustments reasonably contemplated by the potential transferee which may be included in such calculations, otherwise in accordance with Regulation S-X under the Securities Act) to give effect to any material acquisitions and material asset sales consummated by the Relevant Party and its Subsidiaries since the beginning of any Test Period of the Relevant Party as if each such material acquisition had been effected on the first day of such Test Period and as if each such material asset sale had been consummated on the day prior to the first day of such period. In addition, for the avoidance of doubt, (i) if the Relevant Party or any Subsidiary of the Relevant Party has incurred any Indebtedness or repaid, repurchased, acquired, defeased or otherwise discharged any Indebtedness since the end of the most recent Test Period for which financial statements are available, Indebtedness shall be calculated (for purposes of this definition) after giving effect on a pro forma basis to such incurrence, repayment, repurchase, acquisition, defeasance or discharge and the applications of any proceeds thereof as if it had occurred prior to the first day of such Test Period and (ii) the Indebtedness to EBITDA Ratio shall give pro forma effect to the transactions whereby the applicable Discretionary Transferee becomes party to the Master Lease or the Change in Control transactions permitted under Sections 22.2(iii) and shall include the Indebtedness and EBITDA of Tenant and its Subsidiaries for the relevant period.

Initial Term: As defined in Section 1.3.

Insurance Requirements: The terms of any insurance policy required by this Master Lease and all requirements of the issuer of any such policy and of any insurance board, association, organization or company necessary for the maintenance of any such policy.

Investment Fund: A bona fide private equity fund or bona fide investment vehicle arranged by and managed by or controlled by, or under common control with, a private equity fund (excluding any private equity fund investment vehicle the primary assets of which are Tenant and its Subsidiaries and/or this Master Lease and assets related thereto) that is engaged in making, purchasing, funding or otherwise or investing in a diversified portfolio of businesses and

companies and is organized primarily for the purpose of making equity investments in companies.

Iowa Casino: The Facility known as the Argosy Sioux City Casino.

Land: As defined in Section 1.1(a).

Land Base Rent: The sum of the CT Land Base Rent and the Other Land Base Rent.

Landlord: As defined in the preamble.

Landlord Representatives: As defined in Section 23.4.

Landlord Tax Returns: As defined in Section 4.1(b).

Lease Year: The first Lease Year for each Facility shall be the period commencing on the Commencement Date and ending on the last day of the calendar month in which the first (1st) anniversary of the Commencement Date occurs, and each subsequent Lease Year for each Facility shall be each period of twelve (12) full calendar months after the last day of the prior Lease Year.

Leased Improvements: As defined in Section 1.1(b).

Leased Property: As defined in Section 1.1.

Leased Property Rent Adjustment Event: As defined in Section 14.6.

Leasehold Estate: As defined in Section 17.1(a).

Legal Requirements: All federal, state, county, municipal and other governmental statutes, laws, rules, policies, guidance, codes, orders, regulations, ordinances, permits, licenses, covenants, conditions, restrictions, judgments, decrees and injunctions (including common law, Gaming Regulations and Environmental Laws) affecting either the Leased Property, Tenant's Property and all Capital Improvements or the construction, use or alteration thereof, whether now or hereafter enacted and in force, including any which may (i) require repairs, modifications or alterations in or to the Leased Property and Tenant's Property, (ii) in any way adversely affect the use and enjoyment thereof, or (iii) regulate the transport, handling, use, storage or disposal or require the cleanup or other treatment of any Hazardous Substance.

Liquor Authority: As defined in Section 41.13(a).

Liquor Laws: As defined in Section 41.13(a).

Long-Lived Assets: (i) With respect to property owned by Tenant's Parent as of the date hereof, all property capitalized in accordance with GAAP with an expected life of not less than fifteen (15) years as initially reflected on the books and records of Tenant's Parent at or about the time of acquisition thereof or (ii) with respect to those assets purchased, replaced or

otherwise maintained by Tenant after the date hereof, such asset capitalized in accordance with GAAP with an expected life of not less than fifteen (15) years as of or about the time of the acquisition thereof, as classified by Tenant in accordance with GAAP.

Master Lease: As defined in the preamble.

Material Indebtedness: At any time, Indebtedness of any one or more of the Tenant (and its Subsidiaries) and any Guarantor in an aggregate principal amount exceeding ten percent (10%) of Adjusted Revenue of Tenant and the Guarantors that are Subsidiaries of Tenant on a consolidated basis over the most recent Test Period for which financial statements are available. As of the date hereof, until financial statements are available for the initial Test Period, such amount shall be forty million Dollars (\$40,000,000).

Maximum Foreseeable Loss: As defined in Section 13.2.

Net Revenue: The sum of, without duplication, (i) the amount received by Tenant (and its Subsidiaries and its subtenants) from patrons at any Facility for gaming, less refunds and free promotional play provided to the customers and invitees of Tenant (and its Subsidiaries and subtenants) pursuant to a rewards, marketing, and/or frequent users program, and less amounts returned to patrons through winnings at any Facility (the amounts in this clause (i), "**Gaming Revenues**"); and (ii) the gross receipts of Tenant (and its Subsidiaries and subtenants) for all goods and merchandise sold, the charges for all services performed, or any other revenues generated by Tenant (and its Subsidiaries and subtenants) in, at, or from the Leased Property for cash, credit, or otherwise (without reserve or deduction for uncollected amounts), but excluding any Gaming Revenues (the amounts in this clause (ii), "**Retail Sales**"); less (iii) the retail value of accommodations, food and beverage, and other services furnished without charge to guests of Tenant (and its Subsidiaries and

subtenants) at any Facility (the amounts in this clause (iii), “**Promotional Allowance**”). For the avoidance of doubt, gaming taxes and casino operating expenses (such as salaries, income taxes, employment taxes, supplies, equipment, cost of goods and inventory, rent, office overhead, marketing and advertising and other general administrative costs) will not be deducted in arriving at Net Revenue. Net Revenue will be calculated on an accrual basis for these purposes, as required under GAAP. For the absence of doubt, if Gaming Revenues, Retail Sales or Promotional Allowances of a Subsidiary or subtenant, as applicable, are taken into account for purposes of calculating Net Revenue, any rent received by Tenant from such Subsidiary or subtenant, as applicable, pursuant to any sublease with such Subsidiary or subtenant, as applicable, shall not also be taken into account for purposes of calculating Net Revenues. Notwithstanding the foregoing, with respect to any Specified Sublease, Net Revenue shall not include Gaming Revenues or Retail Sales from the subtenants under such subleases and shall include the rent received by Tenant or its subsidiaries thereunder.

New Lease: As defined in Section 17.1(f).

Notice: A notice given in accordance with Article XXXV.

Notice of Termination. As defined in Section 17.1(f).

NRS: As defined in Section 41.14.

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OFAC: As defined in Section 39.1.

Officer’s Certificate: A certificate of Tenant or Landlord, as the case may be, signed by an officer of such party authorized to so sign by resolution of its board of directors or by its sole member or by the terms of its by-laws or operating agreement, as applicable.

Other Land Base Rent: An annual amount equal to forty-six million, seven hundred forty thousand, four hundred eighty-four Dollars (\$46,740,484); provided that as applicable during the Term, Land Base Rent shall be increased on any Development Facility Commencement Date in respect of the applicable Development Facility, as contemplated in Exhibit C. Other Land Base Rent shall be subject to further adjustment as and to the extent provided in Section 14.6.

Overdue Rate: On any date, a rate equal to five (5) percentage points above the Prime Rate, but in no event greater than the maximum rate then permitted under applicable law.

Parent Company means, with respect to any Discretionary Transferee, any Person (other than an Investment Fund) (x) as to which such Discretionary Transferee is a Subsidiary; and (y) which is not a Subsidiary of any other Person (other than an Investment Fund).

Payment Date: Any due date for the payment of the installments of Rent or any other sums payable under this Master Lease.

Percentage Rent: The sum of (1) for all Facilities other than the CT Facilities, an annual amount equal to forty-six million, seven hundred forty thousand, four hundred seventy Dollars (\$46,740,470) per Lease Year; provided, however, that the Percentage Rent for all Facilities other than the CT Facilities shall be reset each Percentage Rent Reset Year to a fixed annual amount equal to the product of (i) four percent (4%) and (ii) the excess (if any) of (a) the average annual Net Revenues of all the Facilities other than the CT Facilities for the trailing five-year period (i.e., the first (1st) through fifth (5th) Lease Years, the sixth (6th) through tenth (10th) Lease Years, the eleventh (11th) through fifteenth (15th) Lease Years, the sixteenth (16th) through twentieth (20th) Lease Years, the twenty-first through twenty-fifth Lease Years and the twenty-sixth (26th) through thirtieth (30th) Lease Years) over (b) one billion, one hundred sixty-eight million, five hundred eleven thousand, seven hundred fifty Dollars (\$1,168,511,750), and (2) for the CT Facilities, a variable amount, determined monthly, equal to (i) twenty percent (20%) of the excess of actual Net Revenues of the month then ended for the CT Facilities over (ii) seventeen million, eight hundred fifty-seven thousand, two hundred forty-one Dollars (\$17,857,241). For purposes of clause (a) in the preceding sentence, (x) the “average annual Net Revenues” of any Development Facility added to the Leased Property hereunder during any such trailing five-year period shall be calculated taking into consideration only the portion of such trailing five-year period commencing on the relevant Development Facility Commencement Date and (y) in the case of any Leased Property Rent Adjustment Event other than with respect to a CT Facility, the “average annual Net Revenues” shall be calculated as if such Leased Property Rent Adjustment Event occurred on the first day of such trailing five-year period. Percentage Rent shall be increased on any Development Facility Commencement Date in respect of the applicable Development Facility as contemplated in Exhibit C by increasing the amount referenced in clause (1) above and the amount referenced in clause (b) of the proviso in clause

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(1). Percentage Rent shall be subject to further adjustment as and to the extent provided in Section 14.6.

Percentage Rent Reset Year: The sixth (6th) Lease Year, the eleventh (11th) Lease Year, the sixteenth (16th) Lease Year, the twenty-first (21st) Lease Year, the twenty-sixth (26th) Lease Year and the thirty-first (31st) Lease Year.

Permitted Leasehold Mortgage: A document creating or evidencing an encumbrance on Tenant’s leasehold interest (or a subtenant’s subleasehold interest) in the Leased Property, granted to or for the benefit of a Permitted Leasehold Mortgagee as security for the obligations under a Debt Agreement.

Permitted Leasehold Mortgagee: The lender or agent or trustee or similar representative on behalf of one or more lenders or noteholders or other investors under a Debt Agreement, in each case as and to the extent such Person has the power to act on behalf of all lenders under such Debt Agreement pursuant to the terms thereof; provided such lender, agent or trustee or similar representative (but not necessarily the lenders, noteholders or other investors which it represents) is a banking institution in the business of generally acting as a lender, agent or trustee or similar representative (in each case, on behalf of a group of lenders) under debt agreements or instruments similar to the Debt Agreement.

Permitted Leasehold Mortgagee Designee: An entity designated by a Permitted Leasehold Mortgagee and acting for the benefit of the Permitted Leasehold Mortgagee, or the lenders, noteholders or investors represented by the Permitted Leasehold Mortgagee.

Permitted Leasehold Mortgagee Foreclosing Party: A Permitted Leasehold Mortgagee that forecloses on this Master Lease and assumes this Master Lease or a Subsidiary of a Permitted Leasehold Mortgagee that assumes this Master Lease in connection with a foreclosure on this Master Lease by a Permitted Leasehold Mortgagee.

Person or person: Any individual, corporation, limited liability company, partnership, joint venture, association, joint stock company, trust, unincorporated organization, government or any agency or political subdivision thereof or any other form of entity.

Pre-Opening Expense: With respect to any fiscal period, the amount of expenses (including Consolidated Interest Expense) incurred with respect to capital projects which are appropriately classified as “pre-opening expenses” on the applicable financial statements of Tenant’s Parent and its Subsidiaries for such period.

Primary Intended Use: Gaming and/or pari-mutuel use consistent, with respect to each Facility, with its current use (as specified on Exhibit A attached hereto as it may be amended from time to time), or with prevailing gaming industry use at any time (including all ancillary uses consistent with gaming industry practice such as hotels, restaurants, bars, etc.).

Prime Rate: On any date, a rate equal to the annual rate on such date publicly announced by JPMorgan Chase Bank, N.A. (provided that if JPMorgan Chase Bank, N.A. ceases to publish such rate, the Prime Rate shall be determined according to the Prime Rate of another nationally known money center bank reasonably selected by Landlord), to be its prime rate for

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ninety (90)-day unsecured loans to its corporate borrowers of the highest credit standing, but in no event greater than the maximum rate then permitted under applicable law.

Proceeding: As defined in Section 23.1(b)(v).

Prohibited Persons: As defined in Section 39.1.

Promotional Allowance: As defined in the definition of Net Revenue.

Qualified Successor Tenant: As defined in Section 36.2.

Renewal Notice: As defined in Section 1.4(a).

Renewal Term: A period for which the Term is renewed in accordance with Section 1.4.

Rent: Collectively, the Base Rent and the Percentage Rent.

Representative: With respect to the lenders or holders under a Debt Agreement, a Person designated as agent or trustee or a Person acting in a similar capacity or as representative for such lenders or holders.

Restricted Area: The geographical area that at any time during the Term is within (A) a *seven (7) mile* radius of any Facility covered under this Master Lease at such time and located in the State of Nevada, or (B) a *sixty (60) mile* radius of any Facility covered under this Master Lease at such time and located outside the State of Nevada.

Restricted Payment: Dividends (in cash, property or obligations) on, or other payments or distributions on account of, or the setting apart of money for a sinking or other analogous fund for, or the purchase, redemption, retirement, repurchase or other acquisition of, any Equity Interests or Equity Rights (other than outstanding securities convertible into Equity Interests) of Tenant, but excluding dividends, payments or distributions paid through the issuance of additional shares of Equity Interests and any redemption, retirement or exchange of any Equity Interest through, or with the proceeds of, the issuance of Equity Interests of Tenant.

Retail Sales: As defined in the definition of Net Revenue.

SEC: The United States Securities and Exchange Commission.

Securities Act: The Securities Act of 1933, as amended, or any successor statute, and the rules and regulations promulgated thereunder.

Solvent: With respect to any Person on a particular date, that on such date (a) the fair value of the property of such Person, on a going-concern basis, is greater than the total amount of liabilities (including contingent liabilities) of such Person, (b) the present fair salable value of the assets of such Person, on a going-concern basis, is not less than the amount that will be required to pay the probable liability of such Person on its debts (including contingent liabilities) as they become absolute and matured, (c) such Person has not incurred, and does not

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intend to, and does not believe that it will, incur, debts or liabilities beyond such Person’s ability to pay such debts and liabilities as they mature, (d) such Person is not engaged in business or a transaction, and is not about to engage in business or a transaction, for which such Person’s property would constitute an unreasonably small capital and (e) such Person is “solvent” within the meaning given that term and similar terms under applicable laws relating to fraudulent transfers and conveyances. For purposes of this definition, the amount of any contingent liability shall be computed as the amount that, in light of all the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability (irrespective of whether such contingent liabilities meet the criteria for accrual under Accounting Standards Codification No. 450).

Specified Debt Agreement Default: Any event or occurrence under a Debt Agreement or Material Indebtedness that enables or permits the lenders or holders (or Representatives of such lenders or holders) to accelerate the maturity of the Indebtedness outstanding under a Debt Agreement or Material Indebtedness.

Specified Expenses: For any Test Period, (i) Rent incurred for the same Test Period, and (ii) the (1) income tax expense, (2) consolidated interest expense, (3) depreciation and amortization expense, (4) any nonrecurring, unusual, or extraordinary items of income, cost or expense, including but not limited to, (a) any gains or losses attributable to the early extinguishment or conversion of indebtedness, (b) gains or losses on discontinued operations and asset sales, disposals or abandonments, and (c) impairment charges or asset write-offs including, without limitation, those related to goodwill or intangible assets, long-lived assets, and investments in debt and equity securities, in each case, pursuant to GAAP, (5) any non-cash items of expense (other than to the extent such non-cash items of expense require an accrual or reserve for future cash expenses (provided that if such accrual or reserve is for contingent items, the outcome of which is subject to uncertainty, such non-cash items of expense may, at the election of the Tenant, be added to net income and deducted when and to the extent actually paid in cash)), (6) any Pre-Opening Expenses, (7) transaction costs for the spin-off of GLP, the entry into this Master Lease, the negotiation and consummation of the financing transactions in connection therewith and the other transactions contemplated in connection with the foregoing consummated on or before the date hereof, (8) non-cash valuation adjustments, (9) any expenses related to the repurchase of stock options, and (10) expenses related to the grant of stock options, restricted stock, or other equivalent or similar instruments; in the case of each of (1) through (10), of Tenant and the Subsidiaries of Tenant that are Guarantors on a consolidated basis for such period.

Specified Proceeds: For any Test Period, to the extent not otherwise included in Net Revenue, the amount of insurance proceeds received during such period by Tenant or the Guarantors in respect of any Casualty Event; provided, however, that for purposes of this definition, (i) with respect to any Facility subject to such Casualty Event which had been in operation for at least one complete fiscal quarter the amount of insurance proceeds plus the Net Revenue (excluding such insurance proceeds), if any, attributable to the Facility subject to such Casualty Event for such period shall not exceed an amount equal to the Net Revenue attributable to such Facility for the Test Period ended immediately prior to the date of such Casualty Event (calculated on a pro forma annualized basis to the extent such Facility was not operational for the full previous Test Period) and (ii) with respect to any Facility subject to such Casualty Event

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which had not been in operation for at least one complete fiscal quarter, the amount of insurance proceeds plus the Net Revenue attributable to such Facility for such period shall not exceed the Net Revenue reasonably projected by Tenant to be derived from such Facility for such period.

Specified Sublease: Any lease in effect on the Commencement Date constituting part of the Leased Property with respect to which Tenant is a sublessor, substantially as in effect on the Commencement Date.

State: With respect to each Facility, the state or commonwealth in which such Facility is located.

Subsidiary: As to any Person, (i) any corporation more than fifty percent (50%) of whose stock of any class or classes having by the terms thereof ordinary voting power to elect a majority of the directors of such corporation (irrespective of whether or not at the time stock of any class or classes of such corporation shall have or might have voting power by reason of the happening of any contingency) is at the time of determination owned by such Person and/or one or more Subsidiaries of such Person, and (ii) any partnership, limited liability company, association, joint venture or other entity in which such person and/or one or more Subsidiaries of such person has more than a fifty percent (50%) equity interest at the time of determination. Unless otherwise qualified, all references to a "Subsidiary" or to "Subsidiaries" in this Master Lease shall refer to a Subsidiary or Subsidiaries of Tenant.

Successor Tenant: As defined in Section 36.1.

Successor Tenant Rent: As defined in Section 36.2.

Taking: As defined in Section 15.1(a).

Tenant: As defined in the preamble.

Tenant Capital Improvement: A Capital Improvement funded by Tenant, as compared to Landlord.

Tenant COC: As defined in Section 22.2(iii).

Tenant Parent COC: As defined in Section 22.2(iii).

Tenant Representatives: As defined in Section 23.4.

Tenant's Parent: Penn National Gaming, Inc.

Tenant's Property: With respect to each Facility, all assets (other than the Leased Property and property owned by a third party) primarily related to or used in connection with the operation of the business conducted on or about the Leased Property, together with all replacements, modifications, additions, alterations and substitutes therefor.

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Term: As defined in Section 1.3.

Termination Notice: As defined in Section 17.1(d).

Test Period: With respect to any Person, for any date of determination, the period of the four (4) most recently ended consecutive fiscal quarters of such Person.

Unavoidable Delay: Delays due to strikes, lock-outs, inability to procure materials, power failure, acts of God, governmental restrictions, enemy action, civil commotion, fire, unavoidable casualty or other causes beyond the reasonable control of the party responsible for performing an obligation hereunder; provided that lack of funds shall not be deemed a cause beyond the reasonable control of a party.

Unsuitable for Its Primary Intended Use: A state or condition of any Facility such that by reason of damage or destruction, or a partial taking by Condemnation, such Facility cannot, following restoration thereof (to the extent commercially practical), be operated on a commercially practicable basis for its Primary Intended Use, taking into account, among other relevant factors, the amount of square footage and the estimated revenue affected by such damage or destruction.

ARTICLE III

3.1 Rent. During the Term, Tenant will pay to Landlord the Rent and Additional Charges in lawful money of the United States of America and legal tender for the payment of public and private debts, in the manner provided in Section 3.3. The Base Rent during any Lease Year is payable in advance in consecutive monthly installments on the fifth (5th) Business Day of each calendar month during that Lease Year and the Percentage Rent during any Lease Year for all the Facilities other than the CT Facilities is payable in advance in consecutive monthly installments on the fifth (5th) Business Day of each calendar month during that Lease Year; provided that during the first three (3) months of each Percentage Rent Reset Year the amount of the Percentage Rent payable monthly in advance shall remain the same as in the then preceding Lease Year, and provided, further, that Tenant shall make a payment to Landlord (or be entitled to set off against its Rent payment due) on the fifth (5th) Business Day of the fourth (4th) calendar month of such Lease Year in the amount necessary to “true-up” any Percentage Rent payments not yet (or overpayments having been) made for such three (3) month period. The Percentage Rent for the CT Facilities is payable in advance on the fifth (5th) Business Day of each calendar month and such advance payment shall be calculated assuming Net Revenues for the CT Facilities for the applicable month will equal the monthly Net Revenues for the preceding month (and for the first month of the Lease, assuming the monthly Net Revenue will equal thirty-five million, seven hundred fourteen thousand, four hundred eighty-three Dollars (\$35,714,483)); provided that Tenant shall also make a payment to Landlord (or be entitled to set off against a Rent payment due) in the amount, if any, necessary to “true-up” any Percentage Rent payments not yet (or overpayments having been) made for the prior month; provided, further, that Tenant shall be entitled to set off against a Rent payment due hereunder any rent payments made by Tenant’s Parent or one of its Subsidiaries to third-party lessors (and not previously set off) under leases (or subleases) existing on the Commencement Date, which leases (or subleases) are related to any Facility subject to this Master Lease or

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provide access or other similar rights to such Facility, if such lease (or sublease) has not been transferred to Landlord either (i) solely because the requisite consents to transfer have not been obtained or (ii) because the rent payable under such lease is satisfied through the payment of local development taxes, fees or other amounts paid by Tenant (provided that, in each case, Tenant shall certify to Landlord in writing on a periodic basis as reasonably requested by Landlord the applicable lease (or sublease) and third-party lessor and include reasonable detail regarding the amounts paid thereunder). Unless otherwise agreed by the parties, Rent and Additional Charges shall be prorated as to any partial months at the beginning and end of the Term. The parties will agree on an allocation of the Base Rent on a declining basis for federal income tax purposes within the 115/85 safe harbor of Section 467 of the Code, assuming a projected schedule of Base Rent for this purpose.

3.2 Late Payment of Rent. Tenant hereby acknowledges that late payment by Tenant to Landlord of Rent will cause Landlord to incur costs not contemplated hereunder, the exact amount of which is presently anticipated to be extremely difficult to ascertain. Accordingly, if any installment of Rent other than Additional Charges payable to a Person other than Landlord shall not be paid within five (5) days after its due date, Tenant will pay Landlord on demand a late charge equal to the lesser of (a) five percent (5%) of the amount of such installment or (b) the maximum amount permitted by law. The parties agree that this late charge represents a fair and reasonable estimate of the costs that Landlord will incur by reason of late payment by Tenant. The parties further agree that such late charge is Rent and not interest and such assessment does not constitute a lender or borrower/creditor relationship between Landlord and Tenant. Thereafter, if any installment of Rent other than Additional Charges payable to a Person other than Landlord shall not be paid within ten (10) days after its due date, the amount unpaid, including any late charges previously accrued, shall bear interest at the Overdue Rate from the due date of such installment to the date of payment thereof, and Tenant shall pay such interest to Landlord on demand. The payment of such late charge or such interest shall not constitute waiver of, nor excuse or cure, any default under this Master Lease, nor prevent Landlord from exercising any other rights and remedies available to Landlord.

3.3 Method of Payment of Rent. Rent and Additional Charges to be paid to Landlord shall be paid by electronic funds transfer debit transactions through wire transfer of immediately available funds and shall be initiated by Tenant for settlement on or before the Payment Date; provided, however, if the Payment Date is not a Business Day, then settlement shall be made on the next succeeding day which is a Business Day. Landlord shall provide Tenant with appropriate wire transfer information in a Notice from Landlord to Tenant. If Landlord directs Tenant to pay any Rent to any party other than Landlord, Tenant shall send to Landlord, simultaneously with such payment, a copy of the transmittal letter or invoice and a check whereby such payment is made or such other evidence of payment as Landlord may reasonably require.

3.4 Net Lease. Landlord and Tenant acknowledge and agree that (i) this Master Lease is and is intended to be what is commonly referred to as a “net, net, net” or “triple net” lease, and (ii) the Rent shall be paid absolutely net to Landlord, so that this Master Lease shall yield to Landlord the full amount or benefit of the installments of Rent and Additional Charges throughout the Term with respect to each Facility, all as more fully set forth in Article IV and subject to any other provisions of this Master Lease which expressly provide for

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adjustment or abatement of Rent or other charges. If Landlord commences any proceedings for non-payment of Rent, Tenant will not interpose any counterclaim or cross complaint or similar pleading of any nature or description in such proceedings unless Tenant would lose or waive such claim by the failure to assert it. This shall not, however, be construed as a waiver of Tenant’s right to assert such claims in a separate action brought by Tenant. The covenants to pay Rent and other amounts hereunder are independent covenants, and Tenant shall have no right to hold back, offset or fail to pay any such amounts for default by Landlord or for any other reason whatsoever, except as provided in Section 3.1.

ARTICLE IV

4.1 Impositions. (a) Subject to Article XII relating to permitted contests, Tenant shall pay, or cause to be paid, all Impositions before any fine, penalty, interest or cost may be added for non-payment. Tenant shall make such payments directly to the taxing authorities where feasible, and promptly furnish to Landlord copies of official receipts or other satisfactory proof evidencing such payments. Tenant's obligation to pay Impositions shall be absolutely fixed upon the date such Impositions become a lien upon the Leased Property or any part thereof subject to Article XII. If any Imposition may, at the option of the taxpayer, lawfully be paid in installments, whether or not interest shall accrue on the unpaid balance of such Imposition, Tenant may pay the same, and any accrued interest on the unpaid balance of such Imposition, in installments as the same respectively become due and before any fine, penalty, premium, further interest or cost may be added thereto.

(b) Landlord or GLP shall prepare and file all tax returns and reports as may be required by Legal Requirements with respect to Landlord's net income, gross receipts, franchise taxes and taxes on its capital stock and any other returns required to be filed by or in the name of Landlord (the "**Landlord Tax Returns**"), and Tenant or Tenant's Parent shall prepare and file all other tax returns and reports as may be required by Legal Requirements with respect to or relating to the Leased Property (including all Capital Improvements), and Tenant's Property.

(c) Any refund due from any taxing authority in respect of any Imposition paid by or on behalf of Tenant shall be paid over to or retained by Tenant.

(d) Landlord and Tenant shall, upon request of the other, provide such data as is maintained by the party to whom the request is made with respect to the Leased Property as may be necessary to prepare any required returns and reports. If any property covered by this Master Lease is classified as personal property for tax purposes, Tenant shall file all personal property tax returns in such jurisdictions where it must legally so file. Landlord, to the extent it possesses the same, and Tenant, to the extent it possesses the same, shall provide the other party, upon request, with cost and depreciation records necessary for filing returns for any property so classified as personal property. Where Landlord is legally required to file personal property tax returns, Tenant shall be provided with copies of assessment notices indicating a value in excess of the reported value in sufficient time for Tenant to file a protest.

(e) Billings for reimbursement by Tenant to Landlord of personal property or real property taxes and any taxes due under the Landlord Tax Returns, if and to the extent Tenant

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is responsible for such taxes under the terms of this Section 4.1, shall be accompanied by copies of a bill therefor and payments thereof which identify the personal property or real property or other tax obligations of Landlord with respect to which such payments are made.

(f) Impositions imposed or assessed in respect of the tax-fiscal period during which the Term terminates shall be adjusted and prorated between Landlord and Tenant, whether or not such Imposition is imposed or assessed before or after such termination, and Tenant's obligation to pay its prorated share thereof in respect of a tax-fiscal period during the Term shall survive such termination. Landlord will not voluntarily enter into agreements that will result in additional Impositions without Tenant's consent, which shall not be unreasonably withheld (it being understood that it shall not be reasonable to withhold consent to customary additional Impositions that other property owners of properties similar to the Leased Property customarily consent to in the ordinary course of business); provided Tenant is given reasonable opportunity to participate in the process leading to such agreement.

4.2 Utilities. Tenant shall pay or cause to be paid all charges for electricity, power, gas, oil, water and other utilities used in the Leased Property (including all Capital Improvements). Tenant shall also pay or reimburse Landlord for all costs and expenses of any kind whatsoever which at any time with respect to the Term hereof with respect to any Facility may be imposed against Landlord by reason of any of the covenants, conditions and/or restrictions affecting the Leased Property or any portion thereof, or with respect to easements, licenses or other rights over, across or with respect to any adjacent or other property which benefits the Leased Property or any Capital Improvement, including any and all costs and expenses associated with any utility, drainage and parking easements. Landlord will not enter into agreements that will encumber the Leased Property without Tenant's consent, which shall not be unreasonably withheld (it being understood that it shall not be reasonable to withhold consent to encumbrances that do not adversely affect the use or future development of the Facility as a Gaming Facility or increase Additional Charges payable under this Master Lease); provided Tenant is given reasonable opportunity to participate in the process leading to such agreement. Tenant will not enter into agreements that will encumber the Leased Property after the expiration of the Term without Landlord's consent, which shall not be unreasonably withheld (it being understood that it shall not be reasonable to withhold consent to encumbrances that do not adversely affect the value of the Leased Property or the Facility); provided Landlord is given reasonable opportunity to participate in the process leading to such agreement.

4.3 Impound Account. At Landlord's option following the occurrence and during the continuation of an Event of Default or a default by Tenant of Section 23.3(b) hereof (to be exercised by thirty (30) days' written notice to Tenant); and provided Tenant is not already being required to impound such payments in accordance with the requirements of Section 31.3(b) below, Tenant shall be required to deposit, at the time of any payment of Base Rent, an amount equal to one-twelfth of the sum of (i) Tenant's estimated annual real and personal property taxes required pursuant to Section 4.1 hereof (as reasonably determined by Landlord), and (ii) Tenant's estimated annual maintenance expenses and insurance premium costs pursuant to Articles IX and XIII hereof (as reasonably determined by Landlord). Such amounts shall be applied to the payment of the obligations in respect of which said amounts were deposited in such order of priority as Landlord shall reasonably determine, on or before the respective dates on which the same or any of them would become delinquent. The reasonable cost of

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administering such impound account shall be paid by Tenant. Nothing in this Section 4.3 shall be deemed to affect any right or remedy of Landlord hereunder.

ARTICLE V

5.1 No Termination, Abatement, etc. Except as otherwise specifically provided in this Master Lease, Tenant shall remain bound by this Master Lease in accordance with its terms and shall not seek or be entitled to any abatement, deduction, deferment or reduction of Rent, or set-off against the Rent. Except as may be otherwise specifically provided in this Master Lease, the respective obligations of Landlord and Tenant shall not be affected by

reason of (i) any damage to or destruction of the Leased Property or any portion thereof from whatever cause or any Condemnation of the Leased Property, any Capital Improvement or any portion thereof; (ii) other than as a result of Landlord's willful misconduct or gross negligence, the lawful or unlawful prohibition of, or restriction upon, Tenant's use of the Leased Property, any Capital Improvement or any portion thereof, the interference with such use by any Person or by reason of eviction by paramount title; (iii) any claim that Tenant has or might have against Landlord by reason of any default or breach of any warranty by Landlord hereunder or under any other agreement between Landlord and Tenant or to which Landlord and Tenant are parties; (iv) any bankruptcy, insolvency, reorganization, consolidation, readjustment, liquidation, dissolution, winding up or other proceedings affecting Landlord or any assignee or transferee of Landlord; or (v) for any other cause, whether similar or dissimilar to any of the foregoing, other than a discharge of Tenant from any such obligations as a matter of law. Tenant hereby specifically waives all rights arising from any occurrence whatsoever which may now or hereafter be conferred upon it by law (a) to modify, surrender or terminate this Master Lease or quit or surrender the Leased Property or any portion thereof, or (b) which may entitle Tenant to any abatement, reduction, suspension or deferment of the Rent or other sums payable by Tenant hereunder except in each case as may be otherwise specifically provided in this Master Lease. Notwithstanding the foregoing, nothing in this Article V shall preclude Tenant from bringing a separate action against Landlord for any matter described in the foregoing clauses (ii), (iii) or (v) and Tenant is not waiving other rights and remedies not expressly waived herein. The obligations of Landlord and Tenant hereunder shall be separate and independent covenants and agreements and the Rent and all other sums payable by Tenant hereunder shall continue to be payable in all events unless the obligations to pay the same shall be terminated pursuant to the express provisions of this Master Lease or by termination of this Master Lease as to all or any portion of the Leased Property other than by reason of an Event of Default. Tenant's agreement that, except as may be otherwise specifically provided in this Master Lease, any eviction by paramount title as described in item (ii) above shall not affect Tenant's obligations under this Master Lease, shall not in any way discharge or diminish any obligation of any insurer under any policy of title or other insurance and, to the extent the recovery thereof is not necessary to compensate Landlord for any damages incurred by any such eviction, Tenant shall be entitled to a credit for any sums recovered by Landlord under any such policy of title or other insurance up to the maximum amount paid by Tenant to Landlord under this Section 5.1, and Landlord, upon request by Tenant, shall assign Landlord's rights under such policies to Tenant; provided that such assignment does not adversely affect Landlord's rights under any such policy and provided further, that Tenant shall indemnify, defend, protect and save Landlord harmless from and against any liability, cost or expense of any kind that may be imposed upon Landlord in

connection with any such assignment except to the extent such liability, cost or expense arises from the gross negligence or willful misconduct of Landlord.

ARTICLE VI

6.1 Ownership of the Leased Property. (a) Landlord and Tenant acknowledge and agree that they have executed and delivered this Master Lease with the understanding that (i) the Leased Property is the property of Landlord, (ii) Tenant has only the right to the possession and use of the Leased Property upon the terms and conditions of this Master Lease, (iii) this Master Lease is a "true lease," is not a financing lease, capital lease, mortgage, equitable mortgage, deed of trust, trust agreement, security agreement or other financing or trust arrangement, and the economic realities of this Master Lease are those of a true lease, (iv) the business relationship created by this Master Lease and any related documents is and at all times shall remain that of landlord and tenant, (v) this Master Lease has been entered into by each party in reliance upon the mutual covenants, conditions and agreements contained herein, and (vi) none of the agreements contained herein is intended, nor shall the same be deemed or construed, to create a partnership between Landlord and Tenant, to make them joint venturers, to make Tenant an agent, legal representative, partner, subsidiary or employee of Landlord, or to make Landlord in any way responsible for the debts, obligations or losses of Tenant.

(b) Each of the parties hereto covenants and agrees, subject to Section 6.1(c), not to (i) file any income tax return or other associated documents; (ii) file any other document with or submit any document to any governmental body or authority; (iii) enter into any written contractual arrangement with any Person; or (iv) release any financial statements of Tenant, in each case that takes a position other than that this Master Lease is a "true lease" with Landlord as owner of the Leased Property and Tenant as the tenant of the Leased Property, including (x) treating Landlord as the owner of such Leased Property eligible to claim depreciation deductions under Sections 167 or 168 of the Code with respect to such Leased Property, (y) Tenant reporting its Rent payments as rent expense under Section 162 of the Code, and (z) Landlord reporting the Rent payments as rental income under Section 61 of the Code.

(c) If Tenant should reasonably conclude that GAAP or the SEC require treatment different from that set forth in Section 6.1(b) for applicable non-tax purposes, then (x) Tenant shall promptly give prior Notice to Landlord, accompanied by a written statement that references the applicable pronouncement that controls such treatment and contains a brief description and/or analysis that sets forth in reasonable detail the basis upon which Tenant reached such conclusion, and (y) notwithstanding Section 6.1(b), Tenant may comply with such requirements.

(d) The Rent is the fair market rent for the use of the Leased Property and was agreed to by Landlord and Tenant on that basis, and the execution and delivery of, and the performance by Tenant of its obligations under, this Master Lease does not constitute a transfer of all or any part of the Leased Property.

(e) Tenant waives any claim or defense based upon the characterization of this Master Lease as anything other than a true lease and as a master lease of all of the Leased

Property. Tenant stipulates and agrees (1) not to challenge the validity, enforceability or characterization of the lease of the Leased Property as a true lease and/or as a single, unseverable instrument pertaining to the lease of all, but not less than all, of the Leased Property, and (2) not to assert or take or omit to take any action inconsistent with the agreements and understandings set forth in Section 3.4 or this Section 6.1.

6.2 Tenant's Property. Tenant shall, during the entire Term, own (or lease) and maintain (or cause its Subsidiaries to own (or lease) and maintain) on the Leased Premises adequate and sufficient Tenant's Property, and shall maintain (or cause its Subsidiaries to maintain) all of such Tenant's Property in good order, condition and repair, in all cases as shall be necessary and appropriate in order to operate the Facilities for the Primary Intended Use in compliance with all applicable licensure and certification requirements and in compliance with all applicable Legal Requirements, Insurance Requirements and Gaming Regulations. If any of Tenant's Property requires replacement in order to comply with the foregoing, Tenant shall replace (or cause a Subsidiary to replace) it with similar property of the same or better quality at Tenant's (or such Subsidiary's) sole cost and expense. Subject to the foregoing, Tenant and its Subsidiaries may sell, transfer, convey or otherwise dispose of Tenant's Property (other than Gaming Licenses and subject to Section 6.3) in their discretion in the ordinary course of its business and Landlord shall have no rights to such Tenant's Property. Tenant shall, upon Landlord's request, from time

to time but not more frequently than one time per Lease Year, provide Landlord with a list of the material Tenant's Property located at each of the Facilities. In the case of any such Tenant's Property that is leased (rather than owned) by Tenant (or its Subsidiaries), Tenant shall use commercially reasonable efforts to ensure that the lease agreements pursuant to which Tenant (or its Subsidiaries) leases such Tenant's Property are assignable to third parties in connection with any transfer by Tenant (or its Subsidiaries) to a replacement lessee or operator at the end of the Term. Tenant shall remove all of Tenant's Property from the Leased Premises at the end of the Term, except to the extent Tenant has transferred ownership of such Tenant's Property to a Successor Tenant or Landlord. Any Tenant's Property left on the Leased Property at the end of the Term whose ownership was not transferred to a Successor Tenant shall be deemed abandoned by Tenant and shall become the property of Landlord.

6.3 Guarantors; Tenant's Property. Each of Tenant's Parent and each of Tenant's Subsidiaries set forth on Schedule 6.3 shall be a Guarantor under this Agreement and shall execute and deliver to the Landlord the Guaranty attached hereto as Exhibit E. In addition, if any material Gaming License or other license or other material asset necessary to operate any portion of the Leased Property is owned by a Subsidiary, Tenant shall within two (2) Business Days after the date such Subsidiary acquires such Gaming License, other license or other material asset, (a) notify the Landlord thereof and (b) cause such Subsidiary (if it is not already a Guarantor) to become a Guarantor by executing the Guaranty in form and substance reasonably satisfactory to Landlord; provided that this sentence shall not apply to Belle of Sioux City, L.P. and Iowa Gaming Company, LLC, and notwithstanding anything to the contrary contained herein, Belle of Sioux City, L.P. and Iowa Gaming Company, LLC shall not be required to become party to the Guaranty.

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ARTICLE VII

7.1 Condition of the Leased Property. Tenant acknowledges receipt and delivery of possession of the Leased Property and confirms that Tenant has examined and otherwise has knowledge of the condition of the Leased Property prior to the execution and delivery of this Master Lease and has found the same (except as included in the disclosures on Schedule 1A) to be in good order and repair and, to the best of Tenant's knowledge, free from Hazardous Substances not in compliance with Legal Requirements and satisfactory for its purposes hereunder. Regardless, however, of any examination or inspection made by Tenant and whether or not any patent or latent defect or condition was revealed or discovered thereby, Tenant is leasing the Leased Property "as is" in its present condition. Tenant waives any claim or action against Landlord in respect of the condition of the Leased Property including any defects or adverse conditions not discovered or otherwise known by Tenant as of the Commencement Date. LANDLORD MAKES NO WARRANTY OR REPRESENTATION, EXPRESS OR IMPLIED, IN RESPECT OF THE LEASED PROPERTY OR ANY PART THEREOF, EITHER AS TO ITS FITNESS FOR USE, DESIGN OR CONDITION FOR ANY PARTICULAR USE OR PURPOSE OR OTHERWISE, OR AS TO THE NATURE OR QUALITY OF THE MATERIAL OR WORKMANSHIP THEREIN, OR THE EXISTENCE OF ANY HAZARDOUS SUBSTANCE, IT BEING AGREED THAT ALL SUCH RISKS, LATENT OR PATENT, ARE TO BE BORNE SOLELY BY TENANT INCLUDING ALL RESPONSIBILITY AND LIABILITY FOR ANY ENVIRONMENTAL REMEDIATION AND COMPLIANCE WITH ALL ENVIRONMENTAL LAWS.

7.2 Use of the Leased Property. (a) Tenant shall use or cause to be used the Leased Property and the improvements thereon of each Facility for its Primary Intended Use. Tenant shall not use the Leased Property or any portion thereof or any Capital Improvement thereto for any other use without the prior written consent of Landlord, which consent Landlord may withhold in its sole discretion. Landlord acknowledges that operation of each Facility for its Primary Intended Use generally requires a Gaming License under applicable Gaming Regulations and that without such a license neither Landlord nor GLP may operate, control or participate in the conduct of the gaming and/or racing operations at the Facilities.

(b) Tenant shall not commit or suffer to be committed any waste on the Leased Property (including any Capital Improvement thereto) or cause or permit any nuisance thereon or to, except as required by law, take or suffer any action or condition that will diminish the ability of the Leased Premises to be used as a Gaming Facility after the expiration or earlier termination of the Term.

(c) Tenant shall neither suffer nor permit the Leased Property or any portion thereof to be used in such a manner as (i) might reasonably tend to impair Landlord's title thereto or to any portion thereof or (ii) may make possible a claim of adverse use or possession, or an implied dedication of the Leased Property or any portion thereof.

(d) Except in instances of casualty or condemnation, Tenant shall continuously operate each of the Facilities for the Primary Intended Use. Tenant in its discretion shall be permitted to cease operations at a Facility or Facilities if such cessation would not reasonably be expected to have a material adverse effect on Tenant, the Facilities, or on the

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Leased Property, taken as a whole, provided that the following conditions are satisfied: (i) no Event of Default has occurred and is continuing immediately prior to or immediately after the date that operations are ceased or as a result of such cessation; and (ii) the Percentage Rent due from each and every such Facility whose operations have ceased will thereafter be subject to a floor which will be calculated based on the Percentage Rent that would have been paid for such Facility if Percentage Rent were adjusted based on Net Revenues for the Fiscal Year immediately preceding the time that Tenant ceased operations at the Facility.

7.3 Development Facilities.

Landlord and Tenant have agreed to the terms contemplated by Exhibit C with respect to the Development Facilities. Unless otherwise contemplated by Exhibit C, the Land, the Leased Improvements and the Fixtures related to such Development Facility (and all easements, rights and appurtenances relating thereto) shall be added to the Leased Property demised under this Master Lease and the parties shall amend Exhibit A and Exhibit B to reflect such addition, in each case effective as of the date gaming operations commence at such Development Facility (a "**Development Facility Commencement Date**"), and, except as otherwise contemplated by Exhibit C, all the terms of this Master Lease shall thereafter apply to such Facility.

7.4 Competing Business.

(a) **Tenant's Obligations for Greenfields.** Tenant agrees that during the Term, other than with respect to the Development Facilities, neither Tenant nor any of its Affiliates shall build or otherwise participate in the development of a new Gaming Facility (including a facility that has been shut down for a period of more than twelve (12) months) (a "**Greenfield Project**") within a Restricted Area of a Facility (the Facility in whose Restricted Area

there is activity under this Section 7.4, an “**Affected Facility**”), unless Tenant shall first offer Landlord the opportunity to include the Greenfield Project as a Leased Property under this Master Lease on terms to be negotiated by the parties (which terms with respect to Landlord funding such development shall include the terms set forth in Section 10.3 hereof regarding Capital Improvements). Within thirty (30) days of Landlord’s receipt of notice from Tenant providing the opportunity to fund and include as Leased Property under this Master Lease a Greenfield Project on terms to be negotiated by the parties, Landlord shall notify Tenant as to whether it intends to participate in such Greenfield Project and, if Landlord indicates such intent, the parties shall negotiate in good faith the terms and conditions upon which this would be effected, including the terms of any amendment to this Master Lease and any development or funding agreement, which Landlord might require. Should Landlord notify Tenant that it does not intend to pursue such Greenfield Project (or should Landlord decline to notify Tenant of its affirmative response within such thirty (30) day period), or if the parties despite good faith efforts on both sides fail to reach agreement on the terms under which such opportunity would be jointly pursued under this Master Lease and such new Greenfield Project would become a portion of the Leased Property hereunder, in any event, within forty-five (45) days after Landlord’s notice to Tenant of Landlord’s intent to participate in such Greenfield Project, then the Percentage Rent due from each and every Affected Facility will thereafter (a) be subject to a floor which will be calculated based on the Percentage Rent that would have been paid for such Affected Facility if Percentage Rent were adjusted based on Net Revenues for the calendar year immediately prior to

the year in which the Greenfield Project is first opened to the public (the “**Greenfield Floor**”), and (b) be subject to normal periodic adjustments; provided that annual Percentage Rent may not be reduced below the Greenfield Floor. Notwithstanding anything to the contrary in this Section 7.4(a), Tenant and its Affiliates shall not be restricted under this Section 7.4(a) from (i) expanding any Facility under this Master Lease (subject to Tenant’s compliance with the terms of Section 10.3 and the other provisions of Article X), and (ii) subject to compliance with the provisions of Section 7.4(e) hereof, acquiring or operating any competing Gaming Facility that is in operation at the time of its acquisition or operation by Tenant or its Affiliates.

(b) Landlord’s Obligations for Greenfields. Landlord agrees that during the Term, neither Landlord nor any of its Affiliates shall, without the prior written consent of the Tenant (which consent may be withheld in Tenant’s sole discretion), build or otherwise participate in the development of a Greenfield Project within the Restricted Area. Notwithstanding anything to the contrary in this Section 7.4(b), (i) Landlord and its Affiliates shall not be restricted under this Section 7(b) from acquiring, financing or providing refinancing for any facility that is in operation or has been in operation at any time during the twelve month period prior to the time in question (or with respect to furthering the development of the Development Facilities), and (ii) subject to the provisions of Section 7.4(d) hereof, Landlord and its Affiliates shall not be restricted under this Section 7.4(b) from expanding any Competing Facility existing at the time in question.

(c) Tenant’s Rights Regarding Facility Expansions. Tenant shall be permitted to construct Capital Improvements in accordance with the terms of Article X hereof.

(d) Landlord’s Rights Regarding Facility Expansions. Landlord shall be permitted to finance expansions of any Competing Facility within the Restricted Area that is already existing at any time in question, provided that the Percentage Rent attributable to any Affected Facilities (other than a CT Facility) shall thereafter be calculated monthly (and not based on the trailing five-year period as would have otherwise been the case for Facilities other than the CT Facilities).

(e) Tenant’s Rights to Acquire or Operate Existing Facilities. In the event Tenant or its Affiliate acquires or operates any existing competing Gaming Facility within the Restricted Area (a “**Competing Facility**”), the Percentage Rent due from any Affected Facility will thereafter (a) be subject to a floor which will be based on the Percentage Rent that would have been paid for such Affected Facility if Percentage Rent were adjusted based on Net Revenues for the calendar year immediately prior to the year in which the competing facility is acquired or first operated by Tenant or its Affiliate (the “**Competing Facility Floor**”), and (b) be subject to normal periodic adjustments; provided that annual Percentage Rent may not be reduced below the Competing Facility Floor.

(f) Landlord’s Rights to Acquire or Finance Existing Facilities. Landlord shall not be restricted under this Section 7.4 from acquiring or providing any kind of financing or refinancing to any Competing Facility within the Restricted Area that is already existing at any time in question.

(g) No Restrictions Outside of Restricted Area. Each of Landlord and Tenant shall not be restricted from participating in opportunities, including, without limitation, developing, building, purchasing or operating Gaming Facilities, outside the Restricted Area at any time.

ARTICLE VIII

8.1 Representations and Warranties. Each party represents and warrants to the other that: (i) this Master Lease and all other documents executed or to be executed by it in connection herewith have been duly authorized and shall be binding upon it; (ii) it is duly organized, validly existing and in good standing under the laws of the state of its formation and is duly authorized and qualified to perform this Master Lease within the State(s) where any portion of the Leased Property is located; and (iii) neither this Master Lease nor any other document executed or to be executed in connection herewith violates the terms of any other agreement of such party.

8.2 Compliance with Legal and Insurance Requirements, etc. Subject to Article XII regarding permitted contests, Tenant, at its expense, shall promptly (a) comply in all material respects with all Legal Requirements and Insurance Requirements regarding the use, operation, maintenance, repair and restoration of the Leased Property (including all Capital Improvements thereto) and Tenant’s Property whether or not compliance therewith may require structural changes in any of the Leased Improvements or interfere with the use and enjoyment of the Leased Property, and (b) procure, maintain and comply in all material respects with all Gaming Regulations and Gaming Licenses, and other authorizations required for the use of the Leased Property (including all Capital Improvements) and Tenant’s Property for the applicable Primary Intended Use and any other use of the Leased Property (including Capital Improvements then being made) and Tenant’s Property, and for the proper erection, installation, operation and maintenance of the Leased Property and Tenant’s Property. In an emergency or in the event of a breach by Tenant of its obligations under this Section 8.2 which is not cured within any applicable cure period, Landlord may, but shall not be obligated to, enter upon the Leased Property and take such reasonable actions and incur such reasonable costs and expenses to effect such compliance as it deems advisable to protect its interest in the Leased Property, and Tenant shall reimburse Landlord for all such reasonable costs and expenses incurred by Landlord in connection with such actions. Tenant covenants and agrees that the Leased

Property and Tenant's Property shall not be used for any unlawful purpose. In the event that a regulatory agency, commission, board or other governmental body notifies Tenant that it is in jeopardy of losing a Gaming License material to the continued operation of a Facility (other than the Iowa Casino), and, assuming no Event of Default has occurred and is continuing, Tenant shall be given reasonable time to address the regulatory issue, after which period (but in all events prior to an actual revocation of such Gaming License) Tenant shall be required to sell the Gaming License and Tenant's Property related to such Facility to a successor operator of such Facility determined by Landlord choosing one and Tenant choosing three (for a total of four) potential operators and Landlord indicating the reasonable, market terms under which it would agree to lease such Facility to such potential operators, which in Landlord's reasonable discretion may contain reasonable variations in terms to the extent required to account for credit quality differences among the potential operators (e.g., Landlord may require different letter of credit terms and amounts, but may not set different rent terms). Tenant will then be entitled to auction

off Tenant's Property relating to such Facility and Landlord will thereafter be entitled to lease the Facility to the potential successor that is the successful bidder. In the event of a new lease from Landlord to the successor, the Leased Property relating to such Facility shall be severed from the Leased Property hereunder and thereafter Rent shall be reduced based on the formula set forth in Section 14.6 hereof. Landlord shall comply with any Gaming Regulations or other regulatory requirements required of it as owner of the Facilities taking into account its Primary Intended Use (except to the extent Tenant fulfills or is required to fulfill any such requirements hereunder). In the event that a regulatory agency, commission, board or other governmental body notifies Landlord that it is in jeopardy of failing to comply with any such Gaming Regulation or other regulatory requirements material to the continued operation of a Facility for its Primary Intended Use, Landlord shall be given reasonable time to address the regulatory issue, after which period (but in all events prior to an actual cessation of the use of the Facility for its Primary Intended Use as a result of the failure by Landlord to comply with such regulatory requirements) Landlord shall be required to sell the Leased Property relating to such Facility to the highest bidder (and Tenant shall be entitled to be one of the bidders) who would agree to lease such Facility to Tenant on terms substantially the same as the terms hereof (including rent calculated in the manner provided pursuant to Section 14.6 hereof, an identical amount of which, after the effective time of such sale, shall be credited against Rent hereunder); provided that if Tenant is the bidder it shall not be required to agree to lease the Facility, but if it is the winning bidder shall be entitled to a credit against the Rent hereunder calculated in the manner provided pursuant to Section 14.6. In the event during the period in which Landlord conducts such auction such regulatory agency notifies Landlord and Tenant that Tenant may not pay any portion of the Rent to Landlord, Tenant shall be entitled to fund such amount into an escrow account, to be released to Landlord or the party legally entitled thereto at or upon resolution of such regulatory issues and otherwise on terms reasonably satisfactory to the parties. Notwithstanding anything in the foregoing to the contrary, no transfer of Tenant's Property used in the conduct of gaming (including the purported or attempted transfer of a Gaming License) or the operation of a Gaming Facility for its Primary Intended Use shall be effected or permitted without receipt of all necessary approvals and/or Gaming Licenses in accordance with applicable Gaming Regulations.

8.5 Zoning and Uses. Without the prior written consent of Landlord, which shall not be unreasonably withheld unless the action for which consent is sought could adversely affect the Primary Intended Use of a Facility (in which event Landlord may withhold its consent in its sole and absolute discretion), Tenant shall not (i) initiate or support any limiting change in the permitted uses of the Leased Property (or to the extent applicable, limiting zoning reclassification of the Leased Property); (ii) seek any variance under existing land use restrictions, laws, rules or regulations (or, to the extent applicable, zoning ordinances) applicable to the Leased Property or use or permit the use of the Leased Property; (iii) impose or permit or suffer the imposition of any restrictive covenants, easements or encumbrances (other than Permitted Leasehold Mortgages) upon the Leased Property in any manner that adversely affects in any material respect the value or utility of the Leased Property; (iv) execute or file any subdivision plat affecting the Leased Property, or institute, or permit the institution of, proceedings to alter any tax lot comprising the Leased Property; or (v) permit or suffer the Leased Property to be used by the public or any Person in such manner as might make possible a claim of adverse usage or possession or of any implied dedication or easement (provided that the proscription in this clause (v) is not intended to and shall not restrict Tenant in any way from

complying with any obligation it may have under applicable Legal Requirements, including, without limitation, Gaming Regulations, to afford to the public access to the Leased Property).

8.6 Compliance with Ground Lease.

(a) This Master Lease, to the extent affecting and solely with respect to the Ground Leased Property, is and shall be subject and subordinate to all of the terms and conditions of the Ground Lease. Tenant hereby acknowledges that Tenant has reviewed and agreed to all of the terms and conditions of the Ground Lease. Tenant hereby agrees that Tenant shall not do, or fail to do, anything that would cause any violation of the Ground Lease. Without limiting the foregoing, (i) to the extent Landlord is required to obtain the written consent of the lessor under the Ground Lease (the "**Ground Lessor**") to alterations of or the subleasing of all or any portion of the Ground Leased Property pursuant to the Ground Lease, Tenant shall likewise obtain Ground Lessor's written consent to alterations of or the subleasing of all or any portion of the Ground Leased Property, and (ii) Tenant shall carry and maintain general liability, automobile liability, property and casualty, worker's compensation and employer's liability insurance in amounts and with policy provisions, coverages and certificates as required of Landlord as tenant under the Ground Lease.

(b) In the event of cancellation or termination of the Ground Lease for any reason whatsoever whether voluntary or involuntary (by operation of law or otherwise) prior to the expiration date of this Master Lease, including extensions and renewals granted thereunder, then, at Ground Lessor's option, Tenant shall make full and complete attornment to Ground Lessor with respect to the obligations of Landlord to Ground Lessor in connection with the Ground Leased Property for the balance of the term of the Lease (notwithstanding that this Master Lease shall have expired with respect to the Ground Leased Property as a result of the cancellation or termination of the Ground Lease). Tenant's attornment shall be evidenced by a written agreement which shall provide that the Tenant is in direct privity of contract with Ground Lessor (i.e., that all obligations previously owed to Landlord under this Master Lease with respect to the Ground Lease or the Ground Leased Property shall be obligations owed to Ground Lessor for the balance of the term of this Master Lease, notwithstanding that this Master Lease shall have expired with respect to the Ground Leased Property as a result of the cancellation or termination of the Ground Lease) and which shall otherwise be in form and substance reasonably satisfactory to Ground Lessor. Tenant shall execute and deliver such written attornment within thirty (30) days after request by Ground Lessor. Unless and until such time as an attornment agreement is executed by Tenant pursuant to this Section 8.6(b), nothing contained in this Master Lease shall create, or be construed as creating, any privity of contract or privity of estate between Ground Lessor and Tenant.

(c) Nothing contained in this Master Lease amends, or shall be construed to amend, any provision of the Ground Lease.

9.1 Maintenance and Repair. (a) Tenant, at its expense and without the prior consent of Landlord, shall maintain the Leased Property and Tenant's Property, and every portion thereof, and all private roadways, sidewalks and curbs appurtenant to the Leased

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Property, and which are under Tenant's control in good order and repair whether or not the need for such repairs occurs as a result of Tenant's use, any prior use, the elements or the age of the Leased Property and Tenant's Property, and, with reasonable promptness, make all reasonably necessary and appropriate repairs thereto of every kind and nature, including those necessary to ensure continuing compliance with all Legal Requirements, whether interior or exterior, structural or non-structural, ordinary or extraordinary, foreseen or unforeseen or arising by reason of a condition existing prior to the Commencement Date. All repairs shall be at least equivalent in quality to the original work. Tenant will not take or omit to take any action the taking or omission of which would reasonably be expected to materially impair the value or the usefulness of the Leased Property or any part thereof or any Capital Improvement thereto for its Primary Intended Use.

(b) Landlord shall not under any circumstances be required to (i) build or rebuild any improvements on the Leased Property; (ii) make any repairs, replacements, alterations, restorations or renewals of any nature to the Leased Property, whether ordinary or extraordinary, structural or non-structural, foreseen or unforeseen, or to make any expenditure whatsoever with respect thereto; or (iii) maintain the Leased Property in any way. Tenant hereby waives, to the extent permitted by law, the right to make repairs at the expense of Landlord pursuant to any law in effect at the time of the execution of this Master Lease or hereafter enacted.

(c) Nothing contained in this Master Lease and no action or inaction by Landlord shall be construed as (i) constituting the consent or request of Landlord, expressed or implied, to any contractor, subcontractor, laborer, materialman or vendor to or for the performance of any labor or services or the furnishing of any materials or other property for the construction, alteration, addition, repair or demolition of or to the Leased Property or any part thereof or any Capital Improvement thereto; or (ii) giving Tenant any right, power or permission to contract for or permit the performance of any labor or services or the furnishing of any materials or other property in such fashion as would permit the making of any claim against Landlord in respect thereof or to make any agreement that may create, or in any way be the basis for, any right, title, interest, lien, claim or other encumbrance upon the estate of Landlord in the Leased Property, or any portion thereof or upon the estate of Landlord in any Capital Improvement thereto.

(d) Tenant shall, upon the expiration or earlier termination of the Term, vacate and surrender the Leased Property (including all Capital Improvements, subject to the provisions of Article X), in each case with respect to such Facility, to Landlord in the condition in which such Leased Property was originally received from Landlord and Capital Improvements were originally introduced to such Facility, except as repaired, rebuilt, restored, altered or added to as permitted or required by the provisions of this Master Lease and except for ordinary wear and tear.

(e) Without limiting Tenant's obligations to maintain the Leased Property and Tenant's Property under this Master Lease, within thirty (30) days after the end of each calendar year (commencing with the calendar year ending December 31, 2014), Tenant shall provide Landlord with evidence satisfactory to Landlord in the reasonable exercise of Landlord's discretion that Tenant has in such calendar year spent, with respect to the Leased Property and

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Tenant's Property, an aggregate amount equal to at least 1% of its actual Net Revenue from the Facilities for such calendar year on installation or restoration and repair or other improvement of items, which installations, restorations and repairs and other improvements are capitalized in accordance with GAAP with an expected life of not less than three (3) years. If Tenant fails to make at least the above amount of expenditures and fails within sixty (60) days after receipt of a written demand from Landlord to either (i) cure such deficiency or (ii) obtain Landlord's written approval, in its reasonable discretion, of a repair and maintenance program satisfactory to cure such deficiency, then the same shall be deemed an Event of Default hereunder.

9.2 Encroachments, Restrictions, Mineral Leases, etc. If any of the Leased Improvements shall, at any time, encroach upon any property, street or right-of-way, or shall violate any restrictive covenant or other agreement affecting the Leased Property, or any part thereof or any Capital Improvement thereto, or shall impair the rights of others under any easement or right-of-way to which the Leased Property is subject, or the use of the Leased Property or any Capital Improvement thereto is impaired, limited or interfered with by reason of the exercise of the right of surface entry or any other provision of a lease or reservation of any oil, gas, water or other minerals, then promptly upon the request of Landlord or any Person affected by any such encroachment, violation or impairment, each of Tenant and Landlord, subject to their right to contest the existence of any such encroachment, violation or impairment, shall protect, indemnify, save harmless and defend the other party hereto from and against fifty percent (50%) of all losses, liabilities, obligations, claims, damages, penalties, causes of action, costs and expenses (including reasonable attorneys', consultants' and experts' fees and expenses) based on or arising by reason of any such encroachment, violation or impairment. In the event of an adverse final determination with respect to any such encroachment, violation or impairment, either (a) each of Tenant and Landlord shall be entitled to obtain valid and effective waivers or settlements of all claims, liabilities and damages resulting from each such encroachment, violation or impairment, whether the same shall affect Landlord or Tenant or (b) Tenant at the shared cost and expense of Tenant and Landlord on a 50-50 basis shall make such changes in the Leased Improvements, and take such other actions, as Tenant in the good faith exercise of its judgment deems reasonably practicable, to remove such encroachment or to end such violation or impairment, including, if necessary, the alteration of any of the Leased Improvements, and in any event take all such actions as may be necessary in order to be able to continue the operation of the Leased Improvements for the Primary Intended Use substantially in the manner and to the extent the Leased Improvements were operated prior to the assertion of such encroachment, violation or impairment. Tenant's (and Landlord's) obligations under this Section 9.2 shall be in addition to and shall in no way discharge or diminish any obligation of any insurer under any policy of title or other insurance and, to the extent the recovery thereof is not necessary to compensate Landlord and Tenant for any damages incurred by any such encroachment, violation or impairment, Tenant shall be entitled to fifty percent (50%) of any sums recovered by Landlord under any such policy of title or other insurance up to the maximum amount paid by Tenant under this Section 9.2 and Landlord, upon request by Tenant, shall assign Landlord's rights under such policies to Tenant; provided such assignment does not adversely affect Landlord's rights under any such policy. Landlord agrees to use reasonable efforts to seek recovery under any policy of title or other insurance under which Landlord is an insured party for all losses, liabilities, obligations, claims, damages, penalties, causes of action, costs and expenses (including reasonable attorneys', consultants' and experts' fees and expenses) based on or arising by reason of any such encroachment, violation or impairment as set forth in this Section 9.2;

provided, however, that in no event shall Landlord be obligated to institute any litigation, arbitration or other legal proceedings in connection therewith unless Landlord is reasonably satisfied that Tenant has the financial resources needed to fund such litigation and Tenant and Landlord have agreed upon the terms and conditions on which such funding will be made available by Tenant, including, but not limited to, the mutual approval of a litigation budget.

ARTICLE X

10.1 Construction of Capital Improvements to the Leased Property. Tenant shall, with respect to any Facility, have the right to make a Capital Improvement, including, without limitation, any Capital Improvement required by Section 8.2 or 9.1(a), without the consent of Landlord if the Capital Improvement (i) is of equal or better quality than the existing Leased Improvements it is improving, altering or modifying, (ii) does not consist of adding new structures or enlarging existing structures, and (iii) does not have an adverse effect on the structure of any existing Leased Improvements. Tenant shall provide Landlord copies of the plans and specifications in respect of all Capital Improvements, which plans and specifications shall be prepared in a high-grade professional manner and shall adequately demonstrate compliance with clauses (i)-(iii) of the preceding sentence with respect to projects that do not require Landlord's written consent and shall be in such form as Landlord may reasonably require for any other projects. All other Capital Improvements shall be subject to Landlord's review and approval, which approval shall not be unreasonably withheld. For any Capital Improvement which does not require the approval of Landlord, Tenant shall, prior to commencing construction of such Capital Improvement, provide to Landlord a written description of such Capital Improvement and on an ongoing basis supply Landlord with related documentation and information as Landlord may reasonably request (including plans and specifications of any such Capital Improvements). If Tenant desires to make a Capital Improvement for which Landlord's approval is required, Tenant shall submit to Landlord in reasonable detail a general description of the proposal, the projected cost of construction and such plans and specifications, permits, licenses, contracts and other information concerning the proposal as Landlord may reasonably request. Such description shall indicate the use or uses to which such Capital Improvement will be put and the impact, if any, on current and forecasted gross revenues and operating income attributable thereto. It shall be reasonable for Landlord to condition its approval of any Capital Improvement upon any or all of the following terms and conditions:

- (a) Such construction shall be effected pursuant to detailed plans and specifications approved by Landlord, which approval shall not be unreasonably withheld;
- (b) Such construction shall be conducted under the supervision of a licensed architect or engineer selected by Tenant and approved by Landlord, which approval shall not be unreasonably withheld;
- (c) Landlord's receipt, from the general contractor and, if reasonably requested by Landlord, a major subcontractor(s) of a performance and payment bond for the full value of such construction, which such bond shall name Landlord as an additional obligee and otherwise be in form and substance and issued by a Person reasonably satisfactory to Landlord;

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- (d) In the case of a Tenant Capital Improvement, such construction shall not be undertaken unless Tenant demonstrates to the reasonable satisfaction of Landlord the financial ability to complete the construction without adversely affecting its cash flow position or financial viability; and
- (e) No Capital Improvement will result in the Leased Property becoming a "limited use" property for purposes of United States federal income taxes.

10.2 Construction Requirements for All Capital Improvements. Whether or not Landlord's review and approval is required, for all Capital Improvements:

- (a) Such construction shall not be commenced until Tenant shall have procured and paid for all municipal and other governmental permits and authorizations required to be obtained prior to such commencement, including those permits and authorizations required pursuant to any Gaming Regulations, and Landlord shall join in the application for such permits or authorizations whenever such action is necessary; provided, however, that (i) any such joinder shall be at no cost or expense to Landlord; and (ii) any plans required to be filed in connection with any such application which require the approval of Landlord as hereinabove provided shall have been so approved by Landlord;
- (b) Such construction shall not, and Tenant's licensed architect or engineer shall certify to Landlord that such architect or engineer believes that such construction shall not, impair the structural strength of any component of the applicable Facility or overburden the electrical, water, plumbing, HVAC or other building systems of any such component in a manner that would violate applicable building codes or prudent industry practices;
- (c) Tenant's licensed architect or engineer shall certify to Landlord that such architect or engineer believes that the detailed plans and specifications conform to, and comply with, in all material respects all applicable building, subdivision and zoning codes, laws, ordinances and regulations imposed by all governmental authorities having jurisdiction over the Leased Property of the applicable Facility;
- (d) During and following completion of such construction, the parking and other amenities which are located in the applicable Facility or on the Land of such Facility shall remain adequate for the operation of such Facility for its Primary Intended Use and in no event shall such parking be less than that which is required by law (including any variances with respect thereto); provided, however, with Landlord's prior consent and at no additional expense to Landlord, (i) to the extent additional parking is not already a part of a Capital Improvement, Tenant may construct additional parking on the Land; or (ii) Tenant may acquire off-site parking to serve such Facility as long as such parking shall be reasonably proximate to, and dedicated to, or otherwise made available to serve, such Facility;
- (e) All work done in connection with such construction shall be done promptly and using materials and resulting in work that is at least as good product and condition as the remaining areas of the applicable Facility and in conformity with all Legal Requirements, including, without limitation, any applicable minority or women owned business requirements; and

(f) Promptly following the completion of such construction, Tenant shall deliver to Landlord "as built" drawings of such addition, certified as accurate by the licensed architect or engineer selected by Tenant to supervise such work, and copies of any new or revised certificates of occupancy.

10.3 Landlord's Right of First Offer to Fund. Tenant shall request that Landlord fund or finance the construction and acquisition of any Capital Improvement that includes Long-Lived Assets (along with reasonably related fees and expenses, such as title fees, costs of permits, legal fees and other similar transaction related costs) if the cost of such Capital Improvements constituting Long-Lived Assets is expected to be in excess of \$2 million (subject to the CPI Increase), and Tenant shall provide to Landlord any information about such Capital Improvements which Landlord may reasonably request (including any specifics regarding the terms upon which Tenant will be seeking financing for such Capital Improvements). Landlord may, but shall be under no obligation to, provide the funds necessary to meet the request. Within thirty (30) days of receipt of a request to fund a proposed Capital Improvement pursuant to this Section 10.3, Landlord shall notify Tenant as to whether it will fund all or a portion of such proposed Capital Improvement and, if so, the terms and conditions upon which it would do so. If Landlord agrees to fund such proposed Capital Improvement, Tenant shall have ten (10) Business Days to accept or reject Landlord's funding proposal. If Landlord declines to fund a proposed Capital Improvement (or declines to provide Tenant written notice within such thirty (30)-day period of the terms of its proposal to fund such Capital Improvements), Tenant shall be permitted to secure outside financing or utilize then existing available financing for such Capital Improvement for a six-month period, after which six-month period (if Tenant has not secured outside financing or determined to utilize then existing available financing) Tenant shall again be required to first seek funding from Landlord. If Landlord agrees to fund all or a portion of a proposed Capital Improvement and Tenant rejects the terms thereof, Tenant shall be permitted to either use then existing available financing or seek outside financing for such Capital Improvement for a six-month period, in each case on terms that are economically more advantageous to Tenant than offered under Landlord's funding proposal, and if Tenant elects to utilize economically more advantageous financing it shall provide Landlord evidence of the terms of such financing; provided that, in determining if financing is economically more advantageous (i) consideration may be given to, among other items, (x) pricing, amortization, and length of term of such financing; (y) the cost, availability and terms of any financing sufficient to fund such Capital Improvement and other expenditures (exclusive of the related fees and expense described above) material in relation to the cost of such Capital Improvement (if any) which are intended to be funded in connection with the construction and acquisition of such Capital Improvement and which are related to the use and operation of such Capital Improvement and (z), and other customary considerations and, (ii) in the event that Tenant uses Cash to fund such Capital Improvement Costs, such use of Cash shall be deemed to have financing terms equivalent to those of the then outstanding Indebtedness of the Tenant having the highest rate of interest which is then permitted to be repaid, factoring in any related call or prepayment premium (to the extent any such Indebtedness of the Tenant is then outstanding); and provided, further, that in no event shall Tenant be obligated to obtain financing from Landlord to the extent such financing from Landlord would violate or cause a default or breach under any Material Indebtedness of Tenant's Parent or Tenant. If Tenant constructs a Capital Improvement with its then existing available financing or outside financing obtained in accordance with this Section 10.3, (i) except as may otherwise be expressly provided in this

Master Lease to the contrary, (A) during the Term, such Capital Improvements shall be deemed part of the Leased Property and the Facilities solely for the purpose of calculating Net Revenues and Percentage Rent hereunder and shall for all other purposes be Tenant's Property and (B) following expiration or termination of the Term, shall be either, at the option of Landlord, purchased by Landlord for fair market value or, if not purchased by Landlord, Tenant shall be entitled to either remove such Tenant Capital Improvements, provided that the Leased Property is restored in a manner reasonably satisfactory to Landlord, or receive fair value for such Tenant Capital Improvements in accordance with Article XXXVI. If Landlord agrees to fund a proposed Capital Improvement and Tenant accepts the terms thereof, such Capital Improvements shall be deemed part of the Leased Property and the Facilities for all purposes and Tenant shall provide Landlord with the following prior to any advance of funds:

(a) any information, certificates, licenses, permits or documents reasonably requested by Landlord which are necessary and obtainable to confirm that Tenant will be able to use the Capital Improvement upon completion thereof in accordance with the Primary Intended Use, including all required federal, state or local government licenses and approvals;

(b) an Officer's Certificate and, if requested, a certificate from Tenant's architect providing appropriate backup information, setting forth in reasonable detail the projected or actual costs related to such Capital Improvements;

(c) an amendment to this Master Lease (and any development or funding agreement agreed to in accordance with this Section 10.3), in a form reasonably agreed to by Landlord and Tenant, which may include, among other things, an increase in the Rent in amounts as agreed upon by the parties hereto pursuant to the agreed funding proposal terms described above and other provisions as may be necessary or appropriate;

(d) a deed conveying title to Landlord to any land acquired for the purpose of constructing the Capital Improvement free and clear of any liens or encumbrances except those approved by Landlord, and accompanied by an ALTA survey thereof satisfactory to Landlord;

(e) for each advance, endorsements to any outstanding policy of title insurance covering the Leased Property or commitments therefor reasonably satisfactory in form and substance to Landlord (i) updating the same without any additional exception except those that do not materially affect the value of such land and do not interfere with the use of the Leased Property or as may be approved by Landlord, which approval shall not be unreasonably withheld, and (ii) increasing the coverage thereof by an amount equal to the cost of the Capital Improvement, except to the extent covered by the owner's policy of title insurance referred to in subparagraph (f) below;

(f) if appropriate, an owner's policy of title insurance insuring the fair market value of fee simple title to any land and improvements conveyed to Landlord free and clear of all liens and encumbrances except those that do not materially affect the value of such land and do not interfere with the use of the Leased Property or are approved by Landlord, which approval shall not be unreasonably withheld, provided that if the requirement in this paragraph (f) is not satisfied (or waived by Landlord), Tenant shall be entitled to seek third party financing or use available financing in lieu of seeking such advance from Landlord;

(g) if requested by Landlord, an appraisal by a member of the Appraisal Institute of the Leased Property indicating that the fair market value of the Leased Property upon completion of the Capital Improvement will exceed the fair market value of the Leased Property immediately prior thereto by an amount not less than ninety-five percent (95%) of the cost of the Capital Improvement, provided that if the requirement in this paragraph (g) is not satisfied (or waived by Landlord), Tenant shall be entitled to seek third party financing or use available financing in lieu of seeking such advance from Landlord; and

(h) such other billing statements, invoices, certificates, endorsements, opinions, site assessments, surveys, resolutions, ratifications, lien releases and waivers and other instruments and information reasonably required by Landlord.

ARTICLE XI

11.1 Liens. Subject to the provisions of Article XII relating to permitted contests, Tenant will not directly or indirectly create or allow to remain and will promptly discharge at its expense any lien, encumbrance, attachment, title retention agreement or claim upon the Leased Property or any Capital Improvement thereto or upon the Gaming Licenses (including indirectly through a pledge of shares in the direct or indirect entity owning an interest in the Gaming Licenses) or any attachment, levy, claim or encumbrance in respect of the Rent, excluding, however, (i) this Master Lease; (ii) the matters that existed as of the Commencement Date with respect to such Facility and disclosed on Schedule 1A; (iii) restrictions, liens and other encumbrances which are consented to in writing by Landlord (such consent not to be unreasonably withheld); (iv) liens for Impositions which Tenant is not required to pay hereunder; (v) subleases permitted by Article XXII; (vi) liens for Impositions not yet delinquent or being contested in accordance with Article XII, provided that Tenant has provided appropriate reserves as required under GAAP and any foreclosure or similar remedies with respect to such Impositions have not been instituted and no notice as to the institution or commencement thereof has been issued except to the extent such institution or commencement is stayed no later than the earlier of (x) ten (10) Business Days after such notice is issued or (y) five (5) Business Days prior to the institution or commencement thereof; (vii) liens of mechanics, laborers, materialmen, suppliers or vendors for sums either disputed or not yet due, provided that (1) the payment of such sums shall not be postponed under any related contract for more than sixty (60) days after the completion of the action giving rise to such lien unless being contested in accordance with Article XII and such reserve or other appropriate provisions as shall be required by law or GAAP shall have been made therefor and no foreclosure or similar remedies with respect to such liens has been instituted and no notice as to the institution or commencement thereof have been issued except to the extent such institution or commencement is stayed no later than the earlier of (x) ten (10) Business Days after such notice is issued or (y) five (5) Business Days prior to the institution or commencement thereof; or (2) any such liens are in the process of being contested as permitted by Article XII; (viii) any liens created by Landlord; (ix) liens related to equipment leases or equipment financing for Tenant's Property which are used or useful in Tenant's business on the Leased Property, provided that the payment of any sums due under such equipment leases or equipment financing shall either (1) be paid as and when due in accordance with the terms thereof, or (2) be in the process of being contested as permitted by Article XII and provided that a lien holder's removal of any such Tenant's Property from the Leased Property shall be made in accordance with the requirements set forth in this Section 11.1; (x) liens granted

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as security for the obligations of Tenant and its Affiliates under a Debt Agreement; provided, however, in no event shall the foregoing be deemed or construed to permit Tenant to encumber its leasehold interest (or a subtenant to encumber its subleasehold interest) in the Leased Property or its direct or indirect interest (or the interest of any of its Subsidiaries) in the Gaming Licenses (other than, in each case, to a Permitted Leasehold Mortgagee), without the prior written consent of Landlord, which consent may be granted or withheld in Landlord's sole discretion; and provided, further, that Tenant shall be required to provide Landlord with fully executed copies of any and all Permitted Leasehold Mortgages and related principal Debt Agreements; and (xi) easements, rights-of-way, restrictions (including zoning restrictions), covenants, encroachments, protrusions and other similar charges or encumbrances, and minor title deficiencies on or with respect to any Leased Property, in each case whether now or hereafter in existence, not individually or in the aggregate materially interfering with the conduct of the business on the Leased Property, taken as a whole. For the avoidance of doubt, the parties acknowledge and agree that Tenant has not granted any liens in favor of Landlord as security for its obligations hereunder (except to the extent contemplated in the final paragraph of this Section 11.1) and nothing contained herein shall be deemed or construed to prohibit the issuance of a lien on the Equity Interests in Tenant (it being agreed that any foreclosure by a lien holder on such interests in Tenant shall be subject to the restriction on Change in Control set forth in Article XXII) or to prohibit Tenant from pledging its Accounts and other Tenant's Property and other property of Tenant, including fixtures and equipment installed by Tenant at the Facilities, as collateral in connection with financings from equipment lenders (or to Permitted Leasehold Mortgagees); provided that Tenant shall in no event pledge to any Person that is not granted a Permitted Leasehold Mortgage hereunder any of the Gaming Licenses or other of Tenant's Property to the extent that such Tenant's Property cannot be removed from the Leased Property without damaging or impairing the Leased Property (other than in a de minimis manner). For the further avoidance of doubt, by way of example, Tenant shall not grant to any lender (other than a Permitted Leasehold Mortgagee) a lien on, and any and all lien holders (including a Permitted Leasehold Mortgagee) shall not have the right to remove, carpeting, internal wiring, elevators, or escalators at the Leased Property, but lien holders may have the right to remove (and Tenant shall have the right to grant a lien on) slot machines and other gaming equipment even if the removal thereof from the Leased Premises could result in de minimis damage; provided any such damage is repaired by the lien holder or Tenant in accordance with the terms of this Master Lease.

Landlord and Tenant intend that this Master Lease be an indivisible true lease that affords the parties hereto the rights and remedies of landlord and tenant hereunder and does not represent a financing arrangement. This Master Lease is not an attempt by Landlord or Tenant to evade the operation of any aspect of the law applicable to any of the Leased Property. Except as otherwise required by applicable law or any accounting rules or regulations, Landlord and Tenant hereby acknowledge and agree that this Master Lease shall be treated as an operating lease for all purposes and not as a synthetic lease, financing lease or loan and that Landlord shall be entitled to all the benefits of ownership of the Leased Property, including depreciation for all federal, state and local tax purposes.

If, notwithstanding (a) the form and substance of this Master Lease and (b) the intent of the parties, and the language contained herein providing that this Master Lease shall at all times be construed, interpreted and applied to create an indivisible lease of all of the Leased

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Property, any court of competent jurisdiction finds that this Master Lease is a financing arrangement, this Master Lease shall be considered a secured financing agreement and Landlord's title to the Leased Property shall constitute a perfected first priority lien in Landlord's favor on the Leased Property to secure the payment and performance of all the obligations of Tenant hereunder (and to that end, Tenant hereby grants, assigns and transfers to the Landlord a security interest in all right, title or interest in or to any and all of the Leased Property, as security for the prompt and complete payment and performance

when due of Tenant's obligations hereunder). Tenant authorizes Landlord, at the expense of Tenant, to make any filings or take other actions as Landlord reasonably determines are necessary or advisable in order to effect fully this Master Lease or to more fully perfect or renew the rights of the Landlord, and to subordinate to the Landlord the lien of any Permitted Leasehold Mortgagee, with respect to the Leased Property (it being understood that nothing herein shall affect the rights of a Permitted Leasehold Mortgagee under Article XVII hereof). At any time and from time to time upon the request of the Landlord, and at the expense of the Tenant, Tenant shall promptly execute, acknowledge and deliver such further documents and do such other acts as the Landlord may reasonably request in order to effect fully this Master Lease or to more fully perfect or renew the rights of the Landlord with respect to the Leased Property. Upon the exercise by the Landlord of any power, right, privilege or remedy pursuant to this Master Lease which requires any consent, approval, recording, qualification or authorization of any governmental authority, Tenant will execute and deliver, or will cause the execution and delivery of, all applications, certifications, instruments and other documents and papers that Landlord may be required to obtain from Tenant for such consent, approval, recording, qualification or authorization.

ARTICLE XII

12.1 Permitted Contests. Tenant, upon prior written notice to Landlord, on its own or in Landlord's name, at Tenant's expense, may contest, by appropriate legal proceedings conducted in good faith and with due diligence, the amount, validity or application, in whole or in part, of any licensure or certification decision (including pursuant to any Gaming Regulation), Imposition, Legal Requirement, Insurance Requirement, lien, attachment, levy, encumbrance, charge or claim; provided, however, that (i) in the case of an unpaid Imposition, lien, attachment, levy, encumbrance, charge or claim, the commencement and continuation of such proceedings shall suspend the collection thereof from Landlord and from the Leased Property or any Capital Improvement thereto; (ii) neither the Leased Property or any Capital Improvement thereto, the Rent therefrom nor any part or interest in either thereof would be in any danger of being sold, forfeited, attached or lost pending the outcome of such proceedings; (iii) in the case of a Legal Requirement, neither Landlord nor Tenant would be in any danger of civil or criminal liability for failure to comply therewith pending the outcome of such proceedings; (iv) if any such contest shall involve a sum of money or potential loss in excess of Two Hundred Thousand Dollars (\$200,000), upon request of the Landlord, Tenant shall deliver to Landlord an opinion of counsel reasonably acceptable to Landlord to the effect set forth in clauses (i), (ii) and (iii) above, to the extent applicable; (v) in the case of a Legal Requirement, Imposition, lien, encumbrance or charge, Tenant shall give such reasonable security as may be required by Landlord to insure ultimate payment of the same and to prevent any sale or forfeiture of the Leased Property or any Capital Improvement thereto or the Rent by reason of such non-payment or noncompliance; (vi) in the case of an Insurance Requirement, the coverage required by Article XIII shall be maintained; (vii) Tenant shall keep Landlord reasonably informed as to the status of the

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proceedings; and (viii) if such contest be finally resolved against Landlord or Tenant, Tenant shall promptly pay the amount required to be paid, together with all interest and penalties accrued thereon, or comply with the applicable Legal Requirement or Insurance Requirement. Landlord, at Tenant's expense, shall execute and deliver to Tenant such authorizations and other documents as may reasonably be required in any such contest, and, if reasonably requested by Tenant or if Landlord so desires, Landlord shall join as a party therein. The provisions of this Article XII shall not be construed to permit Tenant to contest the payment of Rent or any other amount (other than Impositions or Additional Charges which Tenant may from time to time be required to impound with Landlord) payable by Tenant to Landlord hereunder. Tenant shall indemnify, defend, protect and save Landlord harmless from and against any liability, cost or expense of any kind that may be imposed upon Landlord in connection with any such contest and any loss resulting therefrom, except in any instance where Landlord opted to join and joined as a party in the proceeding despite Tenant's having sent written notice to Landlord of Tenant's preference that Landlord not join in such proceeding.

ARTICLE XIII

13.1 General Insurance Requirements. During the Term, Tenant shall at all times keep the Leased Property, and all property located in or on the Leased Property, including Capital Improvements, the Fixtures and Tenant's Property, insured with the kinds and amounts of insurance described below. Each element of insurance described in this Article XIII shall be maintained with respect to the Leased Property of each Facility and Tenant's Property and operations thereon. Such insurance shall be written by companies permitted to conduct business in the applicable State. All third party liability type policies must name Landlord as an "additional insured." All property policies shall name Landlord as "loss payee" for its interests in each Facility. All business interruption policies shall name Landlord as "loss payee" with respect to Rent only. Property losses shall be payable to Landlord and/or Tenant as provided in Article XIV. In addition, the policies, as appropriate, shall name as an "additional insured" and/or "loss payee" each Permitted Leasehold Mortgagee and as an "additional insured" or "loss payee" the holder of any mortgage, deed of trust or other security agreement ("**Facility Mortgage**") securing any indebtedness or any other Encumbrance placed on the Leased Property in accordance with the provisions of Article XXXI ("**Facility Mortgage**") by way of a standard form of mortgagee's loss payable endorsement. Except as otherwise set forth herein, any property insurance loss adjustment settlement shall require the written consent of Landlord, Tenant, and each Facility Mortgagee (to the extent required under the applicable Facility Mortgage Documents) unless the amount of the loss net of the applicable deductible is less than Five Million Dollars (\$5,000,000) in which event no consent shall be required. Evidence of insurance shall be deposited with Landlord and, if requested, with any Facility Mortgagee(s). The insurance policies required to be carried by Tenant hereunder shall insure against all the following risks with respect to each Facility:

(a) Loss or damage by fire, vandalism and malicious mischief, extended coverage perils commonly known as "All Risk," and all physical loss perils normally included in such All Risk insurance, including, but not limited to, sprinkler leakage and windstorm in an amount not less than the insurable value on a Maximum Foreseeable Loss (as defined below in Section 13.2) basis and including a building ordinance coverage endorsement, provided that in the event the premium cost of any or all of earthquake, flood, windstorm (including named

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windstorm) or terrorism coverages are available only for a premium that is more than 2.5 times the average premium paid by Tenant (or prior operator of Facilities) over the preceding three years for the insurance policy contemplated by this Section 13.1(a), then Tenant shall be entitled and required to purchase the maximum insurance coverage it deems most efficient and prudent to purchase and Tenant shall not be required to spend additional funds to purchase additional coverages insuring against such risks; and provided, further, that some property coverages might be sub-limited in an amount less than the Maximum Foreseeable Loss as long as the sub-limits are commercially reasonable and prudent as deemed by Tenant;

(b) Loss or damage by explosion of steam boilers, pressure vessels or similar apparatus, now or hereafter installed in each Facility, in such limits with respect to any one accident as may be reasonably requested by Landlord from time to time;

(c) Flood (when any of the improvements comprising the Leased Property of a Facility is located in whole or in part within a designated 100-year flood plain area) in an amount not less than the probable maximum loss of a 500 year event and such other hazards and in such amounts as may be customary for comparable properties in the area;

(d) Loss of rental value in an amount not less than twelve (12) months' Rent payable hereunder or business interruption in an amount not less than twelve (12) months of income and normal operating expenses including 90-days ordinary payroll and Rent payable hereunder with an extended period of indemnity coverage of at least ninety (90) days necessitated by the occurrence of any of the hazards described in Sections 13.1(a), 13.1(b) or 13.1(c), provided that Tenant may self-insure specific Facilities for the insurance contemplated under this Section 13.1(d), provided that (i) such Facilities that Tenant chooses to self-insure are not expected to generate more than ten percent (10%) of Net Revenues anticipated to be generated from all the Facilities and (ii) Tenant deposits in any impound account created under Section 4.3 hereof an amount equal to the product of (1) the sum of (A) the insurance premiums paid by Tenant for such period under this Section 13.1(d) to insurance companies and (B) the amount deposited by Tenant in an impound account pursuant to this provision, and (2) the percentage of Net Revenues that are anticipated to be generated by the Facilities that are being self-insured by Tenant under this provision;

(e) Claims for personal injury or property damage under a policy of comprehensive general public liability insurance with amounts not less than One Hundred Million Dollars (\$100,000,000) each occurrence and One Hundred Million Dollars (\$100,000,000) in the annual aggregate, provided that such requirements may be satisfied through the purchase of a primary general liability policy and excess liability policies;

(f) During such time as Tenant is constructing any improvements, Tenant, at its sole cost and expense, shall carry, or cause to be carried (i) workers' compensation insurance and employers' liability insurance covering all persons employed in connection with the improvements in statutory limits, (ii) a completed operations endorsement to the commercial general liability insurance policy referred to above, (iii) builder's risk insurance, completed value form (or its equivalent), covering all physical loss, in an amount and subject to policy conditions satisfactory to Landlord, and (iv) such other insurance, in such amounts, as Landlord deems

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reasonably necessary to protect Landlord's interest in the Leased Property from any act or omission of Tenant's contractors or subcontractors.

13.2 Maximum Foreseeable Loss. The term "**Maximum Foreseeable Loss**" shall mean the largest monetary loss within one area that may be expected to result from a single fire with protection impaired, the control of the fire mainly dependent on physical barriers or separations and a delayed manual firefighting by public and/or private fire brigades. If Landlord reasonably believes that the Maximum Foreseeable Loss has increased at any time during the Term, it shall have the right (unless Tenant and Landlord agree otherwise) to have such Maximum Foreseeable Loss redetermined by an impartial national insurance company reasonably acceptable to both parties (the "**Impartial Appraiser**"), or, if the parties cannot agree on an Impartial Appraiser, then by an Expert appointed in accordance with Section 34.1 hereof. The determination of the Impartial Appraiser (or the Expert, as the case may be) shall be final and binding on the parties hereto, and Tenant shall forthwith adjust the amount of the insurance carried pursuant to this Article XIII to the amount so determined by the Impartial Appraiser (or the Expert, as the case may be), subject to the approval of the Facility Mortgagee, as applicable. Each party shall pay one-half (1/2) of the fee, if any, of the Impartial Appraiser. If Landlord pays the Impartial Appraiser, fifty percent (50%) of such costs shall be Additional Charges hereunder and if Tenant pays such Impartial Appraiser, fifty percent (50%) of such costs shall be a credit against the next Rent payment hereunder. If Tenant has undertaken any structural alterations or additions to the Leased Property having a cost or value in excess of Twenty Five Million Dollars (\$25,000,000), Landlord may at Tenant's expense have the Maximum Foreseeable Loss redetermined at any time after such improvements are made, regardless of when the Maximum Foreseeable Loss was last determined.

13.3 Additional Insurance. In addition to the insurance described above, Tenant shall maintain such additional insurance upon notice from Landlord as may be reasonably required from time to time by any Facility Mortgagee and shall further at all times maintain adequate workers' compensation coverage and any other coverage required by Legal Requirements for all Persons employed by Tenant on the Leased Property in accordance with Legal Requirements.

13.4 Waiver of Subrogation. All insurance policies carried by either party covering the Leased Property or Tenant's Property, including, without limitation, contents, fire and liability insurance, shall expressly waive any right of subrogation on the part of the insurer against the other party. Each party, respectively, shall pay any additional costs or charges for obtaining such waiver.

13.5 Policy Requirements. All of the policies of insurance referred to in this Article XIII shall be written in form reasonably satisfactory to Landlord and any Facility Mortgagee and issued by insurance companies with a minimum policyholder rating of "A-" and a financial rating of "VII" in the most recent version of Best's Key Rating Guide, or a minimum rating of "BBB" from Standard & Poor's or equivalent. If Tenant obtains and maintains the general liability insurance described in Section 13.1(e) above on a "claims made" basis, Tenant shall provide continuous liability coverage for claims arising during the Term. In the event such "claims made" basis policy is canceled or not renewed for any reason whatsoever (or converted to an "occurrence" basis policy), Tenant shall either obtain (a) "tail" insurance coverage

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converting the policies to "occurrence" basis policies providing coverage for a period of at least three (3) years beyond the expiration of the Term, or (b) an extended reporting period of at least three (3) years beyond the expiration of the Term. Tenant shall pay all of the premiums therefor, and deliver certificates thereof to Landlord prior to their effective date (and with respect to any renewal policy, prior to the expiration of the existing policy), and in the event of the failure of Tenant either to effect such insurance in the names herein called for or to pay the premiums therefor, or to deliver such certificates thereof to Landlord, at the times required, Landlord shall be entitled, but shall have no obligation, to effect such insurance and pay the premiums therefor, in which event the cost thereof, together with interest thereon at the Overdue Rate, shall be repayable to Landlord upon demand therefor. Tenant shall obtain, to the extent available on commercially reasonable terms, the agreement of each insurer, by endorsement on the policy or policies issued by it, or by independent instrument furnished to Landlord, that it will give to Landlord thirty (30) days' (or ten (10) days' in the case of non-payment of premium) written notice before the policy or policies in question shall be altered, allowed to expire or cancelled. Notwithstanding any provision of this Article XIII to the contrary, Landlord acknowledges and agrees that the coverage required to be maintained by Tenant may be provided under one or more policies with various

deductibles or self-insurance retentions by Tenant or its Affiliates, subject to Landlord's approval not to be unreasonably withheld. Upon written request by Landlord, Tenant shall provide Landlord copies of the property insurance policies when issued by the insurers providing such coverage.

13.6 Increase in Limits. If, from time to time after the Commencement Date, Landlord determines in the exercise of its reasonable business judgment that the limits of the personal injury or property damage-public liability insurance then carried pursuant to Section 13.1(e) hereof are insufficient, Landlord may give Tenant Notice of acceptable limits for the insurance to be carried; provided that in no event will Tenant be required to carry insurance in an amount which exceeds the product of (i) the amounts set forth in Section 13.1(e) hereof and (ii) the CPI Increase; and subject to the foregoing limitation, within ninety (90) days after the receipt of such Notice, the insurance shall thereafter be carried with limits as prescribed by Landlord until further increase pursuant to the provisions of this Section 13.6.

13.7 Blanket Policy. Notwithstanding anything to the contrary contained in this Article XIII, Tenant's obligations to carry the insurance provided for herein may be brought within the coverage of a so-called blanket policy or policies of insurance carried and maintained by Tenant; provided that the requirements of this Article XIII (including satisfaction of the Facility Mortgagee's requirements and the approval of the Facility Mortgagee) are otherwise satisfied, and provided further that Tenant maintains specific allocations acceptable to Landlord.

13.8 No Separate Insurance. Tenant shall not, on Tenant's own initiative or pursuant to the request or requirement of any third party, (i) take out separate insurance concurrent in form or contributing in the event of loss with that required in this Article XIII to be furnished by, or which may reasonably be required to be furnished by, Tenant or (ii) increase the amounts of any then existing insurance by securing an additional policy or additional policies, unless all parties having an insurable interest in the subject matter of the insurance, including in all cases Landlord and all Facility Mortgagees, are included therein as additional insureds and the loss is payable under such insurance in the same manner as losses are payable under this Master Lease. Notwithstanding the foregoing, nothing herein shall prohibit Tenant from insuring

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against risks not required to be insured hereby, and as to such insurance, Landlord and any Facility Mortgagee need not be included therein as additional insureds, nor must the loss thereunder be payable in the same manner as losses are payable hereunder except to the extent required to avoid a default under the Facility Mortgage.

ARTICLE XIV

14.1 Property Insurance Proceeds. All proceeds (except business interruption not allocated to rent expenses) payable by reason of any property loss or damage to the Leased Property, or any portion thereof, under any property policy of insurance required to be carried hereunder shall be paid to Facility Mortgagee or to an escrow account held by a third party depository reasonably acceptable to Landlord and Tenant (pursuant to an escrow agreement acceptable to the parties and intended to implement the terms hereof) and made available to Tenant upon request for the reasonable costs of preservation, stabilization, emergency restoration, business interruption, reconstruction and repair, as the case may be, of any damage to or destruction of the Leased Property, or any portion thereof; provided, however, that the portion of such proceeds that are attributable to Tenant's obligation to pay Rent shall be applied against Rents due by Tenant hereunder; and provided, further, that if the total amount of proceeds payable net of the applicable deductibles is One Hundred Fifty Thousand Dollars (\$150,000) or less, and, if no Event of Default has occurred and is continuing, the proceeds shall be paid to Tenant and, subject to the limitations set forth in this Article XIV used for the repair of any damage to the Leased Property, it being understood and agreed that Tenant shall have no obligation to rebuild any Tenant Capital Improvement, provided that the Leased Property is rebuilt in a manner reasonably satisfactory to Landlord. Any excess proceeds of insurance remaining after the completion of the restoration or reconstruction of the Leased Property to substantially the same condition as existed immediately before the damage or destruction and with materials and workmanship of like kind and quality and to Landlord's reasonable satisfaction shall be provided to Tenant. All salvage resulting from any risk covered by insurance for damage or loss to the Leased Property shall belong to Landlord. Tenant shall have the right to prosecute and settle insurance claims, provided that Tenant shall consult with and involve Landlord in the process of adjusting any insurance claims under this Article XIV and any final settlement with the insurance company shall be subject to Landlord's consent, such consent not to be unreasonably withheld.

14.2 Tenant's Obligations Following Casualty. (a) If a Facility and/or any Tenant Capital Improvements to a Facility are damaged, whether or not from a risk covered by insurance carried by Tenant, except as otherwise provided herein, (i) Tenant shall restore such Leased Property (excluding any Tenant Capital Improvement, it being understood and agreed that Tenant shall not be required to repair any Tenant Capital Improvement, provided that the Leased Property is rebuilt in a manner reasonably satisfactory to Landlord), to substantially the same condition as existed immediately before such damage and (ii) such damage shall not terminate this Master Lease.

(b) If Tenant restores the affected Leased Property and the cost of the repair or restoration exceeds the amount of proceeds received from the insurance required to be carried hereunder, Tenant shall provide Landlord with evidence reasonably acceptable to Landlord that

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Tenant has available to it any excess amounts needed to restore such Facility. Such excess amounts necessary to restore such Facility shall be paid by Tenant.

(c) If Tenant has not restored the affected Leased Property and gaming operations have not recommenced by the date that is the third anniversary of the date of any casualty, all remaining insurance proceeds shall be paid to and retained by Landlord free and clear of any claim by or through Tenant.

(d) In the event neither Landlord nor Tenant is required or elects to repair and restore the Leased Property, all insurance proceeds, other than proceeds reasonably attributed to any Tenant Capital Improvements (and, subject to no Event of Default having occurred and being continuing, any business interruption proceeds in excess of Tenant's Rent obligations hereunder), which proceeds shall be and remain the property of Tenant, shall be paid to and retained by Landlord free and clear of any claim by or through Tenant except as otherwise specifically provided below in this Article XIV.

14.3 No Abatement of Rent. This Master Lease shall remain in full force and effect and Tenant's obligation to pay the Rent and all other charges required by this Master Lease shall remain unabated during the period required for adjusting insurance, satisfying Legal Requirements, repair and restoration. Upon the occurrence of any casualty that has a negative impact on Net Revenue, the Percentage Rent shall continue during the period

required to make all necessary repairs at the same rate then in effect immediately prior to the occurrence of such casualty and until such time as the affected Leased Property is rebuilt and gaming operations have recommenced thereon (or such time as this Master Lease has been terminated as to the affected Leased Property).

14.4 Waiver. Tenant waives any statutory rights of termination which may arise by reason of any damage or destruction of the Leased Property but such waiver shall not affect any contractual rights granted to Tenant under this Article XIV.

14.5 Insurance Proceeds Paid to Facility Mortgagee. Notwithstanding anything herein to the contrary, in the event that any Facility Mortgagee is entitled to any insurance proceeds, or any portion thereof, under the terms of any Facility Mortgage, such proceeds shall be applied, held and/or disbursed in accordance with the terms of the Facility Mortgage. In the event that the Facility Mortgagee elects, or is required under the related financing document, to apply the insurance proceeds to the indebtedness secured by the Facility Mortgage, then Tenant shall not be obligated to repair or restore the Facility and Landlord shall either (i) refinance with a replacement Facility Mortgage (or otherwise fund) the amount of insurance proceeds applied to Facility Mortgage indebtedness within twelve (12) months of such application (in which case Tenant shall be obligated to restore the Facility upon receipt of such proceeds), or (ii) sell to Tenant the Leased Property consisting of such Facility (and Tenant shall be entitled to retain any remaining insurance proceeds) in exchange for a payment equal to the greater of (1) the difference between (a) the value of such Facility immediately prior to such casualty, based on the average fair market value of similar real estate in the areas surrounding such Facility, and (b) the amount of insurance proceeds retained by the Facility Mortgagee, and (2) the value of such Facility after such casualty, based on the average fair market value of similar real estate in the areas surrounding such Facility.

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14.6 Termination of Master Lease; Abatement of Rent. In the event (I) this Master Lease is terminated as to an affected Leased Property pursuant to Section 1.4 (with respect to the Term terminating in respect of a Barge-Based Facility), Section 8.2 (in respect of Tenant being in jeopardy of losing a Gaming License or Landlord being in jeopardy of failing to comply with a regulatory requirement material to the continued operation of a Facility), Section 14.5 (in the event Facility Mortgagee elects to apply insurance proceeds to pay down indebtedness secured by a Facility Mortgage following the damage to or destruction of all or any portion of the Leased Property or such prepayment is required under the related financing document) or Section 15.5 (as provided therein) or (II) the operations of the Iowa Casino cease due to termination, lapse or non-renewal of a Gaming License as contemplated under Section 33.4 (such termination or cessation under clause (I) or (II), a “**Leased Property Rent Adjustment Event**”), then:

- (i) the Building Base Rent due hereunder from and after the effective date of any such Leased Property Rent Adjustment Event shall be reduced by an amount determined by multiplying (A) a fraction, (x) the numerator of which shall be the Adjusted Revenue for the affected Leased Property and (y) the denominator of which shall be the Adjusted Revenue for all of the Leased Property then subject to the terms of this Master Lease, including the affected Leased Property (in each case, determined by reference to the most recent Test Period for which Tenant’s Parent’s financial results are available), by (B) the Building Base Rent payable under this Master Lease immediately prior to the effective date of the Leased Property Rent Adjustment Event as to the affected Leased Property;
- (ii) the CT Land Base Rent due hereunder from and after the effective date of any such Leased Property Rent Adjustment Event with respect to a CT Facility shall be reduced by an amount determined by multiplying (A) a fraction, (x) the numerator of which shall be the Adjusted Revenue for the affected CT Facility and (y) the denominator of which shall be the Adjusted Revenue for all of the CT Facilities then subject to the terms of this Master Lease, including the affected CT Facility (in each case, determined by reference to the most recent Test Period for which Tenant’s Parent’s financial results are available), by (B) the CT Land Base Rent payable under this Master Lease immediately prior to the effective date of the Leased Property Rent Adjustment Event as to the affected CT Facility;
- (iii) the Other Land Base Rent due hereunder from and after the effective date of any such Leased Property Rent Adjustment Event with respect to a Leased Property (other than a CT Facility) shall be reduced by an amount determined by multiplying (A) a fraction, (x) the numerator of which shall be the Adjusted Revenue for the affected Leased Property and (y) the denominator of which shall be the Adjusted Revenue for all of the Leased Property (other than the CT Facilities) then subject to the terms of this Master Lease, including the affected Leased Property (in each case, determined by reference to the most recent Test Period for which Tenant’s Parent’s financial results are available), by (B) the Other Land Base Rent payable under this Master Lease immediately prior to the effective date of the Leased Property Rent Adjustment Event as to the affected Leased Property;

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- (iv) the Percentage Rent due under clause (1) of the definition of Percentage Rent from and after the effective date of any such Leased Property Rent Adjustment Event with respect to a Leased Property (other than a CT Facility), shall be reduced by an amount determined by multiplying (A) a fraction, (x) the numerator of which shall be the Adjusted Revenue for the affected Leased Property and (y) the denominator of which shall be the Adjusted Revenue for all of the Leased Property (other than the CT Facilities) then subject to the terms of this Master Lease, including the affected Leased Property (in each case, determined by reference to the most recent Test Period for which Tenant’s Parent’s financial results are available), by (B) the Percentage Rent payable under clause (1) of the definition of Percentage Rent immediately prior to the effective date of the Leased Property Rent Adjustment Event as to the affected Leased Property;
 - (v) the amount set forth in clause (b) of the proviso of clause (1) of the definition of Percentage Rent shall be modified from and after the effective date of any such Leased Property Rent Adjustment Event with respect to a Leased Property (other than a CT Facility) by reducing the amount set forth in clause (b) of the proviso of clause (1) of the definition of Percentage Rent by an amount determined by multiplying (A) a fraction, (x) the numerator of which is the Adjusted Revenue for the affected Leased Property and (y) the denominator of which is the Adjusted Revenue for all of the Leased Property (other than the CT Facilities) then subject to the terms of this Master Lease, including the affected Leased Property (in each case, determined by reference to the most recent Test Period for which Tenant’s Parent’s financial results are available), by (B) the amount set forth in clause (b) of the proviso of clause (1) of the definition of Percentage Rent immediately prior to the effective date of the Leased Property Rent Adjustment Event as to the affected Leased Property;
 - (vi) the calculation of Percentage Rent due under clause (2) of the definition of Percentage Rent shall be modified from and after the effective date of any such Leased Property Rent Adjustment Event with respect to a CT Facility by reducing the amount set forth in clause (2)(ii) of the

definition of Percentage Rent by an amount determined by multiplying (A) a fraction, (x) the numerator of which is the Adjusted Revenue for the affected CT Facility and (y) the denominator of which is the Adjusted Revenue for all of the CT Facilities subject to the Master Lease, including the affected CT Facility, by (B) the amount set forth in clause (2)(ii) of the definition of Percentage Rent (in each case, determined by reference to the most recent Test Period for which Tenant's Parent's financial results are available); and

- (vii) Landlord shall retain any claim which Landlord may have against Tenant for failure to insure such Leased Property as required by Article XIII.

To the extent any of the Development Facilities has not been subject to this Master Lease as Leased Property for the entirety of the applicable Test Period (other than as a result of a Leased Property Rent Adjustment Event as to such Development Facility), the Adjusted Revenue calculation made under this Section 14.6 that includes such Development Facility shall be given pro forma effect as if the Development Facility had been subject to this Master Lease for the entirety of such Test Period.

ARTICLE XV

15.1 **Condemnation.**

(a) **Total Taking.** If the Leased Property of a Facility is totally and permanently taken by Condemnation (a "**Taking**"), this Master Lease shall terminate with respect to such Facility as of the day before the Date of Taking for such Facility.

(b) **Partial Taking.** If a portion of the Leased Property of, and any Tenant Capital Improvements to, a Facility are taken by Condemnation, this Master Lease shall remain in effect if the affected Facility is not thereby rendered Unsuitable for Its Primary Intended Use, but if such Facility is thereby rendered Unsuitable for Its Primary Intended Use, this Master Lease shall terminate with respect to such Facility as of the day before the Date of Taking for such Facility.

(c) **Restoration.** If there is a partial Taking of the Leased Property of, and any Tenant Capital Improvements to, a Facility and this Master Lease remains in full force and effect with respect to such Facility, Landlord shall make available to Tenant the portion of the Award applicable to restoration of the Leased Property (excluding any Tenant Capital Improvements, it being understood and agreed that Tenant shall not be required to repair or restore any Tenant Capital Improvements, provided that the Leased Property is restored in a manner reasonably satisfactory to Landlord), and Tenant shall accomplish all necessary restoration whether or not the amount provided by the Condemnor for restoration is sufficient and the Base Rent shall be reduced by such amount as may be agreed upon by Landlord and Tenant or, if they are unable to reach such an agreement within a period of thirty (30) days after the occurrence of the Taking, then the Base Rent for such Facility shall be proportionately reduced, based on the proportion of the Facility that was subject to the partial Taking and pursuant to the formula set forth in Section 14.6 hereof. Tenant shall restore such Leased Property (as nearly as possible under the circumstances) to a complete architectural unit of the same general character and condition as such Leased Property existing immediately prior to such Taking.

15.2 Award Distribution. Except as set forth below (and to the extent provided in Section 15.1(c) hereof), the entire Award shall belong to and be paid to Landlord. Tenant shall, however, be entitled to pursue its own claim with respect to the Taking for Tenant's lost profits value and moving expenses and, the portion of the Award, if any, allocated to any Tenant Capital Improvements (subject to Tenant's restoring the Leased Property not subject to a Taking in a manner reasonably satisfactory to Landlord) and Tenant's Property shall be and remain the property of Tenant free of any claim thereto by Landlord.

15.3 Temporary Taking. The taking of the Leased Property, or any part thereof, shall constitute a taking by Condemnation only when the use and occupancy by the taking authority has continued for longer than 180 consecutive days. During any shorter period, which shall be a temporary taking, all the provisions of this Master Lease shall remain in full force and effect and the Award allocable to the Term shall be paid to Tenant.

15.4 Condemnation Awards Paid to Facility Mortgagee. Notwithstanding anything herein to the contrary, in the event that any Facility Mortgagee is entitled to any

Condemnation Award, or any portion thereof, under the terms of any Facility Mortgage or related financing agreement, such award shall be applied, held and/or disbursed in accordance with the terms of the Facility Mortgage or related financing agreement. In the event that the Facility Mortgagee elects to apply the Condemnation Award to the indebtedness secured by the Facility Mortgage in the case of a Taking as to which the restoration provisions apply (or the related financing agreement requires such application), Landlord shall either (i) within ninety (90) days of the notice from the Facility Mortgagee make available to Tenant for restoration of such Leased Property funds (either through refinance or otherwise) equal to the amount applied by the Facility Mortgagee or applicable to restoration of the Leased Property, or (ii) sell to Tenant the portion of the Leased Property consisting of the Facility that is not subject to the Taking in exchange for a payment equal to the greater of (1) the difference between (a) the value of such Facility immediately prior to such Taking, based on the average fair market value of similar real estate in the areas surrounding such Facility, and (b) the amount of the Condemnation Award retained by the Facility Mortgagee, and (2) the value of the remaining portion of such Facility after such Taking, based on the average fair market value of similar real estate in the areas surrounding such Facility.

15.5 Termination of Master Lease; Abatement of Rent. In the event this Master Lease is terminated with respect to the affected portion of the Leased Property as a result of a Taking (or pursuant to Section 15.4 hereof as a result of a Facility Mortgagee electing to apply a Condemnation Award to the indebtedness secured by the Facility Mortgage), the Base Rent due hereunder from and after the effective date of such termination shall be reduced by an amount determined in the same manner as set forth in Section 14.6 hereof.

ARTICLE XVI

16.1 **Events of Default.** Any one or more of the following shall constitute an "**Event of Default**":

(a) (i) Tenant shall fail to pay any installment of Rent within two (2) Business Days of when due and such failure is not cured by Tenant within one (1) Business Day after notice from Landlord of Tenant's failure to pay such installment of Rent when due (and such notice of failure from Landlord may be given any time after such installment is more than one (1) Business Day late);

(ii) Tenant shall fail on any two separate occasions in the same Fiscal Year to pay any installment of Rent within two (2) Business Days;

(iii) Tenant shall fail on any occasion to pay any installment of Rent within five (5) Business Days of when due; or

(iv) Tenant shall fail to pay any Additional Charge within five (5) Business Days after notice from Landlord of Tenant's failure to make such payment of such Additional Charge when due (and such notice of failure from Landlord may be given any time after such payment is more than one (1) Business Day late);

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(b) a default shall occur under any Guaranty or other instrument executed by Tenant or an Affiliate of Tenant in favor of Landlord or an Affiliate of Landlord (excluding, however, the Distribution Agreement and the Distribution Agreement Ancillary Documents), where the default is not cured within any applicable grace period set forth therein or, if no cure periods are provided, within 15 days after notice from Landlord (or in the case of a breach of Paragraph 8 of the Guaranty, the cure periods provided herein with respect to such action or omission);

(c) Tenant or any Guarantor shall:

(i) admit in writing its inability to pay its debts generally as they become due;

(ii) file a petition in bankruptcy or a petition to take advantage of any insolvency act;

(iii) make an assignment for the benefit of its creditors;

(iv) consent to the appointment of a receiver of itself or of the whole or any substantial part of its property; or

(v) file a petition or answer seeking reorganization or arrangement under the United States bankruptcy laws or any other applicable law or statute of the United States of America or any state thereof;

(d) Tenant or any Guarantor (other than an Immaterial Subsidiary Guarantor) shall be adjudicated as bankrupt or a court of competent jurisdiction shall enter an order or decree appointing, without the consent of Tenant or any Guarantor (other than an Immaterial Subsidiary Guarantor), a receiver of Tenant or any Guarantor (other than an Immaterial Subsidiary Guarantor) or of the whole or substantially all of the Tenant's or any Guarantor's (other than an Immaterial Subsidiary Guarantor's) property, or approving a petition filed against Tenant or any Guarantor (other than an Immaterial Subsidiary Guarantor) seeking reorganization or arrangement of Tenant or any Guarantor (other than an Immaterial Subsidiary Guarantor) under the United States bankruptcy laws or any other applicable law or statute of the United States of America or any state thereof, and such judgment, order or decree shall not be vacated or set aside or stayed within sixty (60) days from the date of the entry thereof;

(e) Tenant or any Guarantor (other than an Immaterial Subsidiary Guarantor) shall be liquidated or dissolved (except that any Guarantor may be liquidated or dissolved into another Guarantor or the Tenant or so long as its assets are distributed following such liquidation or dissolution to another Guarantor or Tenant);

(f) the estate or interest of Tenant in the Leased Property or any part thereof shall be levied upon or attached in any proceeding relating to more than \$1,000,000 and the same shall not be vacated, discharged or stayed pending appeal (or bonded or otherwise similarly secured payment) within the later of ninety (90) days after commencement thereof or thirty (30) days after receipt by Tenant of notice thereof from Landlord; provided, however, that such notice shall be in lieu of and not in addition to any notice required under applicable law;

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(g) except as a result of material damage, destruction or Condemnation, Tenant voluntarily ceases operations for its Primary Intended Use at a Facility and such event would reasonably be expected to have a material adverse effect on Tenant, the Facilities, or on the Leased Property, in each case, taken as a whole;

(h) any of the representations or warranties made by Tenant hereunder or by any Guarantor in a Guaranty proves to be untrue when made in any material respect which materially and adversely affects Landlord;

(i) any applicable license or other agreements material to a Facility's operation for its Primary Intended Use are at any time terminated or revoked or suspended for more than thirty (30) days (and causes cessation of gaming activity at a Facility) and such termination, revocation or suspension is not stayed pending appeal and would reasonably be expected to have a material adverse effect on Tenant, the Facilities, or on the Leased Property, taken as a whole;

(j) except to a permitted assignee pursuant to Section 22.2 or a permitted subtenant or Subsidiary that joins as a Guarantor to the Guaranty pursuant to Section 22.3, or with respect to the granting of a permitted pledge hereunder to a Permitted Leasehold Mortgagee, the sale or transfer, without Landlord's consent, of all or any portion of any Gaming License or similar certificate or license relating to the Leased Property;

(k) Tenant or any Guarantor, by its acts or omissions, causes the occurrence of a default under any provision (to the extent Tenant has knowledge of such provision and Tenant's or such Guarantor's obligations with respect thereto) of any Facility Mortgage, related documents or obligations thereunder by which Tenant is bound in accordance with Section 31.1 or has agreed under the terms of this Master Lease to be bound, which default is not

cured within the applicable time period, if the effect of such default is to cause, or to permit the holder or holders of that Facility Mortgage or Indebtedness secured by that Facility Mortgage (or a trustee or agent on behalf of such holder or holders), to cause, that Facility Mortgage (or the Indebtedness secured thereby) to become or be declared due and payable (or redeemable) prior to its stated maturity (excluding in any case any default related to the financial performance of Tenant or any Guarantor);

(l) (x) a breach by Tenant of Section 23.3(a) hereof for two consecutive Test Periods ending on the last day of two consecutive fiscal quarters or (y) a breach of Section 23.3(b) hereof;

(m) any event or condition occurs that (i) results in any Material Indebtedness becoming due prior to its stated maturity or (ii) enables or permits (with all applicable grace periods, if any, having expired) the holder or holders of any Material Indebtedness or any trustee or agent on its or their behalf to cause any Material Indebtedness to become due, or to require the prepayment, repurchase, redemption or defeasance thereof, prior to its scheduled maturity or exercise any other remedy (other than any prepayment, repurchase, or redemption, arising out of or relating to a change of control or asset sale or any redemption, repurchase, conversion or settlement with respect to any Indebtedness convertible into Equity Interests pursuant to its terms unless such redemption, repurchase, conversion or settlement results from a default thereunder or

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an event that would otherwise constitute an Event of Default, provided that failure to consummate any such required prepayment, redemption, repurchase, conversion or settlement under any Material Indebtedness shall constitute an Event of Default), or (ii) the Tenant or any Guarantor shall fail to pay the principal of any Material Indebtedness at the stated final maturity thereof (provided that this paragraph (m) shall not apply to secured Indebtedness that becomes due as a result of the voluntary sale or transfer of the property or assets securing such Indebtedness if such sale or transfer is not prohibited hereby and under the documents providing for such Indebtedness);

(n) if Tenant shall fail to observe or perform any other term, covenant or condition of this Master Lease and such failure is not cured by Tenant within thirty (30) days after notice thereof from Landlord, unless such failure cannot with due diligence be cured within a period of thirty (30) days, in which case such failure shall not be deemed to be an Event of Default if Tenant proceeds promptly and with due diligence to cure the failure and diligently completes the curing thereof within one hundred twenty (120) days after such notice from Landlord; provided, however, that such notice shall be in lieu of and not in addition to any notice required under applicable law;

(o) if Tenant or any Guarantor shall fail to pay, bond, escrow or otherwise similarly secure payment of one or more final judgments aggregating in excess of the product of (i) \$100 million and (ii) the CPI Increase (and only to the extent not covered by insurance), which judgments are not discharged or effectively waived or stayed for a period of 45 consecutive days; and

(p) an assignment of Tenant's interest in this Master Lease (including pursuant to a Change in Control) shall have occurred without the consent of Landlord to the extent such consent is required under Article XXII or Tenant is otherwise in default of the provisions set forth in Section 22.1 below.

No Event of Default (other than a failure to make payment of money) shall be deemed to exist under Section 16.1 during any time the curing thereof is prevented by an Unavoidable Delay, provided that upon the cessation of the Unavoidable Delay, Tenant remedies the default without further delay.

16.2 Certain Remedies. If an Event of Default shall have occurred and be continuing, Landlord may (a) terminate this Master Lease by giving Tenant no less than ten (10) days' notice of such termination and the Term shall terminate and all rights of Tenant under this Master Lease shall cease, (b) seek damages as provided in Section 16.3 hereof, and/or (c) exercise any other right or remedy at law or in equity available to Landlord as a result of any Event of Default. Tenant shall pay as Additional Charges all costs and expenses incurred by or on behalf of Landlord, including reasonable attorneys' fees and expenses, as a result of any Event of Default hereunder. If an Event of Default shall have occurred and be continuing, whether or not this Master Lease has been terminated pursuant to the first sentence of this Section 16.2, Tenant shall, to the extent permitted by law (including applicable Gaming Regulations), if required by Landlord to do so, immediately surrender to Landlord possession of all or any portion of the Leased Property (including any Tenant Capital Improvements of the Facilities) as to which Landlord has so demanded and quit the same and Landlord may, to the

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extent permitted by law (including applicable Gaming Regulations), enter upon and repossess such Leased Property and any Capital Improvement thereto by reasonable force, summary proceedings, ejectment or otherwise, and, to the extent permitted by law (including applicable Gaming Regulations), may remove Tenant and all other Persons and any of Tenant's Property from such Leased Property (including any such Tenant Capital Improvement thereto).

16.3 Damages. None of (i) the termination of this Master Lease, (ii) the repossession of the Leased Property (including any Capital Improvements to any Facility), (iii) the failure of Landlord to relet the Leased Property or any portion thereof, (iv) the reletting of all or any portion of the Leased Property, or (v) the inability of Landlord to collect or receive any rentals due upon any such reletting, shall relieve Tenant of its liabilities and obligations hereunder, all of which shall survive any such termination, repossession or reletting. Landlord and Tenant agree that Landlord shall have no obligation to mitigate Landlord's damages under this Master Lease. If any such termination of this Master Lease occurs (whether or not Landlord terminates Tenant's right to possession of the Leased Property), Tenant shall forthwith pay to Landlord all Rent due and payable under this Master Lease to and including the date of such termination. Thereafter:

Tenant shall forthwith pay to Landlord, at Landlord's option, as and for liquidated and agreed current damages for the occurrence of an Event of Default, either:

(A) the sum of:

(i) the worth at the time of award of the unpaid Rent which had been earned at the time of termination to the extent not previously paid by Tenant under this Section 16.3;

- (ii) the worth at the time of award of the amount by which the unpaid Rent which would have been earned after termination until the time of award exceeds the amount of such rental loss that Tenant proves could have been reasonably avoided;
- (iii) the worth at the time of award of the amount by which the unpaid Rent for the balance of the Term after the time of award exceeds the amount of such rental loss that Tenant proves could be reasonably avoided; *plus*
- (iv) any other amount necessary to compensate Landlord for all the detriment proximately caused by Tenant's failure to perform its obligations under this Master Lease or which in the ordinary course of things would be likely to result therefrom.

As used in clauses (i) and (ii) above, the "worth at the time of award" shall be computed by allowing interest at the Overdue Rate. As used in clause (iii) above, the "worth at the time of award" shall be computed by discounting such amount at the discount rate of the Federal Reserve Bank of New York at the time of award plus one percent (1%) and reducing such amount by the portion of the unpaid Rent that Tenant proves could be reasonably avoided. For purposes of determining the worth at the time of

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the award, Percentage Rent that would have been payable for the remainder of the Term shall be deemed to be the greater of (y) the same as the Percentage Rent for the then current Lease Year or, if not determinable, the immediately preceding Lease Year; and (z) such other amount as Landlord shall demonstrate could reasonably have been earned (assuming Net Revenues will have not been impacted by any of the conditions that contributed to the Event of Default).

or

(B) if Landlord chooses not to terminate Tenant's right to possession of the Leased Property (whether or not Landlord terminates the Master Lease), each installment of said Rent and other sums payable by Tenant to Landlord under this Master Lease as the same becomes due and payable, together with interest at the Overdue Rate from the date when due until paid, and Landlord may enforce, by action or otherwise, any other term or covenant of this Master Lease (and Landlord may at any time thereafter terminate Tenant's right to possession of the Leased Property and seek damages under subparagraph (A) hereof, to the extent not already paid for by Tenant under this subparagraph (B)).

16.4 Receiver. Upon the occurrence and continuance of an Event of Default, and upon commencement of proceedings to enforce the rights of Landlord hereunder, but subject to any limitations of applicable law, Landlord shall be entitled, as a matter of right, to the appointment of a receiver or receivers acceptable to Landlord of the Leased Property and of the revenues, earnings, income, products and profits thereof, pending the outcome of such proceedings, with such powers as the court making such appointment shall confer.

16.5 Waiver. If Landlord initiates judicial proceedings or if this Master Lease is terminated by Landlord pursuant to this Article XVI, Tenant waives, to the extent permitted by applicable law, (i) any right of redemption, re-entry or repossession; and (ii) the benefit of any laws now or hereafter in force exempting property from liability for rent or for debt.

16.6 Application of Funds. Any payments received by Landlord under any of the provisions of this Master Lease during the existence or continuance of any Event of Default which are made to Landlord rather than Tenant due to the existence of an Event of Default shall be applied to Tenant's obligations in the order which Landlord may reasonably determine or as may be prescribed by the laws of the State.

ARTICLE XVII

17.1 Permitted Leasehold Mortgagees.

(a) On one or more occasions without Landlord's prior consent Tenant may mortgage or otherwise encumber Tenant's estate in and to the Leased Property (the "**Leasehold Estate**") to one or more Permitted Leasehold Mortgagees under one or more Permitted Leasehold Mortgages and pledge its right, title and interest under this Master Lease as security for such Permitted Leasehold Mortgages or any Debt Agreement secured thereby; provided that no Person shall be considered a Permitted Leasehold Mortgagee unless (1) such Person delivers

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to Landlord a written agreement (in form and substance reasonably satisfactory to Landlord) providing (i) that (unless this Master Lease has been terminated as to a particular Facility) such Permitted Leasehold Mortgagee and any lenders for whom it acts as representative, agent or trustee, will not use or dispose of any Gaming License for use at a location other than at the Facility to which such Gaming License relates as of the date such Person becomes a Permitted Leasehold Mortgagee (or, in the case of any Facility added to the Master Lease after such date, as of the date that such Facility is added to the Master Lease), and (ii) an express acknowledgement that, in the event of the exercise by the Permitted Leasehold Mortgagee of its rights under the Permitted Leasehold Mortgage, the Permitted Leasehold Mortgagee shall be required to (except for a transfer that meets the requirements of Section 22.2(iii)) secure the approval of Landlord for the replacement of Tenant with respect to the affected portion of the Leased Property and contain the Permitted Leasehold Mortgagee's acknowledgment that such approval may be granted or withheld by Landlord in accordance with the provisions of Article XXII of this Master Lease, and (2) the underlying Permitted Leasehold Mortgage includes an express acknowledgement that any exercise of remedies thereunder that would affect the Leasehold Estate shall be subject to the terms of the Master Lease.

(b) Notice to Landlord.

(i) (1) If Tenant shall, on one or more occasions, mortgage Tenant's Leasehold Estate and if the holder of such Permitted Leasehold Mortgage shall provide Landlord with written notice of such Permitted Leasehold Mortgage together with a true copy of such Permitted Leasehold Mortgage and the name and address of the Permitted Leasehold Mortgagee, Landlord and Tenant agree that, following receipt of such written notice by Landlord, the provisions of this Section 17.1 shall apply in respect to each such Permitted Leasehold Mortgage.

(2) In the event of any assignment of a Permitted Leasehold Mortgage or in the event of a change of address of a Permitted Leasehold Mortgagee or of an assignee of such Mortgage, written notice of the new name and address shall be provided to Landlord.

(ii) Landlord shall promptly upon receipt of a communication purporting to constitute the notice provided for by subsection (b)(i) above acknowledge by an executed and notarized instrument receipt of such communication as constituting the notice provided for by subsection (b)(i) above and confirming the status of the Permitted Leasehold Mortgagee as such or, in the alternative, notify the Tenant and the Permitted Leasehold Mortgagee of the rejection of such communication as not conforming with the provisions of this Section 17.1 and specify the specific basis of such rejection.

(iii) After Landlord has received the notice provided for by subsection (b)(i) above, the Tenant, upon being requested to do so by Landlord, shall with reasonable promptness provide Landlord with copies of the note or other obligation secured by such Permitted Leasehold Mortgage and of any other documents pertinent to the Permitted Leasehold Mortgage as specified by the

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Landlord. If requested to do so by Landlord, Tenant shall thereafter also provide the Landlord from time to time with a copy of each amendment or other modification or supplement to such instruments. All recorded documents shall be accompanied by the appropriate recording stamp or other certification of the custodian of the relevant recording office as to their authenticity as true and correct copies of official records and all nonrecorded documents shall be accompanied by a certification by Tenant that such documents are true and correct copies of the originals. From time to time upon being requested to do so by Landlord, Tenant shall also notify Landlord of the date and place of recording and other pertinent recording data with respect to such instruments as have been recorded.

(c) Default Notice. Landlord, upon providing Tenant any notice of: (i) default under this Master Lease or (ii) a termination of this Master Lease, shall at the same time provide a copy of such notice to every Permitted Leasehold Mortgagee for which notice has been properly provided to Landlord pursuant to Section 17.1(b) hereof. No such notice by Landlord to Tenant shall be deemed to have been duly given unless and until a copy thereof has been sent, in the manner prescribed in Section 35.1 of this Master Lease, to every Permitted Leasehold Mortgagee for which notice has been properly provided to Landlord pursuant to Section 17.1(b) hereof. From and after such notice has been sent to a Permitted Leasehold Mortgagee, such Permitted Leasehold Mortgagee shall have the same period, after the giving of such notice upon its remedying any default or acts or omissions which are the subject matter of such notice or causing the same to be remedied, as is given Tenant after the giving of such notice to Tenant, plus in each instance, the additional periods of time specified in subsections (d) and (e) of this Section 17.1 to remedy, commence remedying or cause to be remedied the defaults or acts or omissions which are the subject matter of such notice specified in any such notice. Landlord shall accept such performance by or at the instigation of such Permitted Leasehold Mortgagee as if the same had been done by Tenant. Tenant authorizes each Permitted Leasehold Mortgagee (to the extent such action is authorized under the applicable Debt Agreement) to take any such action at such Permitted Leasehold Mortgagee's option and does hereby authorize entry upon the premises by the Permitted Leasehold Mortgagee for such purpose.

(d) Notice to Permitted Leasehold Mortgagee. Anything contained in this Master Lease to the contrary notwithstanding, if any default shall occur which entitles Landlord to terminate this Master Lease, Landlord shall have no right to terminate this Master Lease on account of such default unless, following the expiration of the period of time given Tenant to cure such default or the act or omission which gave rise to such default, Landlord shall notify every Permitted Leasehold Mortgagee for which notice has been properly provided to Landlord pursuant to Section 17.1(b) hereof of Landlord's intent to so terminate at least thirty (30) days in advance of the proposed effective date of such termination if such default is capable of being cured by the payment of money, and at least ninety (90) days in advance of the proposed effective date of such termination if such default is not capable of being cured by the payment of money ("**Termination Notice**"). The provisions of subsection (e) below of this Section 17.1 shall apply if, during such thirty (30) or ninety (90) days (as the case may be) Termination Notice period, any Permitted Leasehold Mortgagee shall:

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- (i) notify Landlord of such Permitted Leasehold Mortgagee's desire to nullify such Termination Notice; and
 - (ii) pay or cause to be paid all Rent, Additional Charges, and other payments (i) then due and in arrears as specified in the Termination Notice to such Permitted Leasehold Mortgagee and (ii) which may become due during such thirty (30) or ninety (90) day (as the case may be) period (as the same may become due); and
 - (iii) comply or in good faith, with reasonable diligence and continuity, commence to comply with all nonmonetary requirements of this Master Lease then in default and reasonably susceptible of being complied with by such Permitted Leasehold Mortgagee, provided, however, that such Permitted Leasehold Mortgagee shall not be required during such ninety (90) day period to cure or commence to cure any default consisting of Tenant's failure to satisfy and discharge any lien, charge or encumbrance against the Tenant's interest in this Master Lease or the Leased Property, or any of Tenant's other assets junior in priority to the lien of the mortgage or other security documents held by such Permitted Leasehold Mortgagee; and
 - (iv) during such thirty (30) or ninety (90) day period, the Permitted Leasehold Mortgagee shall respond, with reasonable diligence, to requests for information from Landlord as to the Permitted Leasehold Mortgagee's (and related lenders') intent to pay such Rent and other charges and comply with this Master Lease.
- (e) Procedure on Default.
- (i) If Landlord shall elect to terminate this Master Lease by reason of any Event of Default of Tenant that has occurred and is continuing, and a Permitted Leasehold Mortgagee shall have proceeded in the manner provided for by subsection (d) of this Section 17.1, the specified date for the termination of this Master Lease as fixed by Landlord in its Termination Notice shall be extended for a period of six (6) months; provided that such Permitted Leasehold Mortgagee shall, during such six-month period (and during the period of any continuance referred to in subsection (e)(ii) below):

(1) pay or cause to be paid the Rent, Additional Charges and other monetary obligations of Tenant under this Master Lease as the same become due, and continue its good faith efforts to perform or cause to be performed all of Tenant's other obligations under this Master Lease, excepting (A) obligations of Tenant to satisfy or otherwise discharge any lien, charge or encumbrance against Tenant's interest in this Master Lease or the Leased Property or any of Tenant's other assets junior in priority to the lien of the mortgage or other security documents held by such Permitted Leasehold Mortgagee and (B) past nonmonetary obligations then in default and not reasonably susceptible of being cured by such Permitted Leasehold Mortgagee; and

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(2) if not enjoined or stayed pursuant to a bankruptcy or insolvency proceeding or other judicial order, diligently continue to pursue acquiring or selling Tenant's interest in this Master Lease and the Leased Property by foreclosure of the Permitted Leasehold Mortgage or other appropriate means and diligently prosecute the same to completion.

- (ii) If at the end of such six (6) month period such Permitted Leasehold Mortgagee is complying with subsection (e)(i) above, this Master Lease shall not then terminate, and the time for completion by such Permitted Leasehold Mortgagee of its proceedings shall continue (provided that for the time of such continuance, such Permitted Leasehold Mortgagee is in compliance with subsection (e)(i) above) (x) so long as such Permitted Leasehold Mortgagee is enjoined or stayed pursuant to a bankruptcy or insolvency proceeding or other judicial order and if so enjoined or stayed, thereafter for so long as such Permitted Leasehold Mortgagee proceeds to complete steps to acquire or sell Tenant's interest in this Master Lease by foreclosure of the Permitted Leasehold Mortgage or by other appropriate means with reasonable diligence and continuity but not to exceed twelve (12) months after the Permitted Leasehold Mortgagee is no longer so enjoined or stayed from prosecuting the same and in no event longer than twenty-four (24) months from the date of Landlord's initial notification to Permitted Leasehold Mortgagee pursuant to Section 17.1(d) hereof, and (y) if such Permitted Leasehold Mortgagee is not so enjoined or stayed, thereafter for so long as such Permitted Leasehold Mortgagee proceeds to complete steps to acquire or sell Tenant's interests in this Master Lease by foreclosure of the Permitted Leasehold Mortgage or by other appropriate means with reasonable diligence and continuity but not to exceed twelve (12) months from the date of Landlord's initial notification to Permitted Leasehold Mortgagee pursuant to Section 17.1(d) hereof. Nothing in this subsection (e) of this Section 17.1, however, shall be construed to extend this Master Lease beyond the original term thereof as extended by any options to extend the term of this Master Lease properly exercised by Tenant or a Permitted Leasehold Mortgagee in accordance with Section 1.4, nor to require a Permitted Leasehold Mortgagee to continue such foreclosure proceeding after the default has been cured. If the default shall be cured pursuant to the terms and within the time periods allowed in subsections (d) and (e) of this Section 17.1 and the Permitted Leasehold Mortgagee shall discontinue such foreclosure proceedings, this Master Lease shall continue in full force and effect as if Tenant had not defaulted under this Master Lease.
- (iii) If a Permitted Leasehold Mortgagee is complying with subsection (e)(i) of this Section 17.1, upon the acquisition of Tenant's Leasehold Estate herein by a Discretionary Transferee this Master Lease shall continue in full force and effect as if Tenant had not defaulted under this Master Lease, provided that such Discretionary Transferee cures all outstanding defaults that can be cured through the payment of money and all other defaults that are reasonably susceptible of being cured.

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- (iv) For the purposes of this Section 17.1, the making of a Permitted Leasehold Mortgage shall not be deemed to constitute an assignment or transfer of this Master Lease nor of the Leasehold Estate hereby created, nor shall any Permitted Leasehold Mortgagee, as such, be deemed to be an assignee or transferee of this Master Lease or of the Leasehold Estate hereby created so as to require such Permitted Leasehold Mortgagee, as such, to assume the performance of any of the terms, covenants or conditions on the part of the Tenant to be performed hereunder; but the purchaser at any sale of this Master Lease (including a Permitted Leasehold Mortgagee if it is the purchaser at foreclosure) and of the Leasehold Estate hereby created in any proceedings for the foreclosure of any Permitted Leasehold Mortgage, or the assignee or transferee of this Master Lease and of the Leasehold Estate hereby created under any instrument of assignment or transfer in lieu of the foreclosure of any Permitted Leasehold Mortgage, shall be subject to Article XXII hereof (including the requirement that such purchaser assume the performance of the terms, covenants or conditions on the part of the Tenant to be performed hereunder and meet the qualifications of Discretionary Transferee or be reasonably consented to by Landlord in accordance with Section 22.2(i) hereof).
- (v) Any Permitted Leasehold Mortgagee or other acquirer of the Leasehold Estate of Tenant pursuant to foreclosure, assignment in lieu of foreclosure or other proceedings in accordance with the requirements of Section 22.2(iii) of this Master Lease may, upon acquiring Tenant's Leasehold Estate, without further consent of Landlord, sell and assign the Leasehold Estate in accordance with the requirements of Section 22.2(iii) of this Master Lease and enter into Permitted Leasehold Mortgages in the same manner as the original Tenant, subject to the terms hereof.
- (vi) Notwithstanding any other provisions of this Master Lease, any sale of this Master Lease and of the Leasehold Estate hereby created in any proceedings for the foreclosure of any Permitted Leasehold Mortgage, or the assignment or transfer of this Master Lease and of the Leasehold Estate hereby created in lieu of the foreclosure of any Permitted Leasehold Mortgage, shall be deemed to be a permitted sale, transfer or assignment of this Master Lease and of the Leasehold Estate hereby created to the extent that the successor tenant under this Master Lease is a Discretionary Transferee and the transfer otherwise complies with the requirements of Section 22.2(iii) of this Master Lease or the transferee is reasonably consented to by Landlord in accordance with Section 22.2(i) hereof.

(f) New Lease. In the event of the termination of this Master Lease other than due to a default as to which the Permitted Leasehold Mortgagee had the opportunity to, but did not, cure the default as set forth in Sections 17.1(d) and 17.1(e) above, Landlord shall provide each Permitted Leasehold Mortgagee with written notice that this Master Lease has been terminated ("**Notice of Termination**"), together with a statement of all sums which would at that time be due under this Master Lease but for such termination, and of all other defaults, if any, then known to Landlord. Landlord agrees to enter into a new lease ("**New Lease**") of the Leased Property with such Permitted Leasehold Mortgagee or its Permitted Leasehold Mortgagee

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Designee (in each case if a Discretionary Transferee) for the remainder of the term of this Master Lease, effective as of the date of termination, at the rent and additional rent, and upon the terms, covenants and conditions (including all options to renew but excluding requirements which have already been fulfilled) of this Master Lease, provided:

(i) Such Permitted Leasehold Mortgagee or its Permitted Leasehold Mortgagee Designee shall make a binding, written, irrevocable commitment to Landlord for such New Lease within thirty (30) days after the date such Permitted Leasehold Mortgagee receives Landlord's Notice of Termination of this Master Lease given pursuant to this Section 7.1(f);

(ii) Such Permitted Leasehold Mortgagee or its Permitted Leasehold Mortgagee Designee shall pay or cause to be paid to Landlord at the time of the execution and delivery of such New Lease, any and all sums which would at the time of execution and delivery thereof be due pursuant to this Master Lease but for such termination and, in addition thereto, all reasonable expenses, including reasonable attorney's fees, which Landlord shall have incurred by reason of such termination and the execution and delivery of the New Lease and which have not otherwise been received by Landlord from Tenant or other party in interest under Tenant; and

(iii) Such Permitted Leasehold Mortgagee or its Permitted Leasehold Mortgagee Designee shall agree to remedy any of Tenant's defaults of which said Permitted Leasehold Mortgagee was notified by Landlord's Notice of Termination (or in any subsequent notice) and which can be cured through the payment of money or are reasonably susceptible of being cured by Permitted Leasehold Mortgagee or its Permitted Leasehold Mortgagee Designee.

(g) New Lease Priorities. If more than one Permitted Leasehold Mortgagee shall request a New Lease pursuant to subsection (f)(i) of this Section 17.1, Landlord shall enter into such New Lease with the Permitted Leasehold Mortgagee whose mortgage is senior in lien, or with its Permitted Leasehold Mortgagee Designee acting for the benefit of such Permitted Leasehold Mortgagee prior in lien foreclosing on Tenant's interest in this Master Lease. Landlord, without liability to Tenant or any Permitted Leasehold Mortgagee with an adverse claim, may rely upon a title insurance policy issued by a reputable title insurance company as the basis for determining the appropriate Permitted Leasehold Mortgagee who is entitled to such New Lease.

(h) Permitted Leasehold Mortgagee Need Not Cure Specified Defaults. Nothing herein contained shall require any Permitted Leasehold Mortgagee as a condition to its exercise of the right hereunder to cure any default of Tenant not reasonably susceptible of being cured by such Permitted Leasehold Mortgagee or its Permitted Leasehold Mortgagee Designee (including but not limited to the default referred to in Section 16.1(c), (d), (e), (f) (if the levy or attachment is in favor of such Permitted Leasehold Mortgagee (provided such levy is extinguished upon foreclosure or similar proceeding or in a transfer in lieu of any such foreclosure) or is junior to the lien of such Permitted Leasehold Mortgagee and would be extinguished by the foreclosure of the Permitted Leasehold Mortgage that is held by such Permitted Leasehold Mortgagee), (m) (as related to the Indebtedness secured by a Permitted Leasehold Mortgage that is junior to the lien of the Permitted Leasehold Mortgagee and such junior lien would be extinguished by the foreclosure of the Permitted Leasehold Mortgage that is

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held by such Permitted Leasehold Mortgagee) or (o) (if the judgment is in favor of a Permitted Leasehold Mortgagee other than a Permitted Leasehold Mortgagee holding a Permitted Leasehold Mortgage that is senior to the lien of such Permitted Leasehold Mortgagee) and any other sections of this Master Lease which may impose conditions of default not susceptible to being cured by a Permitted Leasehold Mortgagee or a subsequent owner of the Leasehold Estate through foreclosure hereof), in order to comply with the provisions of Sections 17.1(d) and 17.1(e), or as a condition of entering into the New Lease provided for by Section 17.1(f).

(i) Casualty Loss. A standard mortgagee clause naming each Permitted Leasehold Mortgagee for which notice has been properly provided to Landlord pursuant to Section 17.1(b) hereof may be added to any and all insurance policies required to be carried by Tenant hereunder on condition that the insurance proceeds are to be applied in the manner specified in this Master Lease and the Permitted Leasehold Mortgage shall so provide; except that the Permitted Leasehold Mortgage may provide a manner for the disposition of such proceeds, if any, otherwise payable directly to the Tenant (but not such proceeds, if any, payable jointly to the Landlord and the Tenant or to the Landlord, to the Facility Mortgagee or to a third-party escrowee) pursuant to the provisions of this Master Lease.

(j) Arbitration; Legal Proceedings. Landlord shall give prompt notice to each Permitted Leasehold Mortgagee (for which notice has been properly provided to Landlord pursuant to Section 17.1(b) hereof) of any arbitration or legal proceedings between Landlord and Tenant involving obligations under this Master Lease.

(k) No Merger. So long as any Permitted Leasehold Mortgage is in existence, unless all Permitted Leasehold Mortgagees for which notice has been properly provided to Landlord pursuant to Section 17.1(b) hereof shall otherwise expressly consent in writing, the fee title to the Leased Property and the Leasehold Estate of Tenant therein created by this Master Lease shall not merge but shall remain separate and distinct, notwithstanding the acquisition of said fee title and said Leasehold Estate by Landlord or by Tenant or by a third party, by purchase or otherwise.

(l) Notices. Notices from Landlord to the Permitted Leasehold Mortgagee for which notice has been properly provided to Landlord pursuant to Section 17.1(b) hereof shall be provided in the method provided in Section 35.1 hereof to the address or fax number furnished Landlord pursuant to subsection (b) of this Section 17.1, and those from the Permitted Leasehold Mortgagee to Landlord shall be mailed to the address designated pursuant to the provisions of Section 35.1 hereof. Such notices, demands and requests shall be given in the manner described in this Section 17.1 and in Section 35.1 and shall in all respects be governed by the provisions of those sections.

(m) Limitation of Liability. Notwithstanding any other provision hereof to the contrary, (i) Landlord agrees that any Permitted Leasehold Mortgagee's liability to Landlord in its capacity as Permitted Leasehold Mortgagee hereunder howsoever arising shall be limited to and enforceable only against such Permitted Leasehold Mortgagee's interest in the Leasehold Estate and the other collateral granted to such Permitted Leasehold Mortgagee to secure the obligations under its Debt Agreement, and (ii) each Permitted Leasehold Mortgagee agrees that Landlord's liability to such Permitted Leasehold Mortgagee hereunder howsoever arising shall

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be limited to and enforceable only against Landlord's interest in the Leased Property, and no recourse against Landlord shall be had against any other assets of Landlord whatsoever.

(n) **Sale Procedure.** If an Event of Default shall have occurred and be continuing, the Permitted Leasehold Mortgagee for which notice has been properly provided to Landlord pursuant to Section 17.1(b) hereof with the most senior lien on the Leasehold Estate shall have the right to make all determinations and agreements on behalf of Tenant under Article XXXVI (including, without limitation, requesting that the sale process described in Article XXXVI be commenced, the determination and agreement of the Gaming Assets FMV, the Successor Tenant Rent, and the potential Successor Tenants that should be included in the process, and negotiation with such Successor Tenants), in each case, in accordance with and subject to the terms and provisions of Article XXXVI, including without limitation the requirement that Successor Tenant meet the qualifications of Discretionary Transferee.

(o) **Third Party Beneficiary.** Each Permitted Leasehold Mortgagee (for so long as such Permitted Leasehold Mortgagee holds a Permitted Leasehold Mortgage) is an intended third-party beneficiary of this Article XVII entitled to enforce the same as if a party to this Master Lease.

17.2 Landlord's Right to Cure Tenant's Default. If Tenant shall fail to make any payment or to perform any act required to be made or performed hereunder when due or within any cure period provided for herein, Landlord, without waiving or releasing any obligation or default, may, but shall be under no obligation to, make such payment or perform such act for the account and at the expense of Tenant, and may, to the extent permitted by law, enter upon the Leased Property for such purpose and take all such action thereon as, in Landlord's opinion, may be necessary or appropriate therefor. No such entry shall be deemed an eviction of Tenant. All sums so paid by Landlord and all costs and expenses, including reasonable attorneys' fees and expenses, so incurred, together with interest thereon at the Overdue Rate from the date on which such sums or expenses are paid or incurred by Landlord, shall be paid by Tenant to Landlord on demand as an Additional Charge.

17.3 Landlord's Right to Cure Debt Agreement. Tenant agrees that each and any agreement related to Material Indebtedness and any Debt Agreement (or the principal or controlling agreement relating to such Material Indebtedness or series of related Debt Agreements) will include a provision requiring the lender or lenders thereunder (or the Representative of such lenders) to provide a copy to Landlord of any notices issued by such lenders or the Representative of such Lenders to Tenant of a Specified Debt Agreement Default. In addition, Tenant agrees that it will ensure that any such agreement related to Material Indebtedness and any Debt Agreement (or the principal or controlling agreement relating to such Material Indebtedness or series of related Debt Agreements) includes a provision with the effect that should Tenant fail to make any payment or to perform any act required to be made or performed under an agreement related to Material Indebtedness or under the Debt Agreement when due or within any cure period provided for therein (if any), Landlord may, subject to applicable Gaming Regulations and the terms hereof, cure any such default by making such payment to the applicable lenders or Representative or otherwise performing such acts within the cure period thereunder (if any) for the account of Tenant, to the extent such default is susceptible to cure by Landlord; provided that Landlord's right to cure such default shall not be any greater

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than the rights of the obligors under such Material Indebtedness or Debt Agreement to cure such default. Landlord and Tenant agree that all sums so paid by Landlord and all costs and expenses, including reasonable attorneys' fees and expenses, so incurred, together with interest thereon at the Overdue Rate from the date on which such sums or expenses are paid or incurred by Landlord, shall be for the account of Tenant and paid by Tenant to Landlord on demand.

ARTICLE XVIII

18.1 Sale of the Leased Property. Landlord shall not voluntarily sell all or portions of the Leased Property during the Term without the prior written consent of Tenant, which consent may not be unreasonably withheld. Notwithstanding the foregoing, Tenant's consent shall not be required for (A) any transfer to a Facility Mortgagee contemplated under Article XXXI hereof which may include, without limitation, a transfer by foreclosure brought by the Facility Mortgagee or a transfer by deed in lieu of foreclosure (and the first subsequent sale by such Facility Mortgagee to the extent the Facility Mortgagee has been diligently attempting to expedite such first subsequent sale from the time it initiated foreclosure proceedings taking into account the interest of such Facility Mortgagee to maximize the proceeds of such sale), (B) a sale by Landlord of all of the Leased Property to a single buyer or group of buyers, other than to an operator, or an Affiliate of an operator, of Gaming Facilities (provided that Landlord shall be permitted to sell all of the Leased Property to a real estate investment trust even if such real estate investment trust is an Affiliate of an operator), (C) a merger transaction or sale by Landlord or GLP involving all of the Facilities, other than with an operator, or an Affiliate of an operator, of Gaming Facilities (provided that Landlord or GLP shall be permitted to merge with or sell all of the Leased Property to a real estate investment trust even if such real estate investment trust is an Affiliate of an operator), (D) a sale/leaseback transaction by Landlord with respect to any or all of the Leased Properties for financing purposes, (E) any sale of all or a portion of the Leased Property or the Facilities that does not change the identity of the Landlord hereunder, including without limitation a participating interest in Landlord's interest under this Master Lease or a sale of Landlord's reversionary interest in the Leased Property, or (F) a sale or transfer to an Affiliate of GLP or a joint venture entity in which GLP or its Affiliate is the managing member or partner. Any sale by Landlord of all or any portion of the Leased Property pursuant to this Section 18.1 shall be subject in each instance to all of the rights of Tenant under this Master Lease and, to the extent necessary, any purchaser or successor Landlord and/or other controlling persons must be approved by all applicable gaming regulatory agencies to ensure that there is no material impact on the validity of any of the Gaming Licenses or the ability of Tenant to continue to use the Facilities for gaming activities in substantially the same manner as immediately prior to Landlord's sale.

ARTICLE XIX

19.1 Holding Over. If Tenant shall for any reason remain in possession of the Leased Property of a Facility after the expiration or earlier termination of the Term without the consent, or other than at the request, of Landlord, such possession shall be as a month-to-month tenant during which time Tenant shall pay as Base Rent each month twice the monthly Base Rent applicable to the prior Lease Year for such Facility, together with all Percentage Rent and Additional Charges and all other sums payable by Tenant pursuant to this Master Lease. During such period of month-to-month tenancy, Tenant shall be obligated to perform and observe all of

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the terms, covenants and conditions of this Master Lease, but shall have no rights hereunder other than the right, to the extent given by law to month-to-month tenancies, to continue its occupancy and use of the Leased Property of, and/or any Tenant Capital Improvements to, such Facility. Nothing contained herein shall constitute the consent, express or implied, of Landlord to the holding over of Tenant after the expiration or earlier termination of this Master Lease.

ARTICLE XX

20.1 Risk of Loss. The risk of loss or of decrease in the enjoyment and beneficial use of the Leased Property as a consequence of the damage or destruction thereof by fire, the elements, casualties, thefts, riots, wars or otherwise, or in consequence of foreclosures, attachments, levies or executions (other than by Landlord and Persons claiming from, through or under Landlord) is assumed by Tenant, and except as otherwise provided herein no such event shall entitle Tenant to any abatement of Rent.

ARTICLE XXI

21.1 General Indemnification. In addition to the other indemnities contained herein, and notwithstanding the existence of any insurance carried by or for the benefit of Landlord or Tenant, and without regard to the policy limits of any such insurance, Tenant shall protect, indemnify, save harmless and defend Landlord from and against all liabilities, obligations, claims, damages, penalties, causes of action, costs and expenses, including reasonable attorneys', consultants' and experts' fees and expenses, imposed upon or incurred by or asserted against Landlord by reason of: (i) any accident, injury to or death of Persons or loss of or damage to property occurring on or about the Leased Property or adjoining sidewalks under the control of Tenant; (ii) any use, misuse, non-use, condition, maintenance or repair by Tenant of the Leased Property; (iii) any failure on the part of Tenant to perform or comply with any of the terms of this Master Lease; (iv) the non-performance of any of the terms and provisions of any and all existing and future subleases of the Leased Property to be performed by any party thereunder; (v) any claim for malpractice, negligence or misconduct committed by any Person on or working from the Leased Property; and (vi) the violation by Tenant of any Legal Requirement. Any amounts which become payable by Tenant under this Article XXI shall be paid within ten (10) days after liability therefor is determined by a final non appealable judgment or settlement or other agreement of the parties, and if not timely paid shall bear interest at the Overdue Rate from the date of such determination to the date of payment. Tenant, at its sole cost and expense, shall contest, resist and defend any such claim, action or proceeding asserted or instituted against Landlord. For purposes of this Article XXI, any acts or omissions of Tenant, or by employees, agents, assignees, contractors, subcontractors or others acting for or on behalf of Tenant (whether or not they are negligent, intentional, willful or unlawful), shall be strictly attributable to Tenant.

ARTICLE XXII

22.1 Subletting and Assignment. Tenant shall not, without Landlord's prior written consent, which, except as specifically set forth herein, may be withheld in Landlord's sole and absolute discretion, voluntarily or by operation of law assign (which term includes any transfer, sale, encumbering, pledge or other transfer or hypothecation) this Master Lease, sublet

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all or any part of the Leased Property of any Facility or engage the services of any Person (other than an Affiliate of Tenant that is also a Guarantor) for the management or operation of any Facility (provided that the foregoing shall not restrict a transferee of Tenant from retaining a manager necessary for such transferee's satisfying the requirement set forth in clause (a)(1) of the definition of "Discretionary Transferee"). Tenant acknowledges that Landlord is relying upon the expertise of Tenant in the operation of the Facilities and that Landlord entered into this Master Lease with the expectation that Tenant would remain in and operate such Facilities during the entire Term and for that reason, except as set forth herein, Landlord retains sole and absolute discretion in approving or disapproving any assignment or sublease. Any Change in Control shall constitute an assignment of Tenant's interest in this Master Lease within the meaning of this Article XXII and the provisions requiring consent contained herein shall apply.

22.2 Permitted Assignments. Notwithstanding the foregoing, and subject to Section 40.1, Tenant may:

- (i) with Landlord's prior written consent, which consent shall not be unreasonably withheld, allow to occur or undergo a Change in Control (including without limitation a transfer or assignment of this Master Lease to any third party in conjunction with a sale by Tenant of all or substantially all of Tenant's assets relating to the Facilities);
- (ii) without Landlord's prior written consent, assign this Master Lease or sublease the Leased Property to Tenant's Parent, a wholly-owned Subsidiary of Tenant's Parent or a wholly-owned Subsidiary of Tenant if all of the following are first satisfied: (w) such Affiliate becomes a party to the Guaranty as a Guarantor and in the case of an assignment of this Master Lease, becomes party to and bound by this Master Lease; (x) Tenant remains fully liable hereunder; (y) the use of the Leased Property continues to comply with the requirements of this Master Lease; and (z) Landlord in its reasonable discretion shall have approved the form and content of all documents for such assignment or sublease and received an executed counterpart thereof; and
- (iii) without Landlord's prior written consent:
 - (w) undergo a Change in Control of the type referred to in clause (i)(a) of the definition of Change in Control (such Change in Control, a "Tenant Parent COC") if a Person acquiring such beneficial ownership or control (1) is a Discretionary Transferee and (2) the Parent Company of such Discretionary Transferee, if any, has become a Guarantor and provided a Guaranty on terms reasonably satisfactory to Landlord or, if such Discretionary Transferee does not have a Parent Company, such Discretionary Transferee has become a Guarantor and provided a Guaranty on terms reasonably satisfactory to Landlord;
 - (x) undergo a Change in Control whereby a Person acquires beneficial ownership and control of 100% of the Equity Interests in Tenant in connection with a Change in Control that does not constitute a Tenant Parent COC or a Foreclosure COC (such Change in Control, a "Tenant COC") if (1) such Person is a Discretionary Transferee, (2) the Parent Company of such Discretionary Transferee, if any, has become a Guarantor and provided a Guaranty on terms

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reasonably satisfactory to Landlord or, if such Discretionary Transferee does not have a Parent Company, such Discretionary Transferee has become a Guarantor and provided a Guaranty on terms reasonably satisfactory to Landlord, and (3) the Adjusted Revenue to Rent Ratio with respect to all of the Facilities (determined at the proposed effective time of the Change in Control) for the then most recently preceding four (4) fiscal quarters for which financial statements are available is at least 1.4:1;

(y) assign this Master Lease to any Person in an assignment that does not constitute a Foreclosure Assignment if (1) such Person is a Discretionary Transferee, (2) such Discretionary Transferee agrees in writing to assume the obligations of the Tenant under this Master Lease without amendment or modification other than as provided below, (3) the Parent Company of such Discretionary Transferee, if any, has become a Guarantor and provided a Guaranty on terms reasonably satisfactory to Landlord or, if such Discretionary Transferee does not have a Parent Company, such Discretionary Transferee has become a Guarantor and provided a Guaranty on terms reasonably satisfactory to Landlord, and (4) the Adjusted Revenue to Rent Ratio with respect to all of the Facilities (determined at the proposed effective time of the assignment) for the then most recently preceding four (4) fiscal quarters for which financial statements are available is at least 1.4:1; or

(z) (i) assign this Master Lease by way of foreclosure of the Leasehold Estate or an assignment-in-lieu of foreclosure to any Person (any such assignment, a “**Foreclosure Assignment**”) or (ii) undergo a Change in Control whereby a Person acquires beneficial ownership and control of 100% of the Equity Interests in Tenant as a result of the purchase at a foreclosure on a permitted pledge of the Equity Interests in Tenant or an assignment in lieu of such foreclosure (a “**Foreclosure COC**”) or (iii) effect the first subsequent sale or assignment of the Leasehold Estate or Change in Control after a Foreclosure Assignment or a Foreclosure COC whereby a Person so acquires the Leasehold Estate or beneficial ownership and control of 100% of the Equity Interests in Tenant or the Person who acquired the Leasehold Estate in connection with the Foreclosure Assignment, in each case, effected by a Permitted Leasehold Mortgagee or a Permitted Leasehold Mortgagee Foreclosing Party, to the extent such Permitted Leasehold Mortgagee or Permitted Leasehold Mortgagee Designee has been diligently attempting to expedite such first subsequent sale from the time it has initiated foreclosure proceedings taking into account the interest of such Permitted Leasehold Mortgagee or Permitted Leasehold Mortgagee Designee in maximizing the proceeds of such disposition if (1) such Person is a Discretionary Transferee, (2) in the case of any Foreclosure Assignment, if such Discretionary Transferee is not a Permitted Leasehold Mortgagee Designee such Discretionary Transferee agrees in writing to assume the obligations of the Tenant under this Master Lease without amendment or modification other than as provided below (which written assumption, in the case of a Permitted Leasehold Mortgagee Foreclosing Party, may be made by a

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Subsidiary of a Permitted Leasehold Mortgagee or a Permitted Leasehold Mortgagee Designee) and (3) if such Discretionary Transferee is not a Permitted Leasehold Mortgagee Foreclosing Party, the Parent Company of such Discretionary Transferee, if any, has become a Guarantor and provided a Guaranty on terms reasonably satisfactory to Landlord or, if such Discretionary Transferee does not have a Parent Company, such Discretionary Transferee has become a Guarantor and provided a Guaranty on terms reasonably satisfactory to Landlord;

provided that no such Change in Control or assignment referred to in this Section 22.2(iii) shall be permitted without Landlord’s prior written consent unless, and in which case such consent shall not be unreasonably withheld, (A) the use of the Leased Property at the time of such Change in Control or assignment and immediately after giving effect thereto is permitted by Section 7.2 hereof, and (B) Landlord in its reasonable discretion shall have approved the form and content of all documents for such assignment and assumption and received an executed counterpart thereof (provided no such approval shall be required in the case of a Tenant Parent COC or a Tenant COC, so long as (A) Tenant remains obligated under the Master Lease and the Guaranty remains in effect except with respect to any release of Tenant’s Parent permitted thereunder, (B) the requirements for a Guaranty from the Parent Company or Discretionary Transferee under clause (w) or (x) above are met, and (C) any modifications to this Master Lease required pursuant to the next succeeding paragraph are made); and

(iv) without Landlord’s prior written consent, pledge or mortgage its Leasehold Estate to a Permitted Leasehold Mortgagee and permit a pledge of the equity interests in Tenant to be pledged to a Permitted Leasehold Mortgagee.

Upon the effectiveness of any Change in Control or assignment permitted pursuant to this Section 22.2, such Discretionary Transferee (and, if applicable, its Parent Company) and Landlord shall make such amendments and other modifications to this Master Lease as are reasonably requested by either party to give effect to such Change in Control or assignment and such technical amendments as may be necessary or appropriate in the reasonable opinion of such requesting party in connection with such Change in Control or assignment including, without limitation, changes to the definition of Change in Control to substitute the Parent Company (or, if the Discretionary Transferee does not have a Parent Company, the Discretionary Transferee) for Tenant’s Parent therein and in the provisions of this Master Lease regarding delivery of financial statements and other reporting requirements with respect to Tenant’s Parent. After giving effect to any such Change in Control or assignment, unless the context otherwise requires, references to Tenant and Tenant’s Parent hereunder shall be deemed to refer to the Discretionary Transferee or its Parent Company, as applicable.

22.3 Permitted Sublease Agreements. Notwithstanding the provisions of Section 22.1, but subject to compliance with the provisions of this Section 22.3 and of Section 40.1, (a) provided that no Event of Default shall have occurred and be continuing, Tenant shall be permitted to sublease gaming operations to a wholly-owned Subsidiary that becomes a Guarantor by executing the Guaranty in form and substance reasonably satisfactory to Landlord, (b) the Specified Subleases shall be permitted without any further consent from Landlord, and (c)

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provided that no Event of Default shall have occurred and be continuing, Tenant may enter into any sublease agreement without the prior written consent of Landlord, provided, further that, (i) in either of clause (b) or (c), the subleased space pursuant to such sublease will not be used for gaming purposes (and any such space sublet for any gaming use will require Landlord’s prior written consent, which consent may not be unreasonably withheld), except to the extent permitted under the Specified Subleases; (ii) all sublease agreements under clauses (b) and (c) of this Section 22.3 are made in the normal course of the Primary Intended Use and to concessionaires or other third party users or operators of portions of the Leased Property in furtherance of the Primary Intended Use, except with respect to the Specified Subleases; (iii) each sublease agreement under this Section 22.3 include a provision providing Landlord audit rights (subject to reasonable confidentiality obligations) to the fullest extent necessary to determine Net Revenues hereunder, except with respect to the Specified Subleases; and (iv) Landlord shall have the right to reasonably approve the identity of any subtenants under this Section 22.3 (except with respect to subtenants under the Specified Subleases and any permitted assignment by such subtenants with respect to such Specified Sublease) that will be operating all

or portions of the Leased Property for its Primary Intended Use to ensure that all are adequately capitalized and competent and experienced for the operations which they will be conducting. After an Event of Default has occurred and while it is continuing, Landlord may collect rents from any subtenant and apply the net amount collected to the Rent, but no such collection shall be deemed (i) a waiver by Landlord of any of the provisions of this Master Lease, (ii) the acceptance by Landlord of such subtenant as a tenant or (iii) a release of Tenant from the future performance of its obligations hereunder. If reasonably requested by Tenant in connection with a sublease permitted under clause (c) above, Landlord and such sublessee shall enter into a subordination, non-disturbance and attornment agreement with respect to such sublease in a form reasonably satisfactory to Landlord (and if a Facility Mortgage is then in effect, Landlord shall use reasonable efforts to cause the Facility Mortgagee to enter into such subordination, non-disturbance and attornment agreement).

22.4 Required Assignment and Subletting Provisions. Any assignment and/or sublease must provide that:

- (i) in the case of a sublease, it shall be subject and subordinate to all of the terms and conditions of this Master Lease;
- (ii) the use of the applicable Facility (or portion thereof) shall not conflict with any Legal Requirement or any other provision of this

Master Lease;

(iii) except as otherwise provided herein, no subtenant or assignee shall be permitted to further sublet all or any part of the applicable Leased Property or assign this Master Lease or its sublease except insofar as the same would be permitted if it were a sublease by Tenant under this Master Lease (it being understood that any subtenant under Section 22.3(a) may pledge and mortgage its subleasehold estate (or allow the pledge of its equity interests) to a Permitted Leasehold Mortgagee);

(iv) in the case of a sublease, in the event of cancellation or termination of this Master Lease for any reason whatsoever or of the surrender of this Master Lease (whether voluntary, involuntary or by operation of law) prior to the expiration date of such sublease,

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including extensions and renewals granted thereunder, then, subject to Article XXXVI, at Landlord's option, the subtenant shall make full and complete attornment to Landlord for the balance of the term of the sublease, which attornment shall be evidenced by an agreement in form and substance satisfactory to Landlord and which the subtenant shall execute and deliver within five (5) days after request by Landlord and the subtenant shall waive the provisions of any law now or hereafter in effect which may give the subtenant any right of election to terminate the sublease or to surrender possession in the event any proceeding is brought by Landlord to terminate this Master Lease; and

(v) in the event the subtenant receives a written notice from Landlord stating that this Master Lease has been cancelled, surrendered or terminated, then, subject to Article XXXVI, the subtenant shall thereafter be obligated to pay all rentals accruing under said sublease directly to Landlord (or as Landlord shall so direct); all rentals received from the subtenant by Landlord shall be credited against the amounts owing by Tenant under this Master Lease.

22.5 Costs. Tenant shall reimburse Landlord for Landlord's reasonable costs and expenses incurred in conjunction with the processing and documentation of any assignment, subletting or management arrangement, including reasonable attorneys', architects', engineers' or other consultants' fees whether or not such sublease, assignment or management agreement is actually consummated.

22.6 No Release of Tenant's Obligations; Exception. No assignment (other than a permitted transfer pursuant to Section 22.2(i) or Section 22.2(iii)(y) or Section 22.2(iii)(z)(1) or Section 22.2(iii)(z)(3), in connection with a sale or assignment of the Leasehold Estate), subletting or management agreement shall relieve Tenant of its obligation to pay the Rent and to perform all of the other obligations to be performed by Tenant hereunder. The liability of Tenant and any immediate and remote successor in interest of Tenant (by assignment or otherwise), and the due performance of the obligations of this Master Lease on Tenant's part to be performed or observed, shall not in any way be discharged, released or impaired by any (i) stipulation which extends the time within which an obligation under this Master Lease is to be performed, (ii) waiver of the performance of an obligation required under this Master Lease that is not entered into for the benefit of Tenant or such successor, or (iii) failure to enforce any of the obligations set forth in this Master Lease, provided that Tenant shall not be responsible for any additional obligations or liability arising as the result of any modification or amendment of this Master Lease by Landlord and any assignee of Tenant that is not an Affiliate of Tenant.

ARTICLE XXIII

23.1 Officer's Certificates and Financial Statements.

(a) **Officer's Certificate.** Each of Landlord and Tenant shall, at any time and from time to time upon receipt of not less than ten (10) Business Days' prior written request from the other party hereto, furnish an Officer's Certificate certifying (i) that this Master Lease is unmodified and in full force and effect, or that this Master Lease is in full force and effect as modified and setting forth the modifications; (ii) the Rent and Additional Charges payable hereunder and the dates to which the Rent and Additional Charges payable have been paid; (iii)

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that the address for notices to be sent to the party furnishing such Officer's Certificate is as set forth in this Master Lease (or, if such address for notices has changed, the correct address for notices to such party); (iv) whether or not, to its actual knowledge, such party or the other party hereto is in default in the performance of any covenant, agreement or condition contained in this Master Lease (together with back-up calculation and information reasonably necessary to support such determination) and, if so, specifying each such default of which such party may have knowledge; (v) that Tenant is in possession of the Leased Property; and (vi) responses to such other questions or statements of fact as such other party, any ground or underlying landlord, any purchaser or any current or prospective Facility Mortgagee or Permitted Leasehold Mortgagee shall reasonably request. Landlord's or Tenant's failure to deliver such statement within such time shall constitute an acknowledgement by such failing party that, to such party's knowledge, (x) this Master Lease is unmodified and in full force and effect except as may be represented to the contrary by the other party; (y) the other party is not in default in the performance of any covenant, agreement or condition contained in this Master Lease; and (z) the other matters set forth in such request, if any, are true and correct. Any such certificate furnished pursuant to this Article XXIII may be relied upon by the receiving party and any current or prospective Facility Mortgagee, Permitted Leasehold Mortgagee, ground or underlying landlord or purchaser of the Leased Property. Each Guarantor or Tenant, as the case may be, shall deliver a written notice

within two (2) Business Days of obtaining knowledge of the occurrence of a default hereunder. Such notice shall include a detailed description of the default and the actions such Guarantor or Tenant has taken or shall take, if any, to remedy such default.

(b) Statements. Tenant shall furnish the following statements to Landlord:

(i) Within sixty-five (65) days after the end of Tenant Parent's Fiscal Years (commencing with the Fiscal Year ending December 31, 2013) or concurrently with the filing by Tenant's Parent of its annual report on Form 10-K with the SEC, whichever is earlier: (x) Tenant's Parent's Financial Statements; (y) a certificate, executed by the chief financial officer or treasurer of the Tenant's Parent (a) certifying that no default has occurred under this Master Lease or, if such a default has occurred, specifying the nature and extent thereof and any corrective action taken or proposed to be taken with respect thereto and (b) setting forth the calculation of the financial covenants set forth in Section 23.3 hereof in reasonable detail as of such Fiscal Year (commencing with the Fiscal Year ending December 31, 2014); and (z) a report with respect to Tenant's Parent's Financial Statements from Tenant's Parent's accountants, which report shall be unqualified as to going concern and scope of audit of Tenant's Parent and its Subsidiaries (excluding any qualification as to going concern relating to any debt maturities in the twelve month period following the date of such audit or any projected financial performance or covenant default in any Material Indebtedness or this Master Lease in such twelve month period) and shall provide in substance that (a) such consolidated financial statements present fairly the consolidated financial position of Tenant's Parent and its Subsidiaries as at the dates indicated and the results of their operations and cash flow for the periods indicated in conformity with GAAP and (b) that the examination by Tenant's Parent's accountants in connection with such Financial Statements has been made in accordance with generally accepted auditing standards;

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(ii) Within forty-five (45) days after the end of each of the first three (3) fiscal quarters of the Tenant's Parent's Fiscal Year (commencing with the fiscal quarter ending March 31, 2014) or concurrently with the filing by Tenant's Parent of its quarterly report on Form 10-Q with the SEC, whichever is earlier, a copy of Tenant's Parent's Financial Statements for such period, together with a certificate, executed by the chief financial officer or treasurer of Tenant's Parent (i) certifying that no default has occurred or, if such a default has occurred, specifying the nature and extent thereof and any corrective action taken or proposed to be taken with respect thereto, (ii) setting forth the calculation of the financial covenants set forth in Section 23.3 hereof in reasonable detail as of such quarter, to the extent one complete Test Period has been completed which has commenced following the date of this Master Lease and (iii) certifying that such Financial Statements fairly present, in all material respects, the financial position and results of operations of Tenant's Parent and its Subsidiaries on a consolidated basis in accordance with GAAP (subject to normal year-end audit adjustments and the absence of footnotes);

(iii) Promptly following Landlord's request from time to time, (a) five-year forecasts of Tenant's income statement and balance sheet covering such quarterly and annual periods as may be reasonably requested by Landlord, and in a format consistent with Tenant Parent's quarterly and annual financial statements filed with the SEC, and such additional financial information and projections as may be reasonably requested by Landlord in connection with syndications, private placements, or public offerings of GLP's or Landlord's debt securities or loans or equity or hybrid securities and (b) such additional information and unaudited quarterly financial information concerning the Leased Property and Tenant as Landlord or GLP may require for its ongoing filings with the SEC under both the Securities Act and the Securities Exchange Act of 1934, as amended, including, but not limited to 10-Q Quarterly Reports, 10-K Annual Reports and registration statements to be filed by Landlord or GLP during the Term of this Master Lease, the Internal Revenue Service (including in respect of GLP's qualification as a "real estate investment trust" (within the meaning of Section 856(a) of the Code)) and any other federal, state or local regulatory agency with jurisdiction over GLP or its Subsidiaries subject to Section 23.1(c) below);

(iv) Within thirty-five (35) days after the end of each calendar month, a copy of Tenant's income statement for such month and Tenant's balance sheet as of the end of such month (which may be subject to quarterly and year-end adjustments and the absence of footnotes); provided, however, that with respect to each calendar quarter, Tenant shall provide such financial reports for the final month thereof as soon as is reasonably practicable following the closing of the books for such month and in sufficient time so that Landlord or its Affiliate is able to include the operational results for the entire quarter in its current Form 10-Q or Form 10-K (or supplemental report filed in connection therewith);

(v) Prompt Notice to Landlord of any action, proposal or investigation by any agency or entity, or complaint to such agency or entity, (any of which is called a "**Proceeding**"), known to Tenant, the result of which Proceeding would reasonably be expected to be to revoke or suspend or terminate or modify in a way adverse to Tenant, or

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fail to renew or fully continue in effect, any license or certificate or operating authority pursuant to which Tenant carries on any part of the Primary Intended Use of all or any portion of the Leased Property;

(vi) As soon as it is prepared and in no event later than sixty (60) days after the end of each Fiscal Year, a capital and operating budget for each Facility for that Fiscal Year; and

(vii) Tenant further agrees to provide the financial and operational reports to be delivered to Landlord under this Master Lease in such electronic format(s) as may reasonably be required by Landlord from time to time in order to (i) facilitate Landlord's internal financial and reporting database and (ii) permit Landlord to calculate any rent, fee or other payments due under Ground Leases. Tenant also agrees that Landlord shall have audit rights with respect to such information to the extent required to confirm Tenant's compliance with the Master Lease terms (including, without limitation, calculation of Net Revenues).

(c) Notwithstanding the foregoing, Tenant shall not be obligated (1) to provide information or assistance that could give Landlord or its Affiliates a "competitive" advantage with respect to markets in which GLP and Tenant or Tenant's Parent might be competing at any time (it being understood that Landlord shall retain audit rights with respect to such information to the extent required to confirm Tenant's compliance with the Master Lease terms (and GLP's compliance with Securities Exchange Commission, Internal Revenue Service and other legal and regulatory requirements) and provided that appropriate measures are in place to ensure that only Landlord's auditors and attorneys (and not Landlord or GLP) are provided access to such

information) or (2) to provide information that is subject to the quality assurance immunity or is subject to attorney-client privilege or the attorney work product doctrine.

23.2 Public Offering Information. Tenant specifically agrees that Landlord may include financial information and such information concerning the operation of the Facilities (1) which is publicly available or (2) the inclusion of which is approved by Tenant in writing, which approval may not be unreasonably withheld, in offering memoranda or prospectuses or confidential information memoranda, or similar publications or marketing materials, rating agency presentations, investor presentations or disclosure documents in connection with syndications, private placements or public offerings of GLP's or Landlord's securities or loans or securities or loans of any direct or indirect parent entity of Landlord, and any other reporting requirements under applicable federal and state laws, including those of any successor to Landlord, provided that, to the extent such information is not publicly available, the recipients thereof shall be obligated to maintain the confidentiality thereof and to comply with all federal, state and other securities laws applicable with respect to such information. Unless otherwise agreed by Tenant, neither Landlord nor GLP shall revise or change the wording of information previously publicly disclosed by Tenant and furnished to Landlord or GLP or any direct or indirect parent entity of Landlord pursuant to Section 23.1 or this Section 23.2 and Landlord's Form 10-Q or Form 10-K (or supplemental report filed in connection therewith) shall not disclose the operational results of the Facilities prior to Tenant's Parent's, Tenant's or its Affiliate's public disclosure thereof so long as Tenant's Parent, Tenant or such Affiliate reports such information in a timely manner consistent with historical practices and SEC disclosure

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requirements. Tenant agrees to provide such other reasonable information and, if necessary, participation in road shows and other presentations at Landlord's or GLP's sole cost and expense, with respect to Tenant and its Leased Property to facilitate a public or private debt or equity offering or syndication by Landlord or GLP or any direct or indirect parent entity of Landlord or GLP or to satisfy GLP's or Landlord's SEC disclosure requirements or the disclosure requirements of any direct or indirect parent entity of Landlord or GLP. In this regard, Landlord shall provide to Tenant a copy of any information prepared by Landlord to be published, and Tenant shall have a reasonable period of time (not to exceed three (3) Business Days) after receipt of such information to notify Landlord of any corrections.

23.3 Financial Covenants. (a) Tenant on a consolidated basis with respect to all of the Facilities shall maintain an Adjusted Revenue to Rent Ratio determined on the last day of any fiscal quarter on a cumulative basis for the preceding Test Period (commencing with the Test Period ending on December 31, 2014) of at least 1.1:1.

(b) In the event that Tenant does not satisfy at any time the Adjusted Revenue to Rent Ratio set forth in Section 23.3(a), Tenant's Parent shall not be permitted to make any Restricted Payment until Tenant is in compliance with such ratio in a subsequent period.

23.4 Landlord Obligations. Landlord acknowledges and agrees that certain of the information contained in the Financial Statements and/or in the Financials may be non-public financial or operational information with respect to Tenant and/or the Leased Property. Landlord further agrees (i) to maintain the confidentiality of such non-public information; provided, however, Landlord shall have the right to share such information with GLP and their respective officers, employees, directors, Facility Mortgagee, agents and lenders party to material debt instruments entered into by GLP or Landlord, actual or prospective arrangers, underwriters, investors or lenders with respect to Indebtedness or Equity Interests that may be issued by GLP or Landlord, rating agencies, accountants, attorneys and other consultants (the "**Landlord Representatives**"), provided that such Landlord Representative is advised of the confidential nature of such information and agrees, to the extent such information is not publicly available, to maintain the confidentiality thereof and to comply with all federal, state and other securities laws applicable with respect to such information and (ii) that neither it nor any Landlord Representative shall be permitted to engage in any transactions with respect to the stock or other equity or debt securities or syndicated loans of Tenant or Tenant's Parent based on any such non-public information provided by or on behalf of Landlord or GLP (provided that this provision shall not govern the provision of information by Tenant or Tenant's Parent). In addition to the foregoing, Landlord agrees that, upon request of Tenant, it shall from time to time provide such information as may be reasonably requested by Tenant with respect to Landlord's capital structure and/or any financing secured by this Master Lease or the Leased Property in connection with Tenant's review of the treatment of this Master Lease under GAAP. In connection therewith, Tenant agrees to maintain the confidentiality of any such non-public information; provided, however, Tenant shall have the right to share such information with Tenant's Parent and their respective officers, employees, directors, Permitted Leasehold Mortgagees, agents and lenders party to material debt instruments entered into by Tenant or Tenant's Parent, actual or prospective arrangers, underwriters, investors or lenders with respect to Indebtedness or Equity Interests that may be issued by Tenant or Tenant's Parent, rating agencies, accountants, attorneys and other consultants (the "**Tenant Representatives**") so long as such Tenant Representative is

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advised of the confidential nature of such information and agrees, to the extent such information is not publicly available, (i) to maintain the confidentiality thereof and to comply with all federal, state and other securities laws applicable with respect to such information and (ii) not to engage in any transactions with respect to the stock or other equity or debt securities or syndicated loans of GLP or Landlord based on any such non-public information provided by or on behalf of Tenant or Tenant's Parent (provided that this provision shall not govern the provision of information by Landlord or GLP).

ARTICLE XXIV

24.1 Landlord's Right to Inspect. Upon reasonable advance notice to Tenant, Tenant shall permit Landlord and its authorized representatives to inspect its Leased Property during usual business hours. Landlord shall take care to minimize disturbance of the operations on the Leased Property, except in the case of emergency.

ARTICLE XXV

25.1 No Waiver. No delay, omission or failure by Landlord to insist upon the strict performance of any term hereof or to exercise any right, power or remedy hereunder and no acceptance of full or partial payment of Rent during the continuance of any default or Event of Default shall impair any such right or constitute a waiver of any such breach or of any such term. No waiver of any breach shall affect or alter this Master Lease, which shall continue in full force and effect with respect to any other then existing or subsequent breach.

ARTICLE XXVI

26.1 Remedies Cumulative. To the extent permitted by law, each legal, equitable or contractual right, power and remedy of Landlord now or hereafter provided either in this Master Lease or by statute or otherwise shall be cumulative and concurrent and shall be in addition to every other right, power and remedy and the exercise or beginning of the exercise by Landlord of any one or more of such rights, powers and remedies shall not preclude the simultaneous or subsequent exercise by Landlord of any or all of such other rights, powers and remedies.

ARTICLE XXVII

27.1 Acceptance of Surrender. No surrender to Landlord of this Master Lease or of any Leased Property or any part thereof, or of any interest therein, shall be valid or effective unless agreed to and accepted in writing by Landlord, and no act by Landlord or any representative or agent of Landlord, other than such a written acceptance by Landlord, shall constitute an acceptance of any such surrender.

ARTICLE XXVIII

28.1 No Merger. There shall be no merger of this Master Lease or of the leasehold estate created hereby by reason of the fact that the same Person may acquire, own or hold, directly or indirectly, (i) this Master Lease or the leasehold estate created hereby or any

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interest in this Master Lease or such leasehold estate and (ii) the fee estate in the Leased Property.

ARTICLE XXIX

29.1 Conveyance by Landlord. If Landlord or any successor owner of the Leased Property shall convey the Leased Property in accordance with the terms of this Master Lease other than as security for a debt, and the grantee or transferee expressly assumes all obligations of Landlord arising after the date of the conveyance, Landlord or such successor owner, as the case may be, shall thereupon be released from all future liabilities and obligations of the Landlord under this Master Lease arising or accruing from and after the date of such conveyance or other transfer and all such future liabilities and obligations shall thereupon be binding upon the new owner.

ARTICLE XXX

30.1 Quiet Enjoyment. So long as Tenant shall pay the Rent as the same becomes due and shall fully comply with all of the terms of this Master Lease and fully perform its obligations hereunder, Tenant shall peaceably and quietly have, hold and enjoy the Leased Property for the Term, free of any claim or other action by Landlord or anyone claiming by, through or under Landlord, but subject to all liens and encumbrances of record as of the Commencement Date or thereafter provided for in this Master Lease or consented to by Tenant. No failure by Landlord to comply with the foregoing covenant shall give Tenant any right to cancel or terminate this Master Lease or abate, reduce or make a deduction from or offset against the Rent or any other sum payable under this Master Lease, or to fail to perform any other obligation of Tenant hereunder. Notwithstanding the foregoing, Tenant shall have the right, by separate and independent action to pursue any claim it may have against Landlord as a result of a breach by Landlord of the covenant of quiet enjoyment contained in this Article XXX.

ARTICLE XXXI

31.1 Landlord's Financing. Without the consent of Tenant, Landlord may from time to time, directly or indirectly, create or otherwise cause to exist any Facility Mortgage upon the Leased Property or any portion thereof or interest therein; provided, however, if Tenant has not consented to any such Facility Mortgage entered into by Landlord after the Commencement Date, Tenant's obligations with respect thereto shall be subject to the limitations set forth in Section 31.3. This Master Lease is and at all times shall be subject and subordinate to any such Facility Mortgage which may now or hereafter affect the Leased Property or any portion thereof or interest therein and to all renewals, modifications, consolidations, replacements, restatements and extensions thereof or any parts or portions thereof; provided, however, that the subjection and subordination of this Master Lease and Tenant's leasehold interest hereunder to any Facility Mortgage shall be conditioned upon the execution by the holder of each Facility Mortgage and delivery to Tenant of a nondisturbance and attornment agreement substantially in the form attached hereto as Exhibit F-1 (provided that upon the request of Landlord such nondisturbance and attornment agreement shall also incorporate subordination provisions referenced above, as contemplated below, and be in substantially the form attached hereto as Exhibit F-2, and be executed by Tenant as well as Landlord), which will

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bind such holder of such Facility Mortgage and its successors and assigns as well as any person who acquires any portion of the Leased Property in a foreclosure or similar proceeding or in a transfer in lieu of any such foreclosure or a successor owner of the Leased Property (each, a "**Foreclosure Purchaser**") and which provides that so long as there is not then outstanding and continuing an Event of Default under this Master Lease, the holder of such Facility Mortgage, and any Foreclosure Purchaser shall disturb neither Tenant's leasehold interest or possession of the Leased Property in accordance with the terms hereof, nor any of its rights, privileges and options, and shall give effect to this Master Lease, including the provisions of Article XVII which benefit any Permitted Leasehold Mortgagee (as if such Facility Mortgagee or Foreclosure Purchaser were the landlord under this Master Lease (it being understood that if an Event of Default has occurred and is continuing at such time such parties shall be subject to the terms and provisions hereof concerning the exercise of rights and remedies upon such Event of Default including the provisions of Articles XVI and XXXVI)). In connection with the foregoing and at the request of Landlord, Tenant shall promptly execute a subordination, nondisturbance and attornment agreement, in form and substance substantially in the form of Exhibit F-2 or otherwise reasonably satisfactory to Tenant, and the Facility Mortgagee or prospective Facility Mortgagee, as the case may be, which will incorporate the terms set forth in the preceding sentence. Except for the documents described in the preceding sentences, this provision shall be self-operative and no further instrument of subordination shall be required to give it full force and effect. If, in connection with obtaining any Facility Mortgage for the Leased Property or any portion thereof or interest therein, a Facility Mortgagee or prospective Facility Mortgagee shall request (A) reasonable cooperation from Tenant, Tenant shall provide the same at no cost or expense to Tenant, it being understood and agreed that Landlord shall be required to reimburse Tenant for all such costs and expenses so incurred by Tenant, including, but not limited to, its reasonable attorneys' fees, or (B) reasonable amendments or modifications to this Master Lease as a condition thereto, Tenant hereby agrees to execute and deliver the same so long as any such

amendments or modifications do not (i) increase Tenant's monetary obligations under this Master Lease, (ii) adversely increase Tenant's non-monetary obligations under this Master Lease in any material respect, or (iii) diminish Tenant's rights under this Master Lease in any material respect.

31.2 Attornment. If Landlord's interest in the Leased Property or any portion thereof or interest therein is sold, conveyed or terminated upon the exercise of any remedy provided for in any Facility Mortgage Documents (or in lieu of such exercise), or otherwise by operation of law: (a) at the request and option of the new owner or superior lessor, as the case may be, Tenant shall attorn to and recognize the new owner or superior lessor as Tenant's "landlord" under this Master Lease or enter into a new lease substantially in the form of this Master Lease with the new owner or superior lessor, and Tenant shall take such actions to confirm the foregoing within ten (10) days after request; and (b) the new owner or superior lessor shall not be (i) liable for any act or omission of Landlord under this Master Lease occurring prior to such sale, conveyance or termination; (ii) subject to any offset, abatement or reduction of rent because of any default of Landlord under this Master Lease occurring prior to such sale, conveyance or termination; (iii) bound by any previous modification or amendment to this Master Lease or any previous prepayment of more than one month's rent, unless such modification, amendment or prepayment shall have been approved in writing by such Facility Mortgagee (to the extent such approval was required at the time of such amendment or modification or prepayment under the terms of the applicable Facility Mortgage Documents) or,

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in the case of such prepayment, such prepayment of rent has actually been delivered to such new owner or superior lessor or in either case, such modification, amendment or prepayment occurred before Landlord provided Tenant with notice of the Facility Mortgage and the identity and address of the Facility Mortgagee; or (iv) liable for any security deposit or other collateral deposited or delivered to Landlord pursuant to this Master Lease unless such security deposit or other collateral has actually been delivered to such new owner or superior lessor.

31.3 Compliance with Facility Mortgage Documents. (a) Tenant acknowledges that any Facility Mortgage Documents executed by Landlord or any Affiliate of Landlord may impose certain obligations on the "borrower" or other counterparty thereunder to comply with or cause the operator and/or lessee of a Facility to comply with all representations, covenants and warranties contained therein relating to such Facility and the operator and/or lessee of such Facility, including, covenants relating to (i) the maintenance and repair of such Facility; (ii) maintenance and submission of financial records and accounts of the operation of such Facility and related financial and other information regarding the operator and/or lessee of such Facility and such Facility itself; (iii) the procurement of insurance policies with respect to such Facility; and (iv) without limiting the foregoing, compliance with all applicable Legal Requirements relating to such Facility and the operation of the Business thereof. For so long as any Facility Mortgages encumber the Leased Property or any portion thereof or interest therein, Tenant covenants and agrees, at its sole cost and expense and for the express benefit of Landlord, to operate the applicable Facility(ies) in strict compliance with the terms and conditions of the Facility Mortgage Documents (other than payment of any indebtedness evidenced or secured thereby) and to timely perform all of the obligations of Landlord relating thereto, or to the extent that any of such duties and obligations may not properly be performed by Tenant, Tenant shall cooperate with and assist Landlord in the performance thereof (other than payment of any indebtedness evidenced or secured thereby); provided, however, notwithstanding the foregoing, this Section 31.3(a) shall not be deemed to, and shall not, impose on Tenant obligations which (i) increase Tenant's monetary obligations under this Master Lease, (ii) adversely increase Tenant's non-monetary obligations under this Master Lease in any material respect, or (iii) diminish Tenant's rights under this Master Lease in any material respect. For purposes of the foregoing, any proposed implementation of new financial covenants shall be deemed to diminish Tenant's rights under this Master Lease in a material respect (it being understood that Landlord may agree to such financial covenants in any Facility Mortgage Documents and such financial covenants will not impose obligations on Tenant). If any new Facility Mortgage Documents to be executed by Landlord or any Affiliate of Landlord would impose on Tenant any obligations under this Section 31.3(a), Landlord shall provide copies of the same to Tenant for informational purposes (but not for Tenant's approval) prior to the execution and delivery thereof by Landlord or any Affiliate of Landlord; provided, however, that neither Landlord nor its Affiliates shall enter into any new Facility Mortgage Documents imposing obligations on Tenant with respect to impounds that are more restrictive than obligations imposed on Tenant pursuant to this Master Lease.

(b) Without limiting or expanding Tenant's obligations pursuant to Section 31.3(a), during the Term of this Master Lease, Tenant acknowledges and agrees that, except as expressly provided elsewhere in this Master Lease, it shall undertake at its own cost and expense the performance of any and all repairs, replacements, capital improvements, maintenance items and all other requirements relating to the condition of a Facility that are required by any Facility

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Mortgage Documents or by Facility Mortgagee, and Tenant shall be solely responsible and hereby covenants to fund and maintain any and all impound, escrow or other reserve or similar accounts required under any Facility Mortgage Documents as security for or otherwise relating to any operating expenses of a Facility, including any capital repair or replacement reserves and/or impounds or escrow accounts for taxes or insurance premiums (each a "**Facility Mortgage Reserve Account**"); provided, however, this Section 31.3(b) shall not (i) increase Tenant's monetary obligations under this Master Lease, (ii) adversely increase Tenant's non-monetary obligations under this Master Lease in any material respect, (iii) diminish Tenant's rights under this Master Lease in any material respect, or (iv) impose obligations to fund such reserve or similar accounts in excess of amounts required under this Master Lease in respect of reserve or similar accounts under the circumstances required under this Master Lease; and provided, further, that any amounts which Tenant is required to fund into a Facility Mortgage Reserve Account with respect to satisfaction of any repair or replacement reserve requirements imposed by a Facility Mortgagee or Facility Mortgage Documents shall be credited on a dollar for dollar basis against the mandatory expenditure obligations of Tenant for such applicable Facility(ies) under Section 9.1(e). During the Term of this Master Lease and provided that no Event of Default shall have occurred and be continuing hereunder, Tenant shall, subject to the terms and conditions of such Facility Mortgage Reserve Account and the requirements of the Facility Mortgagee(s) thereunder (and the related Facility Mortgage Documents), have access to and the right to apply or use (including for reimbursement) to the same extent as Landlord all monies held in each such Facility Mortgage Reserve Account for the purposes and subject to the limitations for which such Facility Mortgage Reserve Account is maintained, and Landlord agrees to reasonably cooperate with Tenant in connection therewith. Landlord hereby acknowledges that funds deposited by Tenant in any Facility Mortgage Reserve Account are the property of Tenant and Landlord is obligated to return the portion of such funds not previously released to Tenant within fifteen (15) days following the earlier of (x) the expiration or earlier termination of this Master Lease with respect to such applicable Facility, (y) the maturity or earlier prepayment of the applicable Facility Mortgage and obligations secured thereby, or (z) an involuntary prepayment or deemed prepayment arising out of the acceleration of the amounts due to a Facility Mortgagee or secured under a Facility Mortgage as a result of the exercise of remedies under the applicable Facility Mortgage or Facility Mortgage Documents; provided, however, that the foregoing shall not be deemed or construed to limit or prohibit Landlord's right to bring any damage claim against Tenant for any breach of its obligations under this Master Lease that may have resulted in the loss of any impound funds held by a Facility Mortgagee.

32.1 Hazardous Substances. Tenant shall not allow any Hazardous Substance to be located in, on, under or about the Leased Property or incorporated in any Facility; provided, however, that Hazardous Substances may be brought, kept, used or disposed of in, on or about the Leased Property in quantities and for purposes similar to those brought, kept, used or disposed of in, on or about similar facilities used for purposes similar to the Primary Intended Use or in connection with the construction of facilities similar to the applicable Facility or to the extent in existence at any Facility and which are brought, kept, used and disposed of in strict compliance with Legal Requirements. Tenant shall not allow the Leased Property to be used as a waste disposal site or for the manufacturing, handling, storage, distribution or disposal of any

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Hazardous Substance other than in the ordinary course of the business conducted at the Leased Property and in compliance with applicable Legal Requirements.

32.2 Notices. Tenant shall provide to Landlord, within five (5) Business Days after Tenant's receipt thereof, a copy of any notice, or notification with respect to, (i) any violation of a Legal Requirement relating to Hazardous Substances located in, on, or under the Leased Property or any adjacent property; (ii) any enforcement, cleanup, removal, or other governmental or regulatory action instituted, completed or threatened with respect to the Leased Property; (iii) any claim made or threatened by any Person against Tenant or the Leased Property relating to damage, contribution, cost recovery, compensation, loss, or injury resulting from or claimed to result from any Hazardous Substance; and (iv) any reports made to any federal, state or local environmental agency arising out of or in connection with any Hazardous Substance in, on, under or removed from the Leased Property, including any complaints, notices, warnings or assertions of violations in connection therewith.

32.3 Remediation. If Tenant becomes aware of a violation of any Legal Requirement relating to any Hazardous Substance in, on, under or about the Leased Property or any adjacent property, or if Tenant, Landlord or the Leased Property becomes subject to any order of any federal, state or local agency to repair, close, detoxify, decontaminate or otherwise remediate the Leased Property, Tenant shall immediately notify Landlord of such event and, at its sole cost and expense, cure such violation or effect such repair, closure, detoxification, decontamination or other remediation. If Tenant fails to implement and diligently pursue any such cure, repair, closure, detoxification, decontamination or other remediation, Landlord shall have the right, but not the obligation, to carry out such action and to recover from Tenant all of Landlord's costs and expenses incurred in connection therewith.

32.4 Indemnity. Tenant shall indemnify, defend, protect, save, hold harmless, and reimburse Landlord for, from and against any and all costs, losses (including, losses of use or economic benefit or diminution in value), liabilities, damages, assessments, lawsuits, deficiencies, demands, claims and expenses (collectively, "**Environmental Costs**") (whether or not arising out of third-party claims and regardless of whether liability without fault is imposed, or sought to be imposed, on Landlord) incurred in connection with, arising out of, resulting from or incident to, directly or indirectly, before (except to the extent first discovered after the end of the Term) or during (but not after) the Term or such portion thereof during which the Leased Property is leased to Tenant (i) the production, use, generation, storage, treatment, transporting, disposal, discharge, release or other handling or disposition of any Hazardous Substances from, in, on or about the Leased Property (collectively, "**Handling**"), including the effects of such Handling of any Hazardous Substances on any Person or property within or outside the boundaries of the Leased Property, (ii) the presence of any Hazardous Substances in, on, under or about the Leased Property and (iii) the violation of any Environmental Law. "Environmental Costs" include interest, costs of response, removal, remedial action, containment, cleanup, investigation, design, engineering and construction, damages (including actual and consequential damages) for personal injuries and for injury to, destruction of or loss of property or natural resources, relocation or replacement costs, penalties, fines, charges or expenses, attorney's fees, expert fees, consultation fees, and court costs, and all amounts paid in investigating, defending or settling any of the foregoing.

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Without limiting the scope or generality of the foregoing, Tenant expressly agrees that, in the event of a breach by Tenant in its obligations under this Section 32.4 that is not cured within any applicable cure period, Tenant shall reimburse Landlord for any and all reasonable costs and expenses incurred by Landlord in connection with, arising out of, resulting from or incident to, directly or indirectly, before (with respect to any period of time in which Tenant or its Affiliate was in possession and control of the applicable Leased Property) or during (but not after) the Term or such portion thereof during which the Leased Property is leased to Tenant of the following:

- (a) in investigating any and all matters relating to the Handling of any Hazardous Substances, in, on, from, under or about the Leased Property;
- (b) in bringing the Leased Property into compliance with all Legal Requirements; and
- (c) in removing, treating, storing, transporting, cleaning-up and/or disposing of any Hazardous Substances used, stored, generated, released or disposed of in, on, from, under or about the Leased Property or off-site other than in the ordinary course of the business conducted at the Leased Property and in compliance with applicable Legal Requirements.

If any claim is made by Landlord for reimbursement for Environmental Costs incurred by it hereunder, Tenant agrees to pay such claim promptly, and in any event to pay such claim within sixty (60) calendar days after receipt by Tenant of written notice thereof and any amount not so paid within such sixty (60) calendar day period shall bear interest at the Overdue Rate from the date due to the date paid in full.

32.5 Environmental Inspections. In the event Landlord has a reasonable basis to believe that Tenant is in breach of its obligations under this Article XXXII, Landlord shall have the right, from time to time, during normal business hours and upon not less than five (5) days written notice to Tenant, except in the case of an emergency in which event no notice shall be required, to conduct an inspection of the Leased Property to determine the existence or presence of Hazardous Substances on or about the Leased Property. Landlord shall have the right to enter and inspect the Leased Property, conduct any testing, sampling and analyses it deems necessary and shall have the right to inspect materials brought into the Leased Property. Landlord may, in its discretion, retain such experts to conduct the inspection, perform the tests referred to herein, and to prepare a written report in connection therewith. All reasonable costs and expenses incurred by Landlord under this Section 32.5 shall be paid on demand as Additional Charges by Tenant to Landlord. Failure to conduct an environmental inspection or to detect unfavorable conditions if such inspection is conducted shall in no fashion be intended as a release of any liability for environmental conditions subsequently determined to be associated with or to have occurred during Tenant's tenancy. Tenant shall remain liable

for any environmental condition related to or having occurred during its tenancy regardless of when such conditions are discovered and regardless of whether or not Landlord conducts an environmental inspection at the termination of this Master Lease. The obligations set forth in this Article XXXII shall survive the expiration or earlier termination of this Master Lease.

ARTICLE XXXIII

33.1 Memorandum of Lease. Landlord and Tenant shall enter into one or more short form memoranda of this Master Lease, in form suitable for recording in each county or other applicable location in which the Leased Property is located. Tenant shall pay all costs and expenses of recording any such memorandum and shall fully cooperate with Landlord in removing from record any such memorandum upon the expiration or earlier termination of the Term with respect to the applicable Facility.

33.2 Reserved.

33.3 Tenant Financing. If, in connection with granting any Permitted Leasehold Mortgage or entering into a Debt Agreement, Tenant shall reasonably request (A) reasonable cooperation from Landlord, Landlord shall provide the same at no cost or expense to Landlord, it being understood and agreed that Tenant shall be required to reimburse Landlord for all such costs and expenses so incurred by Landlord, including, but not limited to, its reasonable attorneys' fees, or (B) reasonable amendments or modifications to this Master Lease as a condition thereto, Landlord hereby agrees to execute and deliver the same so long as any such amendments or modifications do not (i) increase Landlord's monetary obligations under this Master Lease, (ii) adversely increase Landlord's non-monetary obligations under this Master Lease in any material respect, (iii) diminish Landlord's rights under this Master Lease in any material respect, (iv) adversely impact the value of the Leased Property or (v) adversely impact Landlord's (or any Affiliate of Landlord's) tax treatment or position.

33.4 Iowa Casino. It is acknowledged and agreed that the Gaming License of Tenant or its Subsidiaries applicable to the Iowa Casino is expected to terminate, lapse or be subject to nonrenewal, and that Tenant and its Subsidiaries will not be permitted to operate the Iowa Casino at and following the time of such termination, lapse or nonrenewal. Accordingly, the parties hereto hereby agree that, notwithstanding anything in this Master Lease to the contrary, the ceasing of operations at the Iowa Casino due to the termination, lapse or nonrenewal of a Gaming License applicable to the Iowa Casino shall not result in any Event of Default, any breach or violation of any provision of this Master Lease, any obligation to sell any assets or property or Gaming License, any obligation to seek to obtain, re-obtain or otherwise acquire or apply for a right or license to operate or manage the Iowa Casino or any other obligation hereunder with respect to the Iowa Casino. Upon the ceasing of operations at the Iowa Casino due to termination, lapse or nonrenewal of a Gaming License applicable to the Iowa Casino, the Rent hereunder shall be automatically reduced in accordance with Section 14.6, effective as of the next monthly installment of Rent following such cessation.

ARTICLE XXXIV

34.1 Expert Valuation Process.

(a) In the event that the opinion of an "Expert" is required under this Master Lease and Landlord and Tenant have not been able to reach agreement on such Person after at least ten (10) days of good faith negotiations, then either party shall each have the right to seek appointment of the Expert by the "Appointing Authority," as defined below, by writing to the

Appointing Authority and asking it to serve as the Appointing Authority and appoint the Expert. The Appointing Authority shall appoint an Expert who is independent of the parties and has at least ten (10) years of experience valuing commercial real estate and/or in leasing or other matters, as applicable with respect to any of the matters to be determined by the Expert.

(b) The "Appointing Authority" shall be (i) the Institute for Conflict Prevention and Resolution (also known as, and shall be defined herein as, the "CPR Institute"), unless it is unable to serve, in which case the Appointing Authority shall be (ii) the American Arbitration Association ("AAA") under its Arbitrator Select Program for non-administered arbitrations or whatever AAA process is in effect at the time for the appointment of arbitrators in cases not administered by the AAA, unless it is unable to serve, in which case (iii) the parties shall have the right to apply to any court of competent jurisdiction to appoint an Appointing Authority or an Expert in accordance with the court's power to appoint arbitrators. The CPR Institute and the AAA shall each be considered unable to serve if it no longer exists, or if it no longer provides neutral appointment services, or if it does not confirm (in form or substance) that it will serve as the Appointing Authority within thirty (30) days after receiving a written request from either Landlord or Tenant to serve as the Appointing Authority, or if, despite agreeing to serve as the Appointing Authority, it does not confirm its Expert appointment within sixty (60) after receiving such written request. The Appointing Authority's appointment of the Expert shall be final and binding upon the parties. The Appointing Authority shall have no power or authority except to appoint the Expert, and no rules of the Appointing Authority shall be applied to the valuation or other determination of the Expert other than the rules necessary for the appointment of the Expert.

(c) Once the Expert is finally selected, either by agreement of the parties or by confirmation to the parties from the Appointing Authority, the Expert will determine the matter in question, by proceeding as follows:

(i) In the case of an Expert required for the purpose of Section 1.4, each of Landlord and Tenant shall have ten (10) days to submit to the Expert its position as to the remaining useful life of the applicable Barge-Based Facility and any materials it wishes the Expert to consider when determining the remaining useful life of the applicable Barge-Based Facility. The Expert, in his or her sole discretion, shall consider any and all materials that he or she deems relevant to making such determination, except that there shall be no live hearings and the parties shall not be permitted to take discovery. The Expert may submit written questions or information requests to the parties, and the parties may respond with written materials within a time frame agreed by the parties or, absent agreement by the parties, set by the Expert. The Expert shall render his or her determination of the remaining useful life of the applicable Barge-Based Facility in writing and it shall be final and binding on the parties.

(ii) In the case of an Expert required for any other purpose, including without limitation under Section 13.2 and Section 36.2(a) hereof, each of Landlord and Tenant shall have a period of ten (10) days to submit to the Expert its position as to the Maximum Foreseeable Loss, as to the replacement cost of the Facilities as of the date of the expiration of this Master Lease and as to the appropriate per annum yield for leases between owners and operators of Gaming Facilities at the time in question (or as to any

other matter to be resolved by an Expert hereunder), as the case may be, and any materials each of Landlord and Tenant wishes the Expert to consider when determining such Maximum Foreseeable Loss, replacement cost of the Facilities and the appropriate per annum yield for leases between owners and operators of Gaming Facilities (or as to any other matter to be resolved by an Expert hereunder), and the Expert will then make the relevant determination, by a "baseball arbitration" proceeding with the Expert limited to awarding only one or the other of the two positions submitted (and not any position in between or other compromise or ruling not consistent with one of the two positions submitted, except that in the case of a determination in respect of a dispute under Section 36.2(a), the Expert in its discretion may choose the position of one party with respect to the replacement cost of the Facilities as of the date of the expiration of this Master Lease and the position of the other party with respect to the appropriate per annum yield for leases between owners and operators of Gaming Facilities at the time in question), which shall then be binding on the parties hereto. The Expert, in his or her sole discretion, shall consider any and all materials that he or she deems relevant, except that there shall be no live hearings and the parties shall not be permitted to take discovery. The Expert may submit written questions or information requests to the parties, and the parties may respond with written materials within a time frame agreed by the parties or, absent agreement by the parties, set by the Expert.

(d) All communications between a party and either the Appointing Authority or the Expert shall also be copied to the other party. The parties shall cooperate in good faith to facilitate the valuation or other determination by the Expert.

(e) The costs of any Appointing Authority or Expert engaged under Section 34.1(c)(i) of this Master Lease shall be shared equally by Landlord and Tenant. If Landlord pays such Expert or Appointing Authority, fifty percent (50%) of such costs shall be Additional Charges hereunder and if Tenant pays such Expert or Appointing Authority, fifty percent (50%) of such costs shall be a credit against the next Rent payment hereunder. The costs of any Appointing Authority or Expert engaged with respect to any issue under Section 34.1(c)(ii) of this Master Lease shall be borne by the party against whom the Expert rules on such issue. If Landlord pays such Expert or Appointing Authority and is the prevailing party, such costs shall be Additional Charges hereunder and if Tenant pays such Expert or Appointing Authority and is the prevailing party, such costs shall be a credit against the next Rent payment hereunder.

ARTICLE XXXV

35.1 Notices. Any notice, request or other communication to be given by any party hereunder shall be in writing and shall be sent by registered or certified mail, postage prepaid and return receipt requested, by hand delivery or express courier service, by facsimile transmission or by an overnight express service to the following address:

To Tenant:	Penn Tenant, LLC c/o Penn National Gaming, Inc. 825 Berkshire Boulevard, Suite 200 Wyomissing, Pennsylvania 19610 Attention: Chief Executive Officer Facsimile: (610) 373-4966
With a copy to: (that shall not constitute notice)	Ballard Spahr LLP 1735 Market Street, 51st Floor Philadelphia, Pennsylvania 19103 Attention: Justin P. Klein, Esq. Facsimile: (215) 864-9166
To Landlord:	GLP Capital, L.P. c/o Gaming and Leisure Properties, Inc. 825 Berkshire Blvd., Suite 400 Wyomissing, Pennsylvania 19610 Attention: Chief Executive Officer Facsimile: (610) 401-2901
And with copy to (which shall not constitute notice):	Pepper Hamilton LLP 300 Two Logan Square Eighteenth and Arch Streets Philadelphia, Pennsylvania 19103 Attention: Barry M. Abelson, Esq. Facsimile: (215) 981-4750

or to such other address as either party may hereafter designate. Notice shall be deemed to have been given on the date of delivery if such delivery is made on a Business Day, or if not, on the first Business Day after delivery. If delivery is refused, Notice shall be deemed to have been given on the date delivery was first attempted. Notice sent by facsimile transmission shall be deemed given upon confirmation that such Notice was received at the number specified above or in a Notice to the sender.

ARTICLE XXXVI

36.1 Transfer of Tenant's Property and Operational Control of the Facilities. Upon the written request (an "End of Term Gaming Asset Transfer Notice") of Landlord either immediately prior to or in connection with the expiration or earlier termination of the Term, or of Tenant in connection with a termination of this Master Lease that occurs (i) either on the last date of the Initial Term or the last date of any Renewal Term, or (ii) in the event Landlord exercises its right to terminate this Master Lease or repossess the Leased Property in accordance with the terms of this Master Lease and, provided that, in each of the foregoing clauses (i) or (ii), Tenant complies with the provisions of Section 36.3, Tenant shall transfer (or cause to be transferred) upon the expiration of the Term, or as soon thereafter as Landlord shall request, the business operations (which will include a two (2) year transition license for

tradenames and trademarks used at the Facilities) conducted by Tenant and its Subsidiaries at the Facilities (including, for the avoidance of doubt, all Tenant's Property relating to each of the Facilities) to a successor lessee or operator (or lessees or operators) of the Facilities (collectively, the "Successor Tenant") designated pursuant to Section 36.2 for consideration to be received by Tenant (or its Subsidiaries) from the Successor Tenant in an amount equal to the fair market value of such business operations (which will include a two (2) year transition license for tradenames and trademarks used at the Facilities) conducted at the Facilities and Tenant's Property (including any Tenant Capital Improvements not funded by Landlord in accordance with Section 10.3) (the "Gaming Assets FMV") as negotiated and agreed by Tenant and the Successor Tenant; provided, however, that in the event an End of Term Gaming Asset Transfer Notice is delivered hereunder, then notwithstanding the expiration or earlier termination of the Term, until such time that Tenant transfers the business operations (which will include a two (2) year transition license for tradenames and trademarks used at the Facilities) conducted at the Facilities and Tenant's Property to a Successor Tenant, Tenant shall (or shall cause its Subsidiaries to) continue to (and Landlord shall permit Tenant to maintain possession of the Leased Property to the extent necessary to) operate the Facilities in accordance with the applicable terms of this Master Lease and the course and manner in which Tenant (or its Subsidiaries) has operated the Facilities prior to the end of the Term (including, but not limited to, the payment of Rent hereunder). If Tenant and a potential Successor Tenant designated by Landlord cannot agree on the Gaming Assets FMV within a reasonable time not to exceed thirty (30) days after receipt of an End of Term Gaming Asset Transfer Notice hereunder, then such Gaming Assets FMV shall be determined, and Tenant's transfer of Tenant's Property to a Successor Tenant in consideration for a payment in such amount shall be determined and transferred, in accordance with the provisions of Section 36.2.

36.2 Determination of Successor Lessee and Gaming Assets FMV.

If not effected pursuant to Section 36.1, then the determination of the Gaming Assets FMV and the transfer of Tenant's Property to a Successor Tenant in consideration for the Gaming Assets FMV shall be effected by (i) first, determining in accordance with Section 36.2(a) the rent that Landlord would be entitled to receive from Successor Tenant assuming a lease term of ten (10) years (the "Successor Tenant Rent") pursuant to a lease agreement containing substantially the same terms and conditions of this Master Lease (other than, in the case of a new lease at the end of the final Renewal Term, the terms of this Article XXXVI, which will not be included in such new lease), (ii) second, identifying and designating in accordance with the terms of Section 36.2(b), a pool of qualified potential Successor Tenants (each, a "Qualified Successor Tenant") prepared to lease the Facilities at the Successor Tenant Rent and to bid for the business operations (which will include a two (2) year transition license for tradenames and trademarks used at the Facilities) conducted at the Facilities and Tenant's Property, and (iii) third, in accordance with the terms of Section 36.2(c), determining the highest price a Qualified Successor Tenant would agree to pay for Tenant's Property and setting such highest price as the Gaming Assets FMV in exchange for which Tenant shall be required to transfer Tenant's Property and Landlord will enter into a lease with such Qualified Successor Tenant on substantially the same terms and conditions of this Master Lease (other than, in the case of a new lease at the end of the final Renewal Term, the terms of this Article XXXVI, which will not be included in such new lease) through the remaining term of this Master Lease (assuming that this Master Lease will not have terminated prior to its natural expiration at the

end of the final Renewal Term) or ten (10) years, whichever is greater for a rent calculated pursuant to Section 36.2(a) hereof. Notwithstanding anything in the contrary in this Article XXXVI, the transfer of Tenant's Property will be conditioned upon the approval of the applicable regulatory agencies of the transfer of the Gaming Licenses and any other gaming assets to the Successor Tenant and/or the issuance of new gaming licenses as required by applicable Gaming Regulations and the relevant regulatory agencies both with respect to operating and suitability criteria, as the case may be.

(a) **Determining Successor Tenant Rent.** Landlord and Tenant shall first attempt to agree on the amount of Successor Tenant Rent that it will be assumed Landlord will be entitled to receive for a term of ten (10) years and pursuant to a lease containing substantially the same terms and conditions of this Master Lease (other than, in the case of a new lease at the end of the final Renewal Term, the terms of this Article XXXVI, which will not be included in such new lease). If Landlord and Tenant cannot agree on the Successor Tenant Rent amount within a reasonable time not to exceed sixty (60) days after receipt of an End of Term Gaming Asset Transfer Notice hereunder, then the Successor Tenant Rent shall be set as follows:

(i) for the period preceding the last day of the calendar month in which the thirty-fifth (35th) anniversary of the Commencement Date occurs, then the annual Successor Tenant Rent shall be an amount equal to the annual Rent that would have accrued under the terms of this Master Lease for such period (assuming the Master Lease will have not been terminated prior to its natural expiration); and

(ii) for the period following the last day of the calendar month in which the thirty-fifth (35th) anniversary of the Commencement Date occurs, then the Successor Tenant Rent shall be calculated in the same manner as Rent is calculated under this Master Lease (and based on the average Net Revenues for the trailing five (5) year period), except that the annual Building Base Rent component of Base Rent shall be the product of (a) the replacement cost of the Facilities as of the date of expiration of this Master Lease as determined by an Expert pursuant to Section 34.1(c)(ii), and (b) an appropriate per annum yield for leases between owners and operators of Gaming Facilities at the time in question as determined by an Expert pursuant to Section 34.1(c)(ii).

(b) **Designating Potential Successor Tenants.** Landlord will select one and Tenant will select three (for a total of up to four) potential Qualified Successor Tenants prepared to lease the Facilities for the Successor Tenant Rent, each of whom must meet the criteria established for a Discretionary Transferee (and none of whom may be Tenant or an Affiliate of Tenant (it being understood and agreed that there shall be no restriction on Landlord or any Affiliate of Landlord from being a potential Qualified Successor Tenant), except in the case of termination of the Master Lease on the last day of the calendar month in which the thirty-fifth (35th) anniversary of the Commencement Date occurs). Landlord and Tenant must designate their

proposed Qualified Successor Tenants within ninety (90) days after receipt of an End of Term Gaming Asset Transfer Notice hereunder. In the event that Landlord or Tenant fails to designate such party's allotted number of potential Qualified Successor Tenants, the other party may designate additional potential Qualified Successor Tenants such that the total number of potential Qualified Successor Tenants does not exceed four; provided that, in the event the total

number of potential Qualified Successor Tenants is less than four, the transfer process will still proceed as set forth in Section 36.2(c) below.

(c) **Determining Gaming Assets FMV.** Tenant will have a three (3) month period to negotiate an acceptable sales price for Tenant's Property with one of the Qualified Successor Tenants, which three (3) month period will commence immediately upon the conclusion of the steps set forth above in Section 36.2(b). If Tenant does not reach an agreement prior to the end of such three (3) month period, Landlord shall conduct an auction for Tenant's Property among the four potential successor lessees, and Tenant will be required to transfer Tenant's Property to the highest bidder.

36.3 Operation Transfer. Upon designation of a Successor Tenant (pursuant to either Section 36.1 or 36.2, as the case may be), Tenant shall reasonably cooperate and take all actions reasonably necessary (including providing all reasonable assistance to Successor Tenant) to effectuate the transfer of operational control of the Facilities to Successor Tenant in an orderly manner so as to minimize to the maximum extent possible any disruption to the continued orderly operation of the Facilities for its Primary Intended Use. Notwithstanding the expiration or earlier termination of the Term and anything to the contrary herein, unless Landlord consents to the contrary, until such time that Tenant transfers Tenant's Property and operational control of the Facilities to a Successor Tenant in accordance with the provisions of this Article XXXVI, Tenant shall (or shall cause its Subsidiaries to) continue to (and Landlord shall permit Tenant to maintain possession of the Leased Property to the extent necessary to) operate the Facilities in accordance with the applicable terms of this Master Lease and the course and manner in which Tenant (or its Subsidiaries) has operated the Facilities prior to the end of the Term (including, but not limited to, the payment of Rent hereunder). Concurrently with the transfer of Tenant's Property to Successor Tenant, Landlord and Successor Tenant shall execute a new master lease in accordance with the terms as set forth in the final clause of the first sentence of Section 36.2 hereof.

ARTICLE XXXVII

37.1 Attorneys' Fees. If Landlord or Tenant brings an action or other proceeding against the other to enforce or interpret any of the terms, covenants or conditions hereof or any instrument executed pursuant to this Master Lease, or by reason of any breach or default hereunder or thereunder, the party prevailing in any such action or proceeding and any appeal thereupon shall be paid all of its costs and reasonable outside attorneys' fees incurred therein. In addition to the foregoing and other provisions of this Master Lease that specifically require Tenant to reimburse, pay or indemnify against Landlord's attorneys' fees, Tenant shall pay, as Additional Charges, all of Landlord's reasonable outside attorneys' fees incurred in connection with the enforcement of this Master Lease (except to the extent provided above), including reasonable attorneys' fees incurred in connection with the review, negotiation or documentation of any subletting, assignment, or management arrangement or any consent requested in connection therewith, and the collection of past due Rent.

ARTICLE XXXVIII

38.1 Brokers. Tenant warrants that it has not had any contact or dealings with any Person or real estate broker which would give rise to the payment of any fee or brokerage commission in connection with this Master Lease, and Tenant shall indemnify, protect, hold harmless and defend Landlord from and against any liability with respect to any fee or brokerage commission arising out of any act or omission of Tenant. Landlord warrants that it has not had any contact or dealings with any Person or real estate broker which would give rise to the payment of any fee or brokerage commission in connection with this Master Lease, and Landlord shall indemnify, protect, hold harmless and defend Tenant from and against any liability with respect to any fee or brokerage commission arising out of any act or omission of Landlord.

ARTICLE XXXIX

39.1 Anti-Terrorism Representations. Tenant hereby represents and warrants that neither Tenant, nor, to the knowledge of Tenant, any persons or entities holding any legal or beneficial interest whatsoever in Tenant, are (i) the target of any sanctions program that is established by Executive Order of the President or published by the Office of Foreign Assets Control, U.S. Department of the Treasury ("OFAC"); (ii) designated by the President or OFAC pursuant to the Trading with the Enemy Act, 50 U.S.C. App. § 5, the International Emergency Economic Powers Act, 50 U.S.C. §§ 1701-06, the Patriot Act, Public Law 107-56, Executive Order 13224 (September 23, 2001) or any Executive Order of the President issued pursuant to such statutes; or (iii) named on the following list that is published by OFAC: "List of Specially Designated Nationals and Blocked Persons" (collectively, "**Prohibited Persons**"). Tenant hereby represents and warrants to Landlord that no funds tendered to Landlord by Tenant under the terms of this Master Lease are or will be directly or indirectly derived from activities that may contravene U.S. federal, state or international laws and regulations, including anti-money laundering laws. If the foregoing representations are untrue at any time during the Term and Landlord suffers actual damages as a result thereof, an Event of Default will be deemed to have occurred, without the necessity of notice to Tenant.

Tenant will not during the Term of this Master Lease knowingly engage in any transactions or dealings, or knowingly be otherwise associated with, any Prohibited Persons in connection with the use or occupancy of the Leased Property. A breach of the representations contained in this Section 39.1 by Tenant as a result of which Landlord suffers actual damages shall constitute a material breach of this Master Lease and shall entitle Landlord to any and all remedies available hereunder, or at law or in equity.

ARTICLE XL

40.1 GLP REIT Protection. (a) The parties hereto intend that Rent and other amounts paid by Tenant hereunder will qualify as "rents from real property" within the meaning of Section 856(d) of the Code, or any similar or successor provision thereto and this Agreement shall be interpreted consistent with this intent.

(b) Anything contained in this Master Lease to the contrary notwithstanding, Tenant shall not without Landlord's advance written consent (which consent shall not be

unreasonably withheld) (i) sublet, assign or enter into a management arrangement for the Leased Property on any basis such that the rental or other amounts to be paid by the subtenant, assignee or manager thereunder would be based, in whole or in part, on either (x) the income or profits derived by the business activities of the subtenant, assignee or manager or (y) any other formula such that any portion of any amount received by Landlord would fail to qualify as “rents from real property” within the meaning of Section 856(d) of the Code, or any similar or successor provision thereto; (ii) furnish or render any services to the subtenant, assignee or manager or manage or operate the Leased Property so subleased, assigned or managed; (iii) sublet, assign or enter into a management arrangement for the Leased Property to any Person (other than a “taxable REIT subsidiary” (within the meaning of Section 856(l) of the Code) of GLP) in which Tenant, Landlord or GLP owns an interest, directly or indirectly (by applying constructive ownership rules set forth in Section 856(d)(5) of the Code); or (iv) sublet, assign or enter into a management arrangement for the Leased Property in any other manner which could cause any portion of the amounts received by Landlord pursuant to this Master Lease or any sublease to fail to qualify as “rents from real property” within the meaning of Section 856(d) of the Code, or any similar or successor provision thereto, or which could cause any other income of Landlord to fail to qualify as income described in Section 856(c)(2) of the Code. The requirements of this Section 40.1(b) shall likewise apply to any further subleasing by any subtenant.

(c) Anything contained in this Master Lease to the contrary notwithstanding, the parties acknowledge and agree that Landlord, in its sole discretion, may assign this Master Lease or any interest herein to another Person (including without limitation, a “taxable REIT subsidiary” (within the meaning of Section 856(l) of the Code)) in order to maintain Landlord’s status as a “real estate investment trust” (within the meaning of Section 856(a) of the Code); provided, however, Landlord shall be required to (i) comply with any applicable legal requirements related to such transfer and (ii) give Tenant notice of any such assignment; and provided, further, that any such assignment shall be subject to all of the rights of Tenant hereunder.

(d) Anything contained in this Master Lease to the contrary notwithstanding, upon request of Landlord, Tenant shall cooperate with Landlord in good faith and at no cost or expense to Tenant, and provide such documentation and/or information as may be in Tenant’s possession or under Tenant’s control and otherwise readily available to Tenant as shall be reasonably requested by Landlord in connection with verification of GLP’s “real estate investment trust” (within the meaning of Section 856(a) of the Code) compliance requirements. Anything contained in this Master Lease to the contrary notwithstanding, Tenant shall take such reasonable action as may be requested by Landlord from time to time in order to ensure compliance with the Internal Revenue Service requirement that Rent allocable for purposes of Section 856 of the Code to personal property, if any, at the beginning and end of a calendar year does not exceed fifteen percent (15%) of the total Rent due hereunder as long as such compliance does not (i) increase Tenant’s monetary obligations under this Master Lease or (ii) materially and adversely increase Tenant’s nonmonetary obligations under this Master Lease or (iii) materially diminish Tenant’s rights under this Master Lease.

ARTICLE XLI

41.1 Survival. Anything contained in this Master Lease to the contrary notwithstanding, all claims against, and liabilities and indemnities of Tenant or Landlord arising prior to the expiration or earlier termination of the Term shall survive such expiration or termination.

41.2 Severability. If any term or provision of this Master Lease or any application thereof shall be held invalid or unenforceable, the remainder of this Master Lease and any other application of such term or provision shall not be affected thereby.

41.3 Non-Recourse. Tenant specifically agrees to look solely to the Leased Property for recovery of any judgment from Landlord (and Landlord’s liability hereunder shall be limited solely to its interest in the Leased Property, and no recourse under or in respect of this Master Lease shall be had against any other assets of Landlord whatsoever). It is specifically agreed that no constituent partner in Landlord or officer or employee of Landlord shall ever be personally liable for any such judgment or for the payment of any monetary obligation to Tenant. The provision contained in the foregoing sentence is not intended to, and shall not, limit any right that Tenant might otherwise have to obtain injunctive relief against Landlord, or any action not involving the personal liability of Landlord. Furthermore, except as otherwise expressly provided herein, in no event shall Landlord ever be liable to Tenant for any indirect or consequential damages suffered by Tenant from whatever cause.

41.4 Successors and Assigns. This Master Lease shall be binding upon Landlord and its successors and assigns and, subject to the provisions of Article XXII, upon Tenant and its successors and assigns.

41.5 Governing Law. THIS MASTER LEASE WAS NEGOTIATED IN THE STATE OF NEW YORK, WHICH STATE THE PARTIES AGREE HAS A SUBSTANTIAL RELATIONSHIP TO THE PARTIES AND TO THE UNDERLYING TRANSACTION EMBODIED HEREBY. ACCORDINGLY, IN ALL RESPECTS THIS MASTER LEASE (AND ANY AGREEMENT FORMED PURSUANT TO THE TERMS HEREOF) SHALL BE GOVERNED BY, AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE STATE OF NEW YORK (WITHOUT REGARD TO PRINCIPLES OR CONFLICTS OF LAW) AND ANY APPLICABLE LAWS OF THE UNITED STATES OF AMERICA, EXCEPT THAT ALL PROVISIONS HEREOF RELATING TO THE CREATION OF THE LEASEHOLD ESTATE AND ALL REMEDIES SET FORTH IN ARTICLE XVI RELATING TO RECOVERY OF POSSESSION OF THE LEASED PROPERTY OF ANY FACILITY (SUCH AS AN ACTION FOR UNLAWFUL DETAINER, IN REM ACTION OR OTHER SIMILAR ACTION) SHALL BE CONSTRUED AND ENFORCED ACCORDING TO, AND GOVERNED BY, THE LAWS OF THE STATE IN WHICH THE LEASED PROPERTY IS LOCATED.

41.6 Waiver of Trial by Jury. EACH OF LANDLORD AND TENANT ACKNOWLEDGES THAT IT HAS HAD THE ADVICE OF COUNSEL OF ITS CHOICE WITH RESPECT TO ITS RIGHTS TO TRIAL BY JURY UNDER THE CONSTITUTION OF THE UNITED STATES AND THE STATE. EACH OF LANDLORD AND TENANT

HEREBY EXPRESSLY WAIVES ANY RIGHT TO TRIAL BY JURY OF ANY CLAIM, DEMAND, ACTION OR CAUSE OF ACTION (i) ARISING UNDER THIS MASTER LEASE (OR ANY AGREEMENT FORMED PURSUANT TO THE TERMS HEREOF) OR (ii) IN ANY MANNER CONNECTED WITH OR RELATED OR INCIDENTAL TO THE DEALINGS OF LANDLORD AND TENANT WITH RESPECT TO THIS MASTER LEASE (OR ANY AGREEMENT FORMED PURSUANT TO THE TERMS HEREOF) OR ANY OTHER INSTRUMENT, DOCUMENT OR AGREEMENT EXECUTED OR DELIVERED IN CONNECTION HERewith, OR THE TRANSACTIONS RELATED HERETO OR THERETO, IN EACH CASE WHETHER NOW EXISTING OR HEREINAFTER ARISING, AND WHETHER SOUNDING IN CONTRACT OR TORT OR OTHERWISE; EACH OF LANDLORD AND TENANT HEREBY AGREES AND CONSENTS THAT ANY SUCH CLAIM, DEMAND, ACTION OR CAUSE OF ACTION SHALL BE DECIDED BY A COURT TRIAL WITHOUT A JURY, AND THAT EITHER PARTY MAY FILE A COPY OF THIS SECTION WITH ANY COURT AS CONCLUSIVE EVIDENCE OF THE CONSENT OF EACH SUCH PARTY TO THE WAIVER OF ITS RIGHT TO TRIAL BY JURY.

41.7 Entire Agreement. This Master Lease and the Exhibits and Schedules hereto constitute the entire and final agreement of the parties with respect to the subject matter hereof, and may not be changed or modified except by an agreement in writing signed by the parties and, with respect to the provisions set forth in Section 40.1, no such change or modification shall be effective without the explicit reference to such section by number and paragraph. Landlord and Tenant hereby agree that all prior or contemporaneous oral understandings, agreements or negotiations relative to the leasing of the Leased Property are merged into and revoked by this Master Lease.

41.8 Headings. All titles and headings to sections, subsections, paragraphs or other divisions of this Master Lease are only for the convenience of the parties and shall not be construed to have any effect or meaning with respect to the other contents of such sections, subsections, paragraphs or other divisions, such other content being controlling as to the agreement among the parties hereto.

41.9 Counterparts. This Master Lease may be executed in any number of counterparts, each of which shall be a valid and binding original, but all of which together shall constitute one and the same instrument.

41.10 Interpretation. Both Landlord and Tenant have been represented by counsel and this Master Lease and every provision hereof has been freely and fairly negotiated. Consequently, all provisions of this Master Lease shall be interpreted according to their fair meaning and shall not be strictly construed against any party.

41.11 Time of Essence. TIME IS OF THE ESSENCE OF THIS MASTER LEASE AND EACH PROVISION HEREOF IN WHICH TIME OF PERFORMANCE IS ESTABLISHED.

41.12 Further Assurances. The parties agree to promptly sign all documents reasonably requested to give effect to the provisions of this Master Lease. In addition, Landlord agrees to, at Tenant's sole cost and expense, reasonably cooperate with all applicable gaming

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authorities in connection with the administration of their regulatory jurisdiction over Tenant's Parent, Tenant and its Subsidiaries, including the provision of such documents and other information as may be requested by such gaming authorities relating to Tenant or any of its Subsidiaries or to this Master Lease and which are within Landlord's reasonable control to obtain and provide.

41.13 Gaming Regulations. (a) Notwithstanding anything to the contrary in this Master Lease, this Master Lease and any agreement formed pursuant to the terms hereof are subject to the Gaming Regulations and the laws involving the sale, distribution and possession of alcoholic beverages (the "**Liquor Laws**"). Without limiting the foregoing, each of Tenant, Landlord, and each of Tenant's or Landlord's successors and assigns acknowledges that (i) it is subject to being called forward by the gaming authority or governmental authority enforcing the Liquor Laws (the "**Liquor Authority**"), in each of their discretion, for licensing or a finding of suitability or to file or provide other information, and (ii) all rights, remedies and powers under this Master Lease and any agreement formed pursuant to the terms hereof, including with respect to the entry into and ownership and operation of the Gaming Facilities, and the possession or control of gaming equipment, alcoholic beverages or a gaming or liquor license, may be exercised only to the extent that the exercise thereof does not violate any applicable provisions of the Gaming Regulations and Liquor Laws and only to the extent that required approvals (including prior approvals) are obtained from the requisite governmental authorities.

(b) Notwithstanding anything to the contrary in this Master Lease or any agreement formed pursuant to the terms hereof, each of Tenant, Landlord, and each of Tenant's or Landlord's successors and assigns agrees to cooperate with each gaming authority and each Liquor Authority in connection with the administration of their regulatory jurisdiction over the parties hereto, including, without limitation, the provision of such documents or other information as may be requested by any such gaming authorities and/or Liquor Authorities relating to Tenant, Landlord, Tenant's or Landlord's successors and assigns or to this Master Lease or any agreement formed pursuant to the terms hereof.

41.14 Certain Provisions of Nevada Law. Pursuant to Section 108.234 of the Nevada Revised Statutes (as amended or supplemented from time to time, "**NRS**"), to the extent the Leased Property is located in Nevada, Landlord hereby informs Tenant that Tenant must comply with the requirements of NRS § 108.2403 and NRS § 108.2407. Tenant shall (a) take all actions necessary under laws of the State of Nevada to ensure that no liens encumbering Landlord's interest in the Leased Property located in Nevada arise as a result of Capital Improvements by Tenant, which actions shall include, without limitation, the recording of a notice of posted security in the Office of the County Recorder of Clark County, Nevada, in accordance with NRS § 108.2403(1)(a), and (b) either (i) establish a construction disbursement account pursuant to NRS § 108.2403(1)(b)(1), or (ii) furnish and record, in accordance with NRS § 108.2403(1)(b)(2), a surety bond for the prime contract for such Capital Improvements at such Leased Property that meets the requirements of NRS § 108.2415. Tenant shall notify Landlord of the name and address of Tenant's prime contractor who will be performing such Capital Improvements as soon as it is known. Tenant shall notify Landlord immediately upon the signing of any contract with the prime contractor for such Capital Improvements or other construction, alteration or repair of any portion of such Leased Property or any improvements to such Leased Property. Tenant may not enter such Leased Property to begin any alteration or

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other work in such Leased Property until Tenant has delivered evidence satisfactory to Landlord that Tenant has complied with the terms of this Section 41.14. Failure by Tenant to comply with the terms of this Section 41.14 shall permit Landlord to declare an Event of Default. Further, Landlord shall

IN WITNESS WHEREOF, this Master Lease has been executed by Landlord and Tenant as of the date first written above.

LANDLORD:

GLP CAPITAL, L.P.

By: Gaming and Leisure Properties, Inc., its general partner

By: /s/ William J. Clifford
 Name: William J. Clifford
 Title: CFO, Secretary and Treasurer

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TENANT:

PENN TENANT, LLC

By: /s/ Robert S. Ippolito
 Name: Robert S. Ippolito
 Title: Secretary and Treasurer
 of Penn National Gaming, its managing member

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EXHIBIT A

LIST OF FACILITIES

Facility Name	Facility Address	Use
Argosy Casino Alton (excluding riverboat)	#1 Piasa Street Alton, Illinois	Dockside Gaming
Argosy Casino Riverside	777 Argosy Parkway Riverside, Missouri	Dockside Gaming
Argosy Casino Sioux City (excluding riverboat and property listed on Schedule 1.1 paragraph 2)	100 Larson Park Road Sioux City, Iowa	Dockside Gaming
Boomtown Casino (excluding Skrmetta Ground Lease property)	676 Bayview Avenue Biloxi, Mississippi	Dockside Gaming
Hollywood Casino Aurora (excluding property listed on Schedule 1.1 paragraph 3)	1 W. New York Street Aurora, Illinois	Dockside Gaming
Hollywood Casino Bangor	500 Main Street Bangor, Maine	Land-based Gaming and Harness Racing
Hollywood Casino Bay St. Louis	711 Hollywood Blvd. Bay St. Louis, Mississippi	Land-based Gaming
Hollywood Casino at Charles Town Races	750 Hollywood Drive Charles Town, West Virginia	Land-based Gaming and Thoroughbred Racing
Hollywood Casino Columbus	200 Georgesville Road Columbus, Ohio	Land-based Gaming
Hollywood Casino Joliet	777 Hollywood Blvd. Joliet, Illinois	Dockside gaming
Hollywood Casino Lawrenceburg	777 Hollywood Blvd.	Dockside Gaming

(excluding employee parking lease)	Lawrenceburg, Indiana	
Hollywood Casino Penn National Race Course	777 Hollywood Blvd. Grantville, Pennsylvania	Land-based Gaming and Thoroughbred Racing
Hollywood Casino St. Louis	777 Casino Center Drive Maryland Heights, Missouri	Dockside Gaming
Hollywood Casino Toledo	1968 Miami Street Toledo, Ohio	Land-based Gaming
Hollywood Casino Tunica	1150 Casino Strip Resort Blvd. Robinsonville, Mississippi	Dockside Gaming
M Resort Spa Casino (excluding Simon Ground	12300 Las Vegas Blvd. South	Land-based Gaming

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Lease property)	Henderson, Nevada	
Zia Park Casino (excluding property listed on Schedule 1.1 paragraph 1)	3901 West Millen Drive Hobbs, New Mexico	Land-based Gaming and Thoroughbred Racing

DEVELOPMENT FACILITIES

Facility Name	Facility Address	Use
Hollywood Gaming at Dayton Raceway	4701 Wagner Ford Road Dayton, Ohio	Land-based Gaming and Harness Racing
Hollywood Gaming at Mahoning Valley Race Course	655 North Canfield-Niles Road Youngstown, Ohio	Land-based Gaming and Thoroughbred Racing

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EXHIBIT B

LEGAL DESCRIPTIONS

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EXHIBIT C

TERMS OF DEVELOPMENT FACILITIES

Landlord and Tenant have agreed to jointly fund and develop a video lottery terminal (“VLT”) and horse racing facility in Youngstown, Ohio (the “**Youngstown Project**”) and a VLT and horse racing facility in Dayton, Ohio (the “**Dayton Project**” and, together with the Youngstown Project, the “**Projects**”).

Tenant or a subsidiary of Tenant will act as construction agent and will oversee the construction, development and operation of the Projects. Such construction agent or agents will also coordinate and supervise the equipping and furnishing of the Projects (at Tenant’s expense), including the purchase of all gaming-related furniture, fixtures and equipment. Tenant will be responsible for all relocation fees and VLT license fees associated with the Projects. Upon completion of construction, Tenant or a subsidiary of Tenant will be solely responsible for the operation of the Projects as VLT and horse racing facilities.

Landlord will be responsible for all costs associated with Project improvements (solely to the extent such would constitute Leased Property under this Master Lease), subject to compliance with applicable budget and specification restrictions. Effective as of the applicable Development Facility Commencement Date, all Land, Leased Improvements and Fixtures related to such Project (and all easements, rights and appurtenances relating thereto) shall be added to the Leased Property demised under this Master Lease and Exhibit B will be amended to include a description of such property. To the extent any of the real property relating to the Projects is leased by Landlord from a third party and subleased by Landlord to Tenant as Leased Property under this Master Lease, and subsequent to such sublease, Landlord acquires ownership of such real property, then Landlord and Tenant shall cooperate and take actions to ensure that such owned real property is leased to Tenant as Leased Property under this Master Lease. Rent will be adjusted as contemplated in the Master Lease with respect to such Land, Leased Improvements and Fixtures added to the Leased Property, to reflect the calculation of Rent from and after the date such Land, Leased Improvements and Fixtures are added to Leased Property as if such Land, Leased Improvements and Fixtures relating to such Project constituted Leased Property at the Commencement Date. Such Rent adjustments will consist of increases to Building Base Rent, Land Base Rent and Percentage Rent reflective of the Development Facilities.

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EXHIBIT D

GAMING LICENSES

Licensed Entity	Leased Property	State	Regulatory Authority	Regulatory Agency Address	Type of License
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
Alton Casino, LLC	Alton Belle Casino	IL	Illinois Gaming Board	160 N. LaSalle, 3rd Floor Chicago, IL 60601 312.814.4710	Riverboat Gaming License
HC Joliet, LLC	Hollywood Casino Joliet	IL	Illinois Gaming Board	See above	Riverboat Gaming License
HC Aurora, LLC	Hollywood Casino Aurora	IL	Illinois Gaming Board	See above	Riverboat Gaming License
Indiana Gaming Company, LLC	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
HC Bangor, LLC	Hollywood Slots, Hotel & Raceway	ME	Maine Harness Racing Commission	28 State House Station Augusta, Maine 04333-0028 207.287.3221	Live Racing
HC Bangor, LLC	Hollywood Slots, Hotel & Raceway	ME	Maine Gambling Control Board	45 Commerce Drive 87 SHS Augusta, Maine 04333-0087 207.626.3900	Slot Operator License
St. Louis Gaming Ventures, LLC	Hollywood Casino St. Louis	MO	Missouri Gaming Commission	3417 Knipp Drive Jefferson City, MO 65109 573.526.4080	Class B Gaming License
The Missouri Gaming Company, LLC	Argosy Riverside Casino	MO	Missouri Gaming Commission	See above	Class B Gaming License
BSLO, LLC	Hollywood Casino Bay St. Louis	MS	Mississippi Gaming Commission	See above	Gaming License
BTN, LLC	Boomtown Casino Biloxi	MS	Mississippi Gaming Commission	See above	Gaming License
HWCC-Tunica, LLC	Hollywood Casino Tunica	MS	Mississippi Gaming Commission	620 North Street Suite 200 Jackson, MS 39202 601.576.3800	Gaming License

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Licensed Entity	Leased Property	State	Regulatory Authority	Regulatory Agency Address	Type of License
Zia Park, LLC	Zia Park	NM	New Mexico Gaming Control Board	4900 Alameda Boulevard NE Suite A Albuquerque, NM 87113 505.841.9700	Operator License
Zia Park, LLC	Zia Park	NM	Racing Commission of the State of NM	See above	Simulcast License
Zia Park, LLC	Zia Park	NM	Racing Commission of the State of NM	See above	Horse Race License
LVGV, LLC	M Resort Spa Casino	NV	Nevada Gaming Commission	1819 College Parkway Carson City, NV 89706	Gaming License
Central Ohio Gaming Ventures, Inc.	Hollywood Casino Columbus	OH	Ohio Casino Control Commission	10 West Broad Street, 6th Floor Columbus OH, 43215	Gaming License
Toledo Gaming Ventures, LLC	Hollywood Casino Toledo	OH	Ohio Casino Control Commission	See above	Gaming License
Mountainview Thoroughbred Racing Association, LLC	Hollywood Casino at Penn National Race Course	PA	Pennsylvania Gaming Control Board	PO Box 69060 Harrisburg, PA 17106-9060 717.346.8300	Gaming License
Mountainview Thoroughbred Racing Association, LLC	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
PNGI Charles Town Gaming, LLC	Charles Town Races & Slots	WV	West Virginia Racing Commission	310 Lee Road Follansbee, WV 26037 304.558.2150	Racing License
PNGI Charles Town Gaming, LLC	Charles Town Races & Slots	WV	West Virginia Lottery Commission	312 MacCorkle Avenue, S.E. Charleston, WV 25327 304.558.0500	Video Lottery Operator License

EXHIBIT E**FORM OF GUARANTY**

This **GUARANTY OF MASTER LEASE** (this "**Guaranty**"), is made and entered into as of the _____ day of _____, 201 by and between Penn National Gaming, Inc., a Pennsylvania corporation, _____, a _____ and _____, a _____ (each, "**Guarantor**", and collectively, the "**Guarantors**"), and GLP Capital, L.P. ("**Landlord**").

RECITALS

A. Landlord and Penn Tenant, LLC ("**Tenant**") have entered into that certain Master Lease dated of even date herewith (as may be amended, restated, supplemented, waived or otherwise modified from time to time, the "**Master Lease**"). All capitalized terms used and not otherwise defined herein shall have the same meanings given such terms in the Master Lease.

B. Each Guarantor is an affiliate of the Tenant, will derive substantial benefits from the Master Lease and acknowledges and agrees that this Guaranty is given in accordance with the requirements of the Master Lease and that Landlord would not have been willing to enter into the Master Lease unless such Guarantor was willing to execute and deliver this Guaranty.

AGREEMENTS

NOW, THEREFORE, in consideration of Landlord entering into the Master Lease with Tenant, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each Guarantor agrees as follows:

1. **Guaranty.** In consideration of the benefit derived or to be derived by it therefrom, as to the Master Lease, from and after the Commencement Date thereof, each Guarantor hereby unconditionally and irrevocably guarantees, as a primary obligor and not merely as a surety, (i) the payment when due of all Rent and all other sums payable by Tenant under the Master Lease, and (ii) the faithful and prompt performance when due of each and every one of the terms, conditions and covenants to be kept and performed by Tenant and its Affiliates under the Master Lease, including without limitation all indemnification obligations, insurance obligations, and all obligations to operate, rebuild, restore or replace any facilities or improvements now or hereafter located on the Leased Property covered by the Master Lease (collectively, the "**Obligations**"). In the event of the failure of Tenant to pay any such Rent or other sums, or to render any other performance required of Tenant and its Affiliates under the Master Lease, when due or within any applicable cure period, each Guarantor shall forthwith perform or cause to be performed all provisions of the Master Lease to be performed by Tenant and its Affiliates thereunder, and pay all reasonable costs of collection or enforcement and other damages that may result from the non-performance thereof to the full extent provided under the Master Lease. As to the Obligations, each Guarantor's liability under this Guaranty is without limit except as provided in Section 12 hereof. Each Guarantor agrees that its guarantee provided herein constitutes a guarantee of payment when due and not of collection.

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2. **Survival of Obligations.** The obligations of each Guarantor under this Guaranty shall survive and continue in full force and effect notwithstanding:

- (a) any amendment, modification, or extension of the Master Lease pursuant to its terms;
- (b) any compromise, release, consent, extension, indulgence or other action or inaction in respect of any terms of the Master Lease or any other guarantor;
- (c) any substitution or release, in whole or in part, of any security for this Guaranty which Landlord may hold at any time;
- (d) any exercise or non-exercise by Landlord of any right, power or remedy under or in respect of the Master Lease or any security held by Landlord with respect thereto, or any waiver of any such right, power or remedy;
- (e) any bankruptcy, insolvency, reorganization, arrangement, adjustment, composition, liquidation, or the like of Tenant or any other guarantor;
- (f) any limitation of Tenant's liability under the Master Lease or any limitation of Tenant's liability thereunder which may now or hereafter be imposed by any statute, regulation or rule of law, or any illegality, irregularity, invalidity or unenforceability, in whole or in part, of the Master Lease or any term thereof;
- (g) subject to Section 13 hereof, any sale, lease, or transfer of all or any part of any interest in any Facility or any or all of the assets of Tenant to any other person, firm or entity other than to Landlord;
- (h) any act or omission by Landlord with respect to any of the security instruments or any failure to file, record or otherwise perfect any of the same;
- (i) any extensions of time for performance under the Master Lease;
- (j) the release of Tenant from performance or observation of any of the agreements, covenants, terms or conditions contained in the Master Lease by operation of law or otherwise;
- (k) the fact that Tenant may or may not be personally liable, in whole or in part, under the terms of the Master Lease to pay any money judgment;

- (l) the failure to give Guarantor any notice of acceptance, default or otherwise;
- (m) any other guaranty now or hereafter executed by Guarantor or anyone else in connection with the Master Lease;
- (n) any rights, powers or privileges Landlord may now or hereafter have against any other person, entity or collateral; or

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- (o) any other circumstances, whether or not Guarantor had notice or knowledge thereof.

3. Primary Liability. The liability of Guarantor with respect to the Master Lease shall be primary, direct and immediate, and Landlord may proceed against Guarantor: (a) prior to or in lieu of proceeding against Tenant, its assets, any security deposit, or any other guarantor; and (b) prior to or in lieu of pursuing any other rights or remedies available to Landlord. All rights and remedies afforded to Landlord by reason of this Guaranty or by law are separate, independent and cumulative, and the exercise of any rights or remedies shall not in any way limit, restrict or prejudice the exercise of any other rights or remedies.

In the event of any default under the Master Lease, a separate action or actions may be brought and prosecuted against Guarantor whether or not Tenant is joined therein or a separate action or actions are brought against Tenant. Landlord may maintain successive actions for other defaults. Landlord's rights hereunder shall not be exhausted by its exercise of any of its rights or remedies or by any such action or by any number of successive actions until and unless all indebtedness and Obligations the payment and performance of which are hereby guaranteed have been paid and fully performed.

4. Obligations Not Affected. In such manner, upon such terms and at such times as Landlord in its sole discretion deems necessary or expedient, and without notice to any Guarantor, Landlord may: (a) amend, alter, compromise, accelerate, extend or change the time or manner for the payment or the performance of any Obligation hereby guaranteed; (b) extend, amend or terminate the Master Lease; or (c) release Tenant by consent to any assignment (or otherwise) as to all or any portion of the Obligations hereby guaranteed, in each case pursuant to the terms of the Master Lease. Any exercise or non-exercise by Landlord of any right hereby given Landlord, dealing by Landlord with any Guarantor or any other guarantor, Tenant or any other person, or change, impairment, release or suspension of any right or remedy of Landlord against any person including Tenant and any other guarantor will not affect any of the Obligations of any Guarantor hereunder or give any Guarantor any recourse or offset against Landlord.

5. Waiver. With respect to the Master Lease, each Guarantor hereby waives and relinquishes all rights and remedies accorded by applicable law to sureties and/or guarantors or any other accommodation parties, under any statutory provisions, common law or any other provision of law, custom or practice, and agrees not to assert or take advantage of any such rights or remedies including, but not limited to:

- (a) any right to require Landlord to proceed against Tenant or any other person or to proceed against or exhaust any security held by Landlord at any time or to pursue any other remedy in Landlord's power before proceeding against such Guarantor or to require that Landlord cause a marshaling of Tenant's assets or the assets, if any, given as collateral for this Guaranty or to proceed against Tenant and/or any collateral, including collateral, if any, given to secure such Guarantor's obligation under this Guaranty, held by Landlord at any time or in any particular order;

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- (b) any defense that may arise by reason of the incapacity or lack of authority of any other person or persons;
- (c) notice of the existence, creation or incurring of any new or additional indebtedness or obligation or of any action or non-action on the part of Tenant, Landlord, any creditor of Tenant or such Guarantor or on the part of any other person whomsoever under this or any other instrument in connection with any obligation or evidence of indebtedness held by Landlord or in connection with any obligation hereby guaranteed;
- (d) any defense based upon an election of remedies by Landlord which destroys or otherwise impairs the subrogation rights of such Guarantor or the right of such Guarantor to proceed against Tenant for reimbursement, or both;
- (e) any defense based upon any statute or rule of law which provides that the obligation of a surety must be neither larger in amount nor in other respects more burdensome than that of the principal;
- (f) any duty on the part of Landlord to disclose to such Guarantor any facts Landlord may now or hereafter know about Tenant, regardless of whether Landlord has reason to believe that any such facts materially increase the risk beyond that which such Guarantor intends to assume or has reason to believe that such facts are unknown to such Guarantor or has a reasonable opportunity to communicate such facts to Guarantor, it being understood and agreed that such Guarantor is fully responsible for being and keeping informed of the financial condition of Tenant and of all circumstances bearing on the risk of non-payment or non-performance of any Obligations or indebtedness hereby guaranteed;
- (g) any defense arising because of Landlord's election, in any proceeding instituted under the federal Bankruptcy Code, of the application of Section 1111(b)(2) of the federal Bankruptcy Code;
- (h) any defense based on any borrowing or grant of a security interest under Section 364 of the federal Bankruptcy Code; and
- (i) all rights and remedies accorded by applicable law to guarantors, including without limitation, any extension of time conferred by any law now or hereafter in effect and any requirement or notice of acceptance of this Guaranty or any other notice to which the undersigned may now or hereafter be entitled to the extent such waiver of notice is permitted by applicable law.

6. Information. Each Guarantor assumes all responsibility for being and keeping itself informed of the financial condition and assets of the Tenant and each other Guarantor, and of all other circumstances bearing upon the risk of nonpayment of the Obligations and the nature, scope and extent of the risks that such Guarantor assumes and incurs hereunder and agrees that the Landlord will not have any duty to advise such Guarantor of information regarding such circumstances or risks.

7. No Subrogation. Until all Obligations of Tenant under the Master Lease have been satisfied and discharged in full, Guarantor shall have no right of subrogation and waives any right to enforce any remedy which Landlord now has or may hereafter have against Tenant and any benefit of, and any right to participate in, any security now or hereafter held by Landlord with respect to the Master Lease.

8. Agreement to Comply with terms of Master Lease. Each Guarantor hereby agrees (a) to comply with all terms of the Master Lease applicable to it, (b) that it shall take no action, and that it shall not omit to take any action, which action or omission, as applicable, would cause a breach of the terms of the Master Lease and (c) that it shall not commence an involuntary proceeding or file an involuntary petition in any court of competent jurisdiction seeking (i) relief in respect of the Tenant or any of its Subsidiaries, or of a substantial part of the property or assets of the Tenant or any of its Subsidiaries, under Title 11 of the United States Code, as now constituted or hereafter amended, or any other federal, state or foreign bankruptcy, insolvency, receivership or similar law or (ii) the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for the Tenant or any of its Subsidiaries or for a substantial part of the property or assets of the Tenant or any of its Subsidiaries.

9. Agreement to Pay; Contribution; Subordination. Without limitation of any other right of the Landlord at law or in equity, upon the failure of Tenant to pay any Obligation when and as the same shall become due, each Guarantor hereby promises to and will forthwith pay, or cause to be paid, to the Landlord in cash the amount of such unpaid Obligation. Each Guarantor hereby unconditionally and irrevocably agrees that in the event any payment shall be required to be made to the Landlord under this Guaranty, such Guarantor will contribute, to the maximum extent permitted by law, such amounts to each other Guarantor so as to maximize the aggregate amount paid to the Landlord in respect of this Guaranty and in respect of the Master Lease. Upon payment by any Guarantor of any sums to the Landlord as provided above, all rights of such Guarantor against the Tenant or any other Guarantor arising as a result thereof by way of subrogation, contribution, reimbursement, indemnity or otherwise shall be subject to the limitations set forth in this Section 9. If for any reason whatsoever Tenant or any Guarantor now or hereafter becomes indebted to any Guarantor or any Affiliate of any Guarantor, such indebtedness and all interest thereon shall at all times be subordinate to Tenant's obligation to Landlord to pay as and when due in accordance with the terms of the Master Lease the guaranteed Obligations, it being understood that each Guarantor and each Affiliate of any Guarantor shall be permitted to receive payments from the Tenant or any Guarantor on account of such obligations except during the continuance of an Event of Default under the Master Lease relating to failure to pay amounts due under the Master Lease. During any time in which an Event of Default relating to failure to pay amounts due under the Master Lease has occurred and is continuing under the Master Lease (and provided that Guarantor has received written notice thereof), Guarantor agrees to make no claim for such indebtedness that does not recite that such claim is expressly subordinate to Landlord's rights and remedies under the Master Lease.

10. Application of Payments. With respect to the Master Lease, and with or without notice to Guarantor, Landlord, in Landlord's sole discretion and at any time and from time to time and in such manner and upon such terms as Landlord deems appropriate, may (a) apply any or all payments or recoveries following the occurrence and during the continuance of an Event of Default from Tenant or from any other guarantor under any other instrument or realized from

any security, in such manner and order of priority as Landlord may determine, to any indebtedness or other obligation of Tenant with respect to the Master Lease and whether or not such indebtedness or other obligation is guaranteed hereby or is otherwise secured, and (b) refund to Tenant any payment received by Landlord under the Master Lease.

11. Guaranty Default. Upon the failure of any Guarantor to pay the amounts required to be paid hereunder when due following the occurrence and during the continuance of an Event of Default under the Master Lease, Landlord shall have the right to bring such actions at law or inequity, including appropriate injunctive relief, as it deems appropriate to compel compliance, payment or deposit, and among other remedies to recover its reasonable attorneys' fees in any proceeding, including any appeal therefrom and any post judgment proceedings.

12. Maximum Liability. Each Guarantor and, by its acceptance of the guarantees provided herein, Landlord, hereby confirms that it is the intention of all such persons that the guarantees provided herein and the obligations of each Guarantor hereunder not constitute a fraudulent transfer or conveyance for purposes of the United States Bankruptcy Code or any other federal, state or foreign bankruptcy, insolvency, receivership or similar law, the Uniform Fraudulent Conveyance Act, the Uniform Fraudulent Transfer Act or any similar foreign, federal or state law to the extent applicable to the guarantees provided herein and the obligations of each Guarantor hereunder. To effectuate the foregoing intention, Landlord hereby irrevocably agrees that the obligations of each Guarantor under this Guaranty shall be limited to the maximum amount as will result in such obligations not constituting a fraudulent transfer or conveyance.

13. Release. A Guarantor (other than Tenant's Parent) shall automatically be released from its obligations hereunder (other than with respect to amounts then due and payable by such Guarantor) upon the consummation of any transaction permitted by the Master Lease, the result of which is that such Guarantor ceases to be a Subsidiary of the Tenant; provided that the Landlord shall have consented to such transaction to the extent such consent is required by the terms of the Master Lease; and provided further that a Change in Control (and any transaction related thereto) shall not be deemed to be permitted by the Master Lease without Landlord consent except to the extent any actual or deemed assignment under the Master Lease relating to such Change in Control is permitted under the Master Lease; and provided further that no release of such Guarantor shall be permitted or occur in a Foreclosure COC or a Foreclosure Assignment.

Tenant's Parent shall automatically be released from its obligations hereunder (other than with respect to amounts then due and payable by Tenant's Parent) upon the consummation of any transaction permitted by the Master Lease, the result of which is that the Tenant ceases to be a Subsidiary of Tenant's Parent and ceases to be owned by Tenant's Parent; provided that the Landlord shall have consented to such transaction to the extent such consent is required by the terms of the Master Lease; and provided further that a Change in Control (and any transaction related thereto) shall not be deemed to be permitted by the Master Lease without Landlord consent except to the extent any actual or deemed assignment under the Master Lease relating to such Change in Control is permitted under the Master Lease; and provided further that no release of Tenant's Parent shall be permitted to occur in a Foreclosure COC or Foreclosure Assignment.

14. Additional Guarantors. Upon the execution and delivery by the Landlord and any subsidiary of the Tenant that is required to become a party hereto pursuant to the Master Lease of an instrument in the form of Appendix A hereto, such subsidiary shall become a Guarantor hereunder with the same force and effect as if originally named as a Guarantor herein. The execution and delivery of any such instrument shall not require the consent of any other party to this Guaranty. The rights and obligations of each party to this Guaranty shall remain in full force and effect notwithstanding the addition of any new party to this Guaranty.

15. Notices. Any notice, request or other communication to be given by any party hereunder shall be in writing and shall be sent by registered or certified mail, postage prepaid and return receipt requested, by hand delivery or express courier service, by facsimile transmission or by an overnight express service to the following address:

To any Guarantor:

With a copy to
(that shall not constitute notice) :

And with a copy to:
(that shall not constitute notice)

To Landlord: GLP CAPITAL, L.P.

And with a copy to
(which shall not constitute notice):

or to such other address as either party may hereafter designate. Notice shall be deemed to have been given on the date of delivery if such delivery is made on a Business Day, or if not, on the first Business Day after delivery. If delivery is refused, Notice shall be deemed to have been given on the date delivery was first attempted. Notice sent by facsimile transmission shall be deemed given upon confirmation that such Notice was received at the number specified above or in a Notice to the sender.

16. Miscellaneous.

(a) No term, condition or provision of this Guaranty may be waived except by an express written instrument to that effect signed by Landlord. No waiver of any term, condition or provision of this Guaranty will be deemed a waiver of any other term, condition or provision, irrespective of similarity, or constitute a continuing waiver of the same term, condition or provision, unless otherwise expressly provided. No term, condition or provision of this Guaranty may be amended or modified with respect to any Guarantor except by an express written instrument to that effect signed by Landlord and the applicable Guarantor to which such amendment or modification is to be effective.

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(b) If any one or more of the terms, conditions or provisions contained in this Guaranty is found in a final award or judgment rendered by any court of competent jurisdiction to be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining terms, conditions and provisions of this Guaranty shall not in any way be affected or impaired thereby, and this Guaranty shall be interpreted and construed as if the invalid, illegal, or unenforceable term, condition or provision had never been contained in this Guaranty.

(c) THIS GUARANTY SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, EXCEPT THAT THE LAWS OF THE STATE WHERE THE LEASED PROPERTY IS LOCATED SHALL GOVERN THIS AGREEMENT TO THE EXTENT NECESSARY (I) TO OBTAIN THE BENEFIT OF THE RIGHTS AND REMEDIES SET FORTH HEREIN WITH RESPECT TO ANY OF THE LEASED PROPERTY AND (II) FOR PROCEDURAL REQUIREMENTS WHICH MUST BE GOVERNED BY THE LAWS OF THE STATE. EACH GUARANTOR CONSENTS TO IN PERSONAM JURISDICTION BEFORE THE STATE AND FEDERAL COURTS OF NEW YORK AND AGREES THAT ALL DISPUTES CONCERNING THIS GUARANTY SHALL BE HEARD IN THE STATE AND FEDERAL COURTS LOCATED IN THE STATE OF NEW YORK. EACH GUARANTOR FURTHER CONSENTS TO IN PERSONAM JURISDICTION BEFORE THE STATE AND FEDERAL COURTS OF EACH STATE WITH RESPECT TO ANY ACTION COMMENCED BY LANDLORD SEEKING TO RETAKE POSSESSION OF ANY OR ALL OF THE LEASED PROPERTY IN WHICH GUARANTOR IS REQUIRED TO BE NAMED AS A NECESSARY PARTY. EACH GUARANTOR AGREES THAT SERVICE OF PROCESS MAY BE EFFECTED UPON IT UNDER ANY METHOD PERMISSIBLE UNDER THE LAWS OF THE STATE OF NEW YORK AND IRREVOCABLY WAIVES ANY OBJECTION TO VENUE IN THE STATE AND FEDERAL COURTS LOCATED IN THE STATE OF NEW YORK OR, TO THE EXTENT APPLICABLE IN ACCORDANCE WITH THE TERMS HEREOF, LOCATED IN THE STATE.

(d) EACH OF THE GUARANTORS, BY ITS EXECUTION OF THIS GUARANTY, AND LANDLORD, BY ITS ACCEPTANCE OF THIS GUARANTY, HEREBY WAIVE TRIAL BY JURY AND THE RIGHT THERETO IN ANY ACTION OR PROCEEDING OF ANY KIND ARISING ON, UNDER, OUT OF, BY REASON OF OR RELATING IN ANY WAY TO THIS GUARANTY OR THE INTERPRETATION, BREACH OR ENFORCEMENT THEREOF.

(e) In the event of any suit, action, arbitration or other proceeding to interpret this Guaranty, or to determine or enforce any right or obligation created hereby, the prevailing party in the action shall recover such party's reasonable costs and expenses incurred in connection therewith, including, but not limited to, reasonable attorneys' fees and costs of appeal, post judgment enforcement proceedings (if any) and bankruptcy proceedings (if any). Any court, arbitrator or panel of arbitrators shall, in entering any judgment or making any award in any such suit, action, arbitration or other proceeding, in addition to any and all other relief awarded to such prevailing party, include in such

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judgment or award such party's reasonable costs and expenses as provided in this Section 16(e).

(f) Each Guarantor (i) represents that it has been represented and advised by counsel in connection with the execution of this Guaranty; (ii) acknowledges receipt of a copy of the Master Lease; and (iii) further represents that such Guarantor has been advised by counsel with respect thereto. This Guaranty shall be construed and interpreted in accordance with the plain meaning of its language, and not for or against such Guarantor or Landlord, and as a whole, giving effect to all of the terms, conditions and provisions hereof.

(g) Except as provided in any other written agreement now or at any time hereafter in force between Landlord and any Guarantor, this Guaranty shall constitute the entire agreement of each Guarantor with Landlord with respect to the subject matter hereof, and no representation, understanding, promise or condition concerning the subject matter hereof will be binding upon Landlord or any Guarantor unless expressed herein.

(h) All stipulations, obligations, liabilities and undertakings under this Guaranty shall be binding upon each Guarantor and its respective successors and assigns and shall inure to the benefit of Landlord and to the benefit of Landlord's successors and assigns.

(i) Whenever the singular shall be used hereunder, it shall be deemed to include the plural (and vice-versa) and reference to one gender shall be construed to include all other genders, including neuter, whenever the context of this Guaranty so requires. Section captions or headings used in the Guaranty are for convenience and reference only, and shall not affect the construction thereof.

(j) This Guaranty may be executed in any number of counterparts, each of which shall be a valid and binding original, but all of which together shall constitute one and the same instrument.

[Signature Page to Follow]

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EXECUTED as of the date first set forth above.

GUARANTOR:

By:
Name:
Title:

LANDLORD:

By:
Name:
Title:

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Appendix A

SUPPLEMENT NO. _____ dated as of _____ (this "**Supplement**"), to the GUARANTY OF MASTER LEASE (as amended, restated, supplemented or replaced, the "**Guaranty**"), dated as of _____ day of _____, 20____ by and between _____, a _____, a _____ and _____, a _____ (each, "**Guarantor**", and collectively, the "**Guarantors**") and GLP Capital, L.P. ("**Landlord**").

A. Reference is made to that certain Master Lease, dated as of November 1, 2013 (the "**Master Lease**"), between Landlord and Penn Tenant, LLC ("**Tenant**").

B. Capitalized terms used herein and not otherwise defined shall have the meanings assigned to such terms in the Guaranty.

C. The Guarantors have entered into the Guaranty in order to induce the Landlord to enter into the Master Lease. Section 14 of the Guaranty provides that additional Subsidiaries of the Tenant may become Guarantors under the Guaranty by execution and delivery of an instrument in the form of this Supplement. The undersigned subsidiary of Tenant (the "**New Subsidiary**") is executing this Supplement in accordance with the requirements of the Master Lease to become a Guarantor under the Guaranty.

Accordingly, Landlord and the New Subsidiary agree as follows:

SECTION 1. In accordance with Section 14 of the Guaranty, the New Subsidiary by its signature below becomes a Guarantor under the Guaranty with the same force and effect as if originally named therein as a Guarantor, and the New Subsidiary hereby (a) agrees to all the terms and provisions of the Guaranty applicable to it as a Guarantor thereunder, and (b) represents and warrants that the representations and warranties made by it as a Guarantor thereunder are true and correct, in all material respects, on and as of the date hereof. Each reference to a "Guarantor" in the Guaranty shall be deemed to include the New Subsidiary. The Guaranty is hereby incorporated herein by reference.

SECTION 2. The New Subsidiary represents and warrants to the Landlord that this Supplement has been duly authorized, executed and delivered by it and constitutes its legal, valid and binding obligation, enforceable against it in accordance with its terms, subject to (i) the effects of bankruptcy, insolvency, moratorium, reorganization, fraudulent conveyance or other similar laws affecting creditors' rights generally, (ii) general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law) and (iii) implied covenants of good faith and fair dealing.

SECTION 3. This Supplement may be executed in two or more counterparts, each of which shall constitute an original but all of which when taken together shall constitute but one contract. This Supplement shall become effective when (a) the Landlord shall have received a counterpart of this Supplement that bears the signature of the New Subsidiary, and (b) the Landlord has executed a counterpart hereof.

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SECTION 4. Except as expressly supplemented hereby, the Guaranty shall remain in full force and effect.

SECTION 5. THIS SUPPLEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES UNDER THIS SUPPLEMENT SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF NEW YORK.

SECTION 6. In the event any one or more of the provisions contained in this Supplement should be held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein and in the Guaranty shall not in any way be affected or impaired thereby. The parties shall endeavor in good-faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

SECTION 7. All communications and notices hereunder shall be in writing and given as provided in Section 15 of the Guaranty.

[SECTION 8. The New Subsidiary agrees to reimburse Landlord for its reasonable out-of-pocket expenses in connection with this Supplement, including the reasonable fees, disbursements and other charges of counsel for Landlord.]

IN WITNESS WHEREOF, the New Subsidiary and the Landlord have duly executed this Supplement to the Guaranty as of the day and year first above written.

[NAME OF NEW SUBSIDIARY]

By: _____
Name:
Title:

[_____],
as Landlord

By: _____
Name:
Title:

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EXHIBIT F-I

FORM OF NONDISTURBANCE AND ATTORNMENT AGREEMENT

This **NON-DISTURBANCE AND ATTORNMENT AGREEMENT** (the "**Agreement**") is dated as of _____, and is by and among [LENDER], a [] [], having an address at [] (together with its successors and assigns, "**Lender**"(1)), and Penn Tenant, LLC, a Pennsylvania limited liability company, having an office at 825 Berkshire Boulevard, Suite 200, Wyomissing Professional Center, Wyomissing, PA 19610 ("**Tenant**").

WHEREAS, by a Master Lease (as amended, modified or otherwise supplemented, the "**Lease**") dated as of November 1, 2013, between GLP Capital, L.P. ("**Landlord**") (or Landlord's predecessor in title) and Tenant, Landlord leased to Tenant a portion of the Property, as said portion is more particularly described in the Lease (such portion of the Property hereinafter referred to as the "**Premises**");

WHEREAS, Lender has made or intends to make a loan to Landlord (the "**Loan**"), which Loan shall be evidenced by one or more promissory notes (as the same may be amended, modified, restated, severed, consolidated, renewed, replaced, or supplemented from time to time, the "**Promissory Note**") and secured by, among other things, that certain Mortgage or Deed of Trust, Assignment of Leases and Rents and Security Agreement (as the same may be amended, restated, replaced, severed, split, supplemented or otherwise modified from time to time, the "**Mortgage**") encumbering the real property located in _____ more particularly described on **Exhibit A** annexed hereto and made a part hereof (the "**Property**");(2)

WHEREAS, Tenant acknowledges that Lender will rely on this Agreement in making the Loan to Landlord;

WHEREAS, Lender and Tenant desire to evidence their understanding with respect to the Mortgage and the Lease as hereinafter provided; and

WHEREAS, Pursuant to Section 31.1 of the Lease, Tenant has agreed to deliver this Agreement and Lender has agreed not to disturb Tenant's possessory rights in the Leased Premises under the Lease on the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the mutual agreements hereinafter set forth, the parties hereto hereby agree as follows:

1. Lender agrees that if Lender exercises any of its rights under the Mortgage, including entry or foreclosure of the Mortgage or exercise of a power of sale under the Mortgage, Lender, or any person who acquires any portion of the Property in a foreclosure or similar proceeding or in a transfer in lieu of any such foreclosure, (a) will not terminate or

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- (1) References to "Lender" may be modified to reflect an agent, trustee or other representative acting for a group of lenders or debt holders.
(2) Subject to modification to reflect terms and type of financing secured by the applicable mortgage.

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disturb Tenant's right to use, occupy and possess the Premises, nor any of Tenant's rights, privileges and options under the terms of the Lease, , so long as Tenant is not in default beyond any applicable grace period under any term, covenant or condition of the Lease and (b) will be bound by the provisions of Article XVII of the Lease for the benefit of each Permitted Leasehold Mortgagee. In addition, Lender or any person prosecuting such rights and remedies agrees that so long as the Lease has not been terminated on account of Tenant's default that has continued beyond applicable notice and cure periods, Lender or such other person, as the case may be, shall not name or join Tenant as a defendant in any exercise of Lender's or such person's rights and remedies arising upon a default under the Mortgage unless applicable law requires Tenant to be made a party thereto as a condition to proceeding against Landlord. In the latter case, Lender or any person prosecuting such rights and remedies may join Tenant as a defendant in such action only for such purpose and not to terminate the Lease or otherwise adversely affect Tenant's rights under the Lease or this Agreement in such action.

2. If, at any time Lender (or any person, or such person's successors or assigns, who acquires the interest of Landlord under the Lease through foreclosure of the Mortgage or otherwise) shall succeed to the rights of Landlord under the Lease as a result of a default or event of default under the Mortgage, Tenant shall attorn to and recognize such person so succeeding to the rights of Landlord under the Lease (herein sometimes called "**Successor Landlord**") as Tenant's landlord under the Lease, said attornment to be effective and self-operative without the execution of any further instruments.

3. Landlord authorizes and directs Tenant to honor any written demand or notice from Lender instructing Tenant to pay rent or other sums to Lender rather than Landlord (a "**Payment Demand**"), regardless of any other or contrary notice or instruction which Tenant may receive from Landlord before or after Tenant's receipt of such Payment Demand. Tenant may rely upon any notice, instruction, Payment Demand, certificate, consent or other document from, and signed by, Lender and shall have no duty to Landlord to investigate the same or the circumstances under which the same was given. Any payment made by Tenant to Lender or in response to a Payment Demand shall be deemed proper payment by Tenant of such sum pursuant to the Lease.

4. If Lender shall become the owner of the Property or the Property shall be sold by reason of foreclosure or other proceedings brought to enforce the Mortgage or if the Property shall be transferred by deed in lieu of foreclosure, Lender or any Successor Landlord shall not be:

- (a) liable for any act or omission of any prior landlord (including Landlord) or bound by any obligation to make any payment to Tenant which was required to be made prior to the time Lender succeeded to any prior landlord (including Landlord); or
- (b) obligated to cure any defaults of any prior landlord (including Landlord) which occurred, or to make any payment to Tenant which was required to be paid by any prior landlord (including Landlord), prior to the time that Lender or any Successor Landlord succeeded to the interest of such landlord under the Lease; or

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(c) obligated to perform any construction obligations of any prior landlord (including Landlord) under the Lease or liable for any defects (latent, patent or otherwise) in the design, workmanship, materials, construction or otherwise with respect to improvements and buildings constructed on the Property; or

(d) subject to any offsets, defenses or counterclaims which Tenant may be entitled to assert against any prior landlord (including Landlord); or

(e) bound by any payment of rent or additional rent by Tenant to any prior landlord (including Landlord) for more than one month in advance; or

(f) bound by any amendment, modification, termination or surrender of the Lease made without the written consent of Lender.

Notwithstanding the foregoing, Tenant reserves its right to any and all claims or causes of action (i) against Landlord for prior losses or damages and (ii) against the Successor Landlord for all losses or damages arising from and after the date that such Successor Landlord takes title to the Property.

5. Tenant hereby represents, warrants, covenants and agrees to and with Lender:

(a) to deliver to Lender, by certified mail, return receipt requested, a duplicate of each notice of default delivered by Tenant to Landlord at the same time as such notice is given to Landlord and no such notice of default shall be deemed given by Tenant under the Lease unless and until a copy of such notice shall have been so delivered to Lender. Lender shall have the right (but shall not be obligated) to cure such default. Tenant shall accept performance by Lender of any term, covenant, condition or agreement to be performed by Landlord or its designee under the Lease with the same force and effect as though performed by Landlord. Tenant further agrees to afford Lender or its designee a period of thirty (30) days beyond any period afforded to Landlord for the curing of such default during which period Lender or its designee may elect (but shall not be obligated) to seek to cure such default, or, if such default cannot be cured within that time, then such additional time as may be necessary to cure such default (including but not limited to commencement of foreclosure proceedings) during which period Lender or its designee may elect (but shall not be obligated) to seek to cure such default, prior to taking any action to terminate the Lease. If the Lease shall terminate for any reason, upon Lender's written request given within thirty (30) days after such termination, Tenant, within fifteen (15) days after such request, shall execute and

deliver to Lender (or its designee to the extent constituting a permitted successor landlord under the Lease) a new lease of the Premises for the remainder of the term of the Lease and upon all of the same terms, covenants and conditions of the Lease;

(b) that Tenant is the sole owner of the leasehold estate created by the Lease; and

(c) to promptly certify in writing to Lender, in connection with any proposed assignment of the Mortgage, whether or not any default on the part of Landlord then

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exists under the Lease and to deliver to Lender any tenant estoppel certificates required under the Lease.

6. Tenant acknowledges that the interest of Landlord under the Lease is assigned to Lender solely as security for the Promissory Note(3), and Lender shall have no duty, liability or obligation under the Lease or any extension or renewal thereof, unless Lender shall specifically undertake such liability in writing or Lender becomes and then only with respect to periods in which Lender becomes, the fee owner of the Property.

7. This Agreement shall be governed by and construed in accordance with the laws of the State of New York(4).

8. This Agreement and each and every covenant, agreement and other provisions hereof shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns (including, without limitation, any successor holder of the Promissory Note(5)) and may be amended, supplemented, waived or modified only by an instrument in writing executed by the party against which enforcement of the termination, amendment, supplement, waiver or modification is sought. Each Permitted Leasehold Mortgagee (as defined in the Lease) (for so long as such Permitted Leasehold Mortgagee (as defined in the Lease) holds a Permitted Leasehold Mortgage (as defined in the Lease)) is an intended third party beneficiary of Section 1(b) entitled to enforce the same as if a party to this Agreement.

9. All notices to be given under this Agreement shall be in writing and shall be deemed served upon receipt by the addressee if served personally or, if mailed, upon the first to occur of receipt or the refusal of delivery as shown on a return receipt, after deposit in the United States Postal Service certified mail, postage prepaid, addressed to the address of Landlord, Tenant or Lender appearing below. Such addresses may be changed by notice given in the same manner. If any party consists of multiple individuals or entities, then notice to any one of same shall be deemed notice to such party.

Lender's Address: []
Attn:

With a copy to: []

Tenant's Address: Penn Tenant, LLC
825 Berkshire Boulevard, Suite 200
Wyomissing Professional Center
Wyomissing, PA 19610

With a copy to: []

(3) Subject to modification to reflect terms of debt.

(4) Subject to modification solely and to the extent the law of any jurisdiction in which the Premises are located is required to govern the subordination of Tenant's interests in such jurisdiction.

(5) Subject to modification to reflect terms of debt.

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Landlord's Address: GLP Capital, L.P.
825 Berkshire Boulevard, Suite 400
Wyomissing Professional Center
Wyomissing, PA 19610

With a copy to: []

10. If this Agreement conflicts with the Lease, then this Agreement shall govern as between the parties and any Successor Landlord, including upon any attornment pursuant to this Agreement. This Agreement supersedes, and constitutes full compliance with, any provisions in the Lease that provide for subordination of the Lease to, or for delivery of nondisturbance agreements by the holder of, the Mortgage.

11. In the event Lender shall acquire Landlord's interest in the Premises, Tenant shall look only to the estate and interest, if any, of Lender in the Property for the satisfaction of Tenant's remedies for the collection of a judgment (or other judicial process) requiring the payment of money in the event of any default by Lender as a Successor Landlord under the Lease or under this Agreement, and no other property or assets of Lender shall be subject to levy, execution or other enforcement procedure for the satisfaction of Tenant's remedies under or with respect to the Lease, the relationship of the landlord and tenant under the Lease or Tenant's use or occupancy of the Premises or any claim arising under this Agreement.

12. If any provision of this Agreement is held to be invalid or unenforceable by a court of competent jurisdiction, such provision shall be deemed modified to the extent necessary to be enforceable, or if such modification is not practicable, such provision shall be deemed deleted from this Agreement, and the other provisions of this Agreement shall remain in full force and effect, and shall be liberally construed in favor of Lender.

13. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

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EXHIBIT F-II

**FORM OF SUBORDINATION, NONDISTURBANCE
AND ATTORNMENT AGREEMENT**

This **SUBORDINATION, NON-DISTURBANCE, AND ATTORNMENT AGREEMENT** (the "**Agreement**") is dated as of _____, and is by and among [LENDER], a [] [], having an address at [] (together with its successors and assigns, "**Lender**"(1)), GLP Capital, L.P., a Pennsylvania limited partnership, having an office at 825 Berkshire Boulevard, Suite 400, Wyomissing Professional Center, Wyomissing, PA 19610 ("**Landlord**"), and Penn Tenant, LLC, a Pennsylvania limited liability company, having an office at 825 Berkshire Boulevard, Suite 200, Wyomissing Professional Center, Wyomissing, PA 19610 ("**Tenant**").

WHEREAS, by a Master Lease (as amended, modified or supplemented, the "**Lease**") dated as of November 1, 2013, between Landlord (or Landlord's predecessor in title) and Tenant, Landlord leased to Tenant a portion of the Property, as said portion is more particularly described in the Lease (such portion of the Property hereinafter referred to as the "**Premises**");

WHEREAS, Lender has made or intends to make a loan to Landlord (the "**Loan**"), which Loan shall be evidenced by one or more promissory notes (as the same may be amended, modified, restated, severed, consolidated, renewed, replaced, or supplemented from time to time, the "**Promissory Note**") and secured by, among other things, that certain Mortgage or Deed of Trust, Assignment of Leases and Rents and Security Agreement (as the same may be amended, restated, replaced, severed, split, supplemented or otherwise modified from time to time, the "**Mortgage**") encumbering the real property located in _____ more particularly described on **Exhibit A** annexed hereto and made a part hereof (the "**Property**");(2)

WHEREAS, Tenant acknowledges that Lender will rely on this Agreement in making the Loan to Landlord;

WHEREAS, Lender and Tenant desire to evidence their understanding with respect to the Mortgage and the Lease as hereinafter provided; and

WHEREAS, Pursuant to Section 31.1 of the Lease, Tenant has agreed to deliver this Agreement and will subordinate the Lease to the Security Instruments and to the lien thereof and, in consideration of Tenant's delivery of this Agreement, Lender has agreed not to disturb Tenant's possessory rights in the Leased Premises under the Lease on the terms and conditions hereinafter set forth.

- (1) References to "Lender" may be modified to reflect an agent, trustee or other representative acting for a group of debt holders.
(2) Subject to modification to reflect terms and type of financing secured by the applicable mortgage.

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NOW, THEREFORE, in consideration of the mutual agreements hereinafter set forth, the parties hereto hereby agree as follows:

1. Tenant covenants, stipulates and agrees that the Lease and all of Tenant's right, title and interest in and to the Property thereunder (including but not limited to any option to purchase, right of first refusal to purchase or right of first offer to purchase the Property or any portion thereof) is hereby, and shall at all times continue to be, subordinated and made secondary and inferior in each and every respect to the Mortgage and the lien thereof, to all of the terms, conditions and provisions thereof and to any and all advances made or to be made thereunder, so that at all times the Mortgage shall be and remain a lien on the Property prior to and superior to the Lease for all purposes, subject to the provisions set forth herein. Subordination is to have the same force and effect as if the Mortgage and such renewals, modifications, consolidations, replacements and extensions had been executed, acknowledged, delivered and recorded prior to the Lease, any amendments or modifications thereof and any notice thereof.

2. Lender agrees that if Lender exercises any of its rights under the Mortgage, including entry or foreclosure of the Mortgage or exercise of a power of sale under the Mortgage, Lender, or any person who acquires any portion of the Property in a foreclosure or similar proceeding or in a transfer in lieu of any such foreclosure, (a) will not terminate or disturb Tenant's right to use, occupy and possess the Premises, nor any of Tenant's rights, privileges and options under the terms of the Lease, so long as Tenant is not in default beyond any applicable grace period under any term, covenant or condition of the Lease and (b) will be bound by the provisions of Article XVII of the Lease for the benefit of each Permitted Leasehold Mortgagee. In addition, Lender or any person prosecuting such rights and remedies agrees that so long as the Lease has not been terminated on account of Tenant's default that has continued beyond applicable notice and cure periods, Lender or such other person, as the case may be, shall not name or join Tenant as a defendant in any exercise of Lender's or such person's rights and remedies arising upon a default under the Mortgage unless applicable law requires Tenant to be made a party thereto as a condition to proceeding against Landlord. In the latter case, Lender or any person prosecuting such rights and remedies may join Tenant as a defendant in such action only for such purpose and not to terminate the Lease or otherwise adversely affect Tenant's rights under the Lease or this Agreement in such action.

3. If, at any time Lender (or any person, or such person's successors or assigns, who acquires the interest of Landlord under the Lease through foreclosure of the Mortgage or otherwise) shall succeed to the rights of Landlord under the Lease as a result of a default or event of default under the Mortgage, Tenant shall attorn to and recognize such person so succeeding to the rights of Landlord under the Lease (herein sometimes called "**Successor Landlord**") as Tenant's landlord under the Lease, said attornment to be effective and self-operative without the execution of any further instruments.

4. Landlord authorizes and directs Tenant to honor any written demand or notice from Lender instructing Tenant to pay rent or other sums to Lender rather than Landlord (a "**Payment Demand**"), regardless of any other or contrary notice or instruction which Tenant may receive from

Landlord before or after Tenant's receipt of such Payment Demand. Tenant may rely upon any notice, instruction, Payment Demand, certificate, consent or other document from, and signed by, Lender and shall have no duty to Landlord to investigate the same or the

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circumstances under which the same was given. Any payment made by Tenant to Lender or in response to a Payment Demand shall be deemed proper payment by Tenant of such sum pursuant to the Lease.

5. If Lender shall become the owner of the Property or the Property shall be sold by reason of foreclosure or other proceedings brought to enforce the Mortgage or if the Property shall be transferred by deed in lieu of foreclosure, Lender or any Successor Landlord shall not be:

(a) liable for any act or omission of any prior landlord (including Landlord) or bound by any obligation to make any payment to Tenant which was required to be made prior to the time Lender succeeded to any prior landlord (including Landlord); or

(b) obligated to cure any defaults of any prior landlord (including Landlord) which occurred, or to make any payment to Tenant which was required to be paid by any prior landlord (including Landlord), prior to the time that Lender or any Successor Landlord succeeded to the interest of such landlord under the Lease; or

(c) obligated to perform any construction obligations of any prior landlord (including Landlord) under the Lease or liable for any defects (latent, patent or otherwise) in the design, workmanship, materials, construction or otherwise with respect to improvements and buildings constructed on the Property; or

(d) subject to any offsets, defenses or counterclaims which Tenant may be entitled to assert against any prior landlord (including Landlord); or

(e) bound by any payment of rent or additional rent by Tenant to any prior landlord (including Landlord) for more than one month in advance; or

(f) bound by any amendment, modification, termination or surrender of the Lease made without the written consent of Lender.

Notwithstanding the foregoing, Tenant reserves its right to any and all claims or causes of action (i) against Landlord for prior losses or damages and (ii) against the Successor Landlord for all losses or damages arising from and after the date that such Successor Landlord takes title to the Property.

6. Tenant hereby represents, warrants, covenants and agrees to and with Lender:

(a) to deliver to Lender, by certified mail, return receipt requested, a duplicate of each notice of default delivered by Tenant to Landlord at the same time as such notice is given to Landlord and no such notice of default shall be deemed given by Tenant under the Lease unless and until a copy of such notice shall have been so delivered to Lender. Lender shall have the right (but shall not be obligated) to cure such default. Tenant shall accept performance by Lender or its designee of any term, covenant, condition or agreement to be performed by Landlord under the Lease with the same force and effect as though performed by Landlord. Tenant further agrees to afford Lender or the designee a

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period of thirty (30) days beyond any period afforded to Landlord or its designee for the curing of such default during which period Lender or its designee may elect (but shall not be obligated) to seek to cure such default, or, if such default cannot be cured within that time, then such additional time as may be necessary to cure such default (including but not limited to commencement of foreclosure proceedings) during which period Lender or its designee may elect (but shall not be obligated) to seek to cure such default, prior to taking any action to terminate the Lease. If the Lease shall terminate for any reason, upon Lender's written request given within thirty (30) days after such termination, Tenant, within fifteen (15) days after such request, shall execute and deliver to Lender (or its designee to the extent constituting a permitted successor landlord under the Lease) a new lease of the Premises for the remainder of the term of the Lease and upon all of the same terms, covenants and conditions of the Lease;

(b) that Tenant is the sole owner of the leasehold estate created by the Lease; and

(c) to promptly certify in writing to Lender, in connection with any proposed assignment of the Mortgage, whether or not any default on the part of Landlord then exists under the Lease and to deliver to Lender any tenant estoppel certificates required under the Lease.

7. Tenant acknowledges that the interest of Landlord under the Lease is assigned to Lender solely as security for the Promissory Note(3), and Lender shall have no duty, liability or obligation under the Lease or any extension or renewal thereof, unless Lender shall specifically undertake such liability in writing or Lender becomes and then only with respect to periods in which Lender becomes, the fee owner of the Property.

8. This Agreement shall be governed by and construed in accordance with the laws of the State of New York..(4)

9. This Agreement and each and every covenant, agreement and other provisions hereof shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns (including, without limitation, any successor holder of the Promissory Note(5)) and may be amended, supplemented, waived or modified only by an instrument in writing executed by the party against which enforcement of the termination, amendment, supplement, waiver or modification is sought. Each Permitted Leasehold Mortgagee (as defined in the Lease) (for so long as such Permitted Leasehold Mortgagee (as defined in the Lease) holds a Permitted Leasehold Mortgage (as defined in the Lease)) is an intended third party beneficiary of Section 2(b) entitled to enforce the same as if a party to this Agreement.

10. All notices to be given under this Agreement shall be in writing and shall be deemed served upon receipt by the addressee if served personally or, if mailed, upon the first

- (3) Subject to modification to reflect terms of debt.
- (4) Subject to modification solely and to the extent the law of any jurisdiction in which the Premises are located is required to govern the subordination of Tenant's interests in such jurisdiction.
- (5) Subject to modification to reflect terms of debt.

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to occur of receipt or the refusal of delivery as shown on a return receipt, after deposit in the United States Postal Service certified mail, postage prepaid, addressed to the address of Landlord, Tenant or Lender appearing below. Such addresses may be changed by notice given in the same manner. If any party consists of multiple individuals or entities, then notice to any one of same shall be deemed notice to such party.

Lender's Address:
Attn:

With a copy to:

Tenant's Address: Penn Tenant, LLC
825 Berkshire Boulevard, Suite 200
Wyomissing Professional Center
Wyomissing, PA 19610

With a copy to:

Landlord's Address: GLP Capital, L.P.
825 Berkshire Boulevard, Suite 400
Wyomissing Professional Center
Wyomissing, PA 19610

With a copy to:

11. If this Agreement conflicts with the Lease, then this Agreement shall govern as between the parties and any Successor Landlord, including upon any attornment pursuant to this Agreement. This Agreement supersedes, and constitutes full compliance with, any provisions in the Lease that provide for subordination of the Lease to, or for delivery of nondisturbance agreements by the holder of, the Mortgage.

12. In the event Lender shall acquire Landlord's interest in the Premises, Tenant shall look only to the estate and interest, if any, of Lender in the Property for the satisfaction of Tenant's remedies for the collection of a judgment (or other judicial process) requiring the payment of money in the event of any default by Lender as a Successor Landlord under the Lease or under this Agreement, and no other property or assets of Lender shall be subject to levy, execution or other enforcement procedure for the satisfaction of Tenant's remedies under or with respect to the Lease, the relationship of the landlord and tenant under the Lease or Tenant's use or occupancy of the Premises or any claim arising under this Agreement.

13. If any provision of this Agreement is held to be invalid or unenforceable by a court of competent jurisdiction, such provision shall be deemed modified to the extent necessary to be enforceable, or if such modification is not practicable, such provision shall be deemed deleted from this Agreement, and the other provisions of this Agreement shall remain in full force and effect, and shall be liberally construed in favor of Lender.

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14. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

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TAX MATTERS AGREEMENT

DATED AS OF NOVEMBER 1, 2013

BY AND AMONG

PENN NATIONAL GAMING, INC.

AND

GAMING AND LEISURE PROPERTIES, INC.

TAX MATTERS AGREEMENT

THIS TAX MATTERS AGREEMENT, dated as of November 1, 2013 (this "Agreement"), is by and between Penn National Gaming, Inc., a Pennsylvania corporation ("Penn"), and Gaming and Leisure Properties, Inc., a Pennsylvania corporation ("GLPI"). Each of Penn and GLPI is sometimes referred to herein as a "Party" and, collectively, as the "Parties."

WHEREAS, Penn is engaged, directly and indirectly, in the Penn Business and the GLPI Business;

WHEREAS, the board of directors of Penn has determined that it is in the best interests of Penn to create and distribute the stock of a new publicly traded company which shall operate the GLPI Business, and such distribution is motivated, in substantial part, by the purpose of facilitating strategic expansion opportunities for the property ownership and development business of Penn by providing GLPI with the ability to (i) pursue transactions with gaming operators that compete with Penn that would not pursue transactions with Penn, (ii) diversify into different businesses in which Penn, as a practical matter, could not diversify, (iii) pursue certain transactions that Penn otherwise would be disadvantaged by or precluded from pursuing due to regulatory constraints, and (iv) fund acquisitions with its equity on significantly more favorable terms than those that would be available to Penn;

WHEREAS, Penn and GLPI have entered into the Separation Agreement, dated as of November 1, 2013 (the "Separation Agreement"), pursuant to which (i) Penn will, and will cause its Subsidiaries to, transfer the GLPI Assets to GLPI and its Subsidiaries in actual or constructive exchange for (a) the assumption by GLPI and certain of its Subsidiaries of the GLPI Liabilities, (b) the issuance by GLPI to Penn of shares of the common stock, par value one one-hundredth of one dollar (\$0.01) per share, of GLPI (the "GLPI Common Stock"), and (c) the distribution by GLPI, directly or indirectly, to Penn of the proceeds of GLPI debt issued to one or more banks pursuant to the Financing Arrangements (the "Debt Proceeds"), such distribution, the "GLPI Cash Payment" and, the transactions described in this clause (i), together with certain related transactions, the "Reorganization"; (ii) Penn will use the Debt Proceeds to repay historic third-party indebtedness (the "Debt Repayment"); and (iii) Penn will distribute all of the issued and outstanding shares of GLPI Common Stock to the holders of the issued and outstanding shares, par value one one-hundredth of one dollar (\$0.01) per share, of Penn ("Penn Common Stock") and the holders of Series C Convertible Preferred Stock (the "Spin-Off") and Peter M. Carlino will receive additional shares of GLPI Common Stock in exchange for shares of Penn Common Stock that he will transfer to Penn immediately prior to the Spin-Off (together with the Spin-Off, the "Distribution");

WHEREAS, prior to consummation of the Reorganization and the Distribution, Penn was the common parent corporation of an affiliated group of corporations, including GLPI, within the meaning of Section 1504 of the Code;

WHEREAS, the Parties intend that, for U.S. federal income tax purposes, certain steps of the Transactions (as defined below) shall qualify as tax-free transactions pursuant to Sections 332, 355, 361(c), 368(a) and related provisions of the Code; and

WHEREAS, the Parties wish to (a) provide for the payment of Tax liabilities and entitlement to refunds thereof, allocate responsibility for, and cooperation in, the filing of Tax Returns, and provide for certain other matters relating to Taxes and (b) set forth certain covenants and indemnities relating to the preservation of the tax-free status of certain steps of the Transactions.

NOW, THEREFORE, in consideration of the foregoing and the terms, conditions, covenants and provisions of this Agreement, each of the Parties mutually covenants and agrees as follows:

ARTICLE I

DEFINITIONS

Section 1.01 General. As used in this Agreement, the following terms shall have the following meanings:

"Accounting Firm" has the meaning set forth in Section 8.01(b).

"Adjustment" means an adjustment of any item of income, gain, loss, deduction, credit or any other item affecting Taxes of a taxpayer pursuant to a Final Determination.

"Agreement" has the meaning set forth in the preamble to this Agreement.

"Benefited Party" has the meaning set forth in Section 4.01(b).

“Closing Date” means the date on which the Distribution is consummated.

“Code” means the Internal Revenue Code of 1986, as amended.

“Common Parent” means (i) for U.S. federal Income Tax purposes, the “common parent corporation” of an “affiliated group” (in each case, within the meaning of Section 1504 of the Code) filing a U.S. federal consolidated Income Tax Return, or (ii) for state, local or foreign income Tax purposes, the common parent (or the equivalent thereof) of a Tax Group.

“Counsel” means Wachtell, Lipton, Rosen & Katz.

“CRC” means CRC Holdings, Inc., a Florida corporation.

“Debt Proceeds” has the meaning set forth in the recitals to this Agreement.

“Debt Repayment” has the meaning set forth in the recitals to this Agreement.

“Disqualifying Action” means a Penn Disqualifying Action or a GLPI Disqualifying Action.

“Distribution” has the meaning set forth in the recitals to this Agreement.

“Distribution Tax Opinion” means the opinions of Counsel and Special Tax Advisor with respect to certain Tax aspects of the Distribution.

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“Due Date” means (i) with respect to a Tax Return, the date (taking into account all valid extensions) on which such Tax Return is required to be filed under applicable Law and (ii) with respect to a payment of Taxes, the date on which such payment is required to be made to avoid the incurrence of interest, penalties or additions to Tax.

“Effective Time” has the meaning set forth in the Separation Agreement.

“Employee Matters Agreement” has the meaning set forth in the Separation Agreement.

“Extraordinary Transaction” means any action that is not in the Ordinary Course of Business, but shall not include any action described in or contemplated by the Transaction Documents or that is undertaken pursuant to the Transactions.

“Fifty-Percent or Greater Interest” has the meaning ascribed to such term for purposes of Section 355(d) and (e) of the Code.

“Final Determination” means the final resolution of liability for any Tax for any taxable period, by or as a result of (i) a final decision, judgment, decree or other order by any court of competent jurisdiction that can no longer be appealed, (ii) a final settlement with the IRS, a closing agreement or accepted offer in compromise under Sections 7121 or 7122 of the Code, or a comparable agreement under the Laws of other jurisdictions, which resolves the entire Tax liability for any taxable period, (iii) any allowance of a refund or credit in respect of an overpayment of Tax, but only after the expiration of all periods during which such refund or credit may be recovered by the jurisdiction imposing the Tax, or (iv) any other final resolution, including by reason of the expiration of the applicable statute of limitations or the execution of a pre-filing agreement with the IRS or other Taxing Authority.

“Financing Arrangements” has the meaning set forth in the Separation Agreement.

“First Contribution” means the contribution (as part of the Reorganization) by CRC to GLPI of any GLPI Asset held directly by CRC in actual or constructive exchange for (i) the assumption by GLPI of any GLPI Liabilities from CRC, (ii) the issuance of shares of GLPI Common Stock to CRC, and (iii) the distribution by GLPI to CRC of a portion of the Debt Proceeds.

“GLPI” has the meaning set forth in the preamble to this Agreement.

“GLPI Active Business” and “GLPI Active Businesses” means the business of operating and owning the gaming, restaurant, and retail aspects of the Hollywood Casino Baton Rouge and the business of operating and owning the Hollywood Casino Perryville.

“GLPI Business” has the meaning set forth in the Separation Agreement.

“GLPI Cash Payment” has the meaning set forth in the recitals to this Agreement.

“GLPI Common Stock” has the meaning set forth in the recitals to this Agreement.

“GLPI Disqualifying Action” means (i) any action (or the failure to take any action) within its control by GLPI or any GLPI Entity (including entering into any agreement, understanding or

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arrangement or any negotiations with respect to any transaction or series of transactions), (ii) any event (or series of events) within the control of GLPI or any GLPI entity after the Effective Time involving the capital stock of GLPI, any assets of GLPI or any assets of any GLPI Entity, or (iii) any breach by GLPI or any GLPI Entity of any representation, warranty or covenant made by them in this Agreement that, in each case, causes or is reasonably expected to cause the Tax-Free Status of the Transactions to be lost; provided, however, that the term “GLPI Disqualifying Action” shall not include any action described in or

contemplated by the Transaction Documents or that is undertaken pursuant to the Transactions, in each case, to the extent such action does not constitute a breach by GLPI or any GLPI Entity of any representation, warranty or covenant made by them in the Transaction Documents.

“GLPI Entity” means any Subsidiary of GLPI immediately after the Effective Time.

“GLPI Group” means, individually or collectively, as applicable, GLPI and any GLPI Entity.

“GLPI Indemnified Parties” has the meaning set forth in the Separation Agreement.

“GLPI Taxes” means, without duplication, (i) any Taxes attributable solely to, or arising solely with respect to, assets or activities of the GLPI Business (excluding (x) any Transaction Taxes, (y) any Mixed Business Income Taxes, and (z) any Taxes to the extent payable by Penn pursuant to Section 2.01(a)), (ii) any Taxes attributable to a GLPI Disqualifying Action, and (iii) any Mixed Business Income Taxes for the post-closing portion of a Straddle Period in respect of a Mixed Business Income Tax Return governed by Section 2.02(a)(ii). For the avoidance of doubt, GLPI Taxes shall not include any Taxes attributable to a Penn Disqualifying Action.

“Group” means the Penn Group or the GLPI Group, or both, as the context requires.

“Income Tax Return” means any Tax Return in respect of Income Taxes.

“Income Taxes” means any Taxes based upon, measured by, or calculated with respect to: (i) net income or profits or net receipts (including, but not limited to, any capital gains, minimum Tax or any Tax on items of Tax preference, but not including sales, use, real or personal property, or transfer or similar Taxes) or (ii) multiple bases (including corporate franchise, doing business and occupation Taxes) if one or more bases upon which such Tax may be based, measured by, or calculated with respect to, is described in clause (i).

“Indemnified Party” means the Party which is entitled to seek indemnification from the other Party pursuant to the provisions of Article III.

“Indemnifying Party” means the Party from which the other Party is entitled to seek indemnification pursuant to the provisions of Article III.

“Information” has the meaning set forth in Section 7.01.

“Information Request” has the meaning set forth in Section 7.01.

“Internal Distribution” means, taken together, (i) the distribution by CRC to PNH of (a) all the outstanding shares of GLPI Common Stock and (b) a portion of the Debt Proceeds, and (ii) the

distribution by PNH to Penn of (a) all the outstanding shares of GLPI Common Stock and (b) a portion of the Debt Proceeds; in each case, as part of the Reorganization.

“IRS” means the U.S. Internal Revenue Service.

“IRS Ruling” means the U.S. federal income Tax ruling letter, and any supplements thereto, issued to Penn by the IRS in connection with the Transactions.

“IRS Ruling Request” means the letter filed by Penn with the IRS on June 28, 2011, requesting rulings from the IRS regarding certain tax consequences of the Transactions and any amendment or supplement to such ruling request letter, including any letter submitted to the IRS in connection with the IRS Ruling Request after the issuance of the IRS Ruling.

“Law” means any U.S. or non-U.S. federal, national, supranational, state, provincial, local or similar statute, law, ordinance, regulation, rule, code, administrative pronouncement, order, requirement or rule of law (including common law).

“Mixed Business Income Tax Return” means any Income Tax Return (other than a Penn Consolidated Return), including any consolidated, combined or unitary Income Tax Return, that reflects or reports Income Taxes that relate to at least one asset or activity that is part of the Penn Business, on the one hand, and at least one asset or activity that is part of the GLPI Business, on the other hand.

“Mixed Business Income Taxes” means any U.S. federal, state or local, or foreign Income Taxes attributable to any Mixed Business Income Tax Return.

“Mixed Business Non-Income Tax Return” means any Non-Income Tax Return that reflects or reports Non-Income Taxes that relate to at least one asset or activity that is part of the Penn Business, on the one hand, and at least one asset or activity that is part of the GLPI Business, on the other hand.

“Non-Income Tax Return” means any Tax Return in respect of Non-Income Taxes.

“Non-Income Taxes” means any Taxes other than Income Taxes.

“Notified Action” has the meaning set forth in Section 6.03(a).

“Ordinary Course of Business” means an action taken by a Person only if such action is taken in the ordinary course of the normal day-to-day operations of such Person.

“Party” and “Parties” have the meaning set forth in the preamble to this Agreement.

“Past Practice” means past practices, accounting methods, elections and conventions.

“Penn” has the meaning set forth in the preamble to this Agreement.

“Penn Business” has the meaning set forth in the Separation Agreement.

“Penn Common Stock” has the meaning set forth in the recitals to this Agreement.

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“Penn Consolidated Return” means the U.S. federal Income Tax Return required to be filed by Penn as the Common Parent.

“Penn Disqualifying Action” means (i) any action (or the failure to take any action) within its control by Penn or any Penn Entity (including entering into any agreement, understanding or arrangement or any negotiations with respect to any transaction or series of transactions), (ii) any event (or series of events) within the control of Penn or any Penn entity involving the capital stock of Penn, any assets of Penn or any assets of any Penn Entity, or (iii) any breach by Penn or any Penn Entity of any representation, warranty or covenant made by them in this Agreement, in each case, that causes or is reasonably expected to cause the Tax-Free Status of the Transactions to be lost; provided, however, the term “Penn Disqualifying Action” shall not include any action described in or contemplated by the Transaction Documents or that is undertaken pursuant to the Transactions, in each case, to the extent such action does not constitute a breach by Penn or any Penn Entity of any representation, warranty or covenant made by them in the Transaction Documents.

“Penn Entity” means any Subsidiary of Penn immediately after the Effective Time.

“Penn Group” means, individually or collectively, as the case may be, Penn and any Penn Entity.

“Penn Indemnified Parties” has the meaning set forth in the Separation Agreement.

“Penn Taxes” means any Taxes of Penn or any Subsidiary (or former Subsidiary) of Penn for any Pre-Closing Period; provided, however, “Penn Taxes” shall not include any GLPI Taxes.

“Person” has the meaning set forth in the Separation Agreement.

“PNH” means Penn National Holdings, LLC, a Delaware limited liability company.

“Post-Closing Period” means any taxable period (or portion thereof) beginning after the Closing Date, including for the avoidance of doubt, the portion of any Straddle Period beginning after the Closing Date.

“Pre-Closing Period” means any taxable period (or portion thereof) ending on or before the Closing Date, including for the avoidance of doubt, the portion of any Straddle Period ending at the end of the day on the Closing Date.

“Preparing Party” has the meaning set forth in Section 2.04(b).

“Proposed Acquisition Transaction” means a transaction or series of transactions (or any agreement, understanding or arrangement, within the meaning of Section 355(e) of the Code and Treasury Regulation Section 1.355-7, or any other regulations promulgated under Section 355(e), to enter into a transaction or series of transactions), whether such transaction is supported by GLPI management or shareholders, is a hostile acquisition, or otherwise, as a result of which GLPI would merge or consolidate with any other Person or as a result of which one or more Persons would (directly or indirectly) acquire, or have the right to acquire, from GLPI and/or one or more holders of outstanding shares of GLPI capital stock, as the case may be, a number of shares of GLPI capital stock that would, when combined with any other direct or indirect changes in

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ownership of GLPI capital stock pertinent for purposes of Section 355(e) of the Code, comprise 40% or more of (i) the value of all outstanding shares of stock of GLPI as of the date of such transaction, or in the case of a series of transactions, the date of the last transaction of such series, or (ii) the total combined voting power of all outstanding shares of voting stock of GLPI as of the date of such transaction, or in the case of a series of transactions, the date of the last transaction of such series. Notwithstanding the foregoing, a Proposed Acquisition Transaction shall not include (x) the adoption by GLPI of a shareholder rights plan or (y) issuances by GLPI that satisfy Safe Harbor VIII (relating to acquisitions in connection with a person’s performance of services) or Safe Harbor IX (relating to acquisitions by a retirement plan of an employer) of Treasury Regulation Section 1.355-7(d). For purposes of determining whether a transaction constitutes an indirect acquisition, any recapitalization resulting in a shift of voting power or any redemption of shares of stock shall be treated as an indirect acquisition of shares of stock by the non-exchanging shareholders. This definition, and the application thereof, is intended to monitor compliance with Section 355(e) of the Code and shall be interpreted accordingly. Any clarification of, or change in, the statute or regulations promulgated under Section 355(e) of the Code shall be incorporated in this definition and its interpretation.

“Protective Section 336(e) Election” has the meaning set forth in Section 6.04.

“Refund” means any refund (or credit in lieu thereof) of Taxes (including any overpayment of Taxes that can be refunded or, alternatively, applied to other Taxes payable), including any interest paid on or with respect to such refund of Taxes; provided, however, that for purposes of this Agreement, the amount of any Refund required to be paid to another Party shall be reduced by the net amount of any Income Taxes imposed on, related to, or attributable to, the receipt or accrual of such Refund.

“Reorganization” has the meaning set forth in the recitals to this Agreement.

“Restriction Period” has the meaning set forth in Section 6.02(b).

“Reviewing Party” has the meaning set forth in Section 2.04(b).

“Second Contribution” means the contribution (as part of the Reorganization) by Penn to GLPI of all of the GLPI Assets held directly by Penn in actual or constructive exchange for (i) the assumption by GLPI of GLPI Liabilities of Penn, (ii) the issuance by GLPI to Penn of shares of GLPI Common Stock, and (iii) a portion of the GLPI Cash Payment.

“Section 6.02(d) Acquisition Transaction” means any transaction or series of transactions that is not a Proposed Acquisition Transaction but would be a Proposed Acquisition Transaction if the percentage reflected in the definition of Proposed Acquisition Transaction were 25% instead of 40%.

“Separation Agreement” has the meaning set forth in the recitals.

“Single Business Income Tax Return” means any Income Tax Return, including any consolidated, combined or unitary Tax Return, that reflects or reports Tax Items relating to the Penn Business, on the one hand, or the GLPI Business, on the other (but not both), whether or not the Person

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charged by Law to file such Tax Return is engaged in the business to which the Tax Return relates.

“Single Business Non-Income Tax Return” means any Non-Income Tax Return, including any consolidated, combined or unitary Tax Return, that reflects or reports Tax Items relating to the Penn Business, on the one hand, or the GLPI Business, on the other (but not both), whether or not the Person charged by Law to file such Tax Return is engaged in the business to which the Tax Return relates.

“Single Business Tax Return” means any Single Business Income Tax Return or Single Business Non-Income Tax Return.

“Special Tax Advisor” means KPMG LLP.

“Spin-Off” has the meaning set forth in the recitals to this Agreement.

“Straddle Period” means any taxable period that begins on or before and ends after the Closing Date.

“Subsidiary” has the meaning set forth in the Separation Agreement.

“Tax” means (i) all taxes, charges, fees, duties, levies, imposts, or other similar assessments, imposed by any U.S. federal, state or local or foreign governmental authority, including, but not limited to, net income, gross income, gross receipts, excise, real property, personal property, sales, use, service, service use, license, lease, capital stock, transfer, recording, franchise, business organization, occupation, premium, environmental, windfall profits, profits, customs, duties, payroll, wage, withholding, social security, employment, unemployment, insurance, severance, workers compensation, stamp, alternative minimum, estimated, value added, ad valorem, escheat, and other taxes, charges, fees, duties, levies, imposts, or other similar assessments, (ii) any interest, penalties or additions attributable thereto and (iii) all liabilities in respect of any items described in clauses (i) or (ii) payable by reason of assumption, transferee or successor liability, operation of Law or Treasury Regulation Section 1.1502-6(a) (or any predecessor or successor thereof or any analogous or similar provision under Law).

“Tax Attributes” means net operating losses, capital losses, investment tax credit carryovers, earnings and profits, foreign tax credit carryovers, overall foreign losses, previously taxed income, separate limitation losses, any other losses, deductions, credits or other comparable items, and asset basis, that could affect a Tax liability for a past or future taxable period.

“Tax-Free Status of the Transactions” means the tax-free treatment accorded to certain of the Transactions as set forth in the IRS Ruling and the Distribution Tax Opinion.

“Tax Group” means any U.S. federal, state, local or foreign affiliated, consolidated, combined, unitary or similar group or fiscal unity that joins in the filing of a single Tax Return.

“Tax Item” means any item of income, gain, loss, deduction, credit, recapture of credit or any other item which increases or decreases Taxes paid or payable.

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“Tax Materials” means (i) the IRS Ruling, (ii) the Distribution Tax Opinion, (iii) each submission to the IRS in connection with the IRS Ruling, including the IRS Ruling Request, (iv) the representation letter from Penn and GLPI addressed to Counsel and Special Tax Advisor supporting the Distribution Tax Opinion, (v) the representation letter from Peter M. Carlino, addressed to Counsel and Special Tax Advisor supporting the Distribution Tax Opinion, and (vi) any other materials delivered or deliverable by Penn or GLPI in connection with the rendering by Counsel and Special Tax Advisor of the Distribution Tax Opinion and the issuance by the IRS of the IRS Ruling.

“Tax Matter” has the meaning set forth in Section 7.01.

“Tax Package” means all relevant Tax-related information relating to the operations of the Penn Business or the GLPI Business, as applicable, that is reasonably necessary to prepare and file the applicable Tax Return.

“Tax Proceeding” means any audit, assessment of Taxes, pre-filing agreement, other examination by any Taxing Authority, proceeding, appeal of a proceeding or litigation relating to Taxes, whether administrative or judicial, including proceedings relating to competent authority determinations.

“Tax Return” means any return, report, certificate, form or similar statement or document (including any related or supporting information or schedule attached thereto and any information return, or declaration of estimated Tax) required to be supplied to, or filed with, a Taxing Authority in connection with the payment, determination, assessment or collection of any Tax or the administration of any Laws relating to any Tax and any amended Tax return or claim for refund.

“Taxing Authority” means any governmental authority or any subdivision, agency, commission or entity thereof or any quasi-governmental or private body having jurisdiction over the assessment, determination, collection or imposition of any Tax (including the IRS).

“Transaction Documents” has the meaning set forth in the Separation Agreement.

“Transaction Taxes” means any Taxes imposed on or by reason of the Transactions, other than any such Taxes caused by a Disqualifying Action. For the avoidance of doubt, Transaction Taxes include Taxes by reason of deferred intercompany transactions triggered by the Transactions.

“Transactions” means the Reorganization (including the First Contribution, the Internal Distribution, the Second Contribution, and certain related transactions), the Debt Repayment, the Distribution and the other transactions contemplated by the Transaction Documents.

“Transfer Taxes” means all sales, use, transfer, real property transfer, intangible, recordation, registration, documentary, stamp or similar Taxes imposed with respect to the Transactions.

“Treasury Regulations” means the final and temporary (but not proposed) income Tax regulations promulgated under the Code, as such regulations may be amended from time to time (including corresponding provisions of succeeding regulations).

“Unqualified Tax Opinion” means a “will” opinion, without substantive qualifications, of a nationally recognized law or accounting firm, which firm is reasonably acceptable to Penn, to the effect that a transaction will not affect the Tax-Free Status of the Transactions.

“U.S.” means the United States of America.

Section 1.02 Additional Definitions. Capitalized terms not defined in this Agreement shall have the meanings ascribed to them in the Separation Agreement.

ARTICLE II

PREPARATION, FILING AND PAYMENT OF TAXES SHOWN DUE ON TAX RETURNS

Section 2.01 Penn Consolidated Returns.

(a) General. Penn shall prepare and file all Penn Consolidated Returns for a Pre-Closing Period or a Straddle Period, shall pay all Taxes and shall be entitled to all Refunds shown to be due and payable on such Tax Returns.

(b) Extraordinary Transactions. Notwithstanding anything to the contrary in this Agreement, for all Tax purposes, the Parties shall report any Extraordinary Transactions that are caused or permitted by GLPI or any GLPI Entity on the Closing Date after the Effective Time as occurring on the day after the Closing Date pursuant to Treasury Regulations Section 1.1502-76(b)(1)(ii)(B) or any similar or analogous provision of state, local or foreign Law. Penn shall not make a ratable election pursuant to Treasury Regulation Section 1.1502-76(b)(2)(ii)(D) or any similar or analogous provision of state, local or foreign Law.

Section 2.02 Mixed Business Tax Returns.

(a) Mixed Business Income Tax Returns.

(i) Penn shall prepare and file (or cause a Penn Entity to prepare and file) any Mixed Business Income Tax Return for a Pre-Closing Period or a Straddle Period required to be filed by Penn or a Penn Entity and shall pay, or cause such Penn Entity to pay, all Taxes and shall be entitled to all Refunds shown to be due and payable on such Tax Return.

(ii) Penn shall prepare (or cause a Penn Entity to prepare), and GLPI shall file (or cause a GLPI Entity to file), any Mixed Business Income Tax Return for a Pre-Closing Period or a Straddle Period required to be filed by GLPI or a GLPI Entity and GLPI shall pay, or cause such GLPI Entity to pay, all Taxes and shall be entitled to all Refunds shown to be due and payable on such Tax Return; provided that (x) in the case of a Tax Return for a Pre-Closing Period, Penn shall reimburse GLPI for all such Taxes and GLPI shall reimburse Penn for all such Refunds, as the case may be and (y) in the case of a Tax Return for a Straddle Period, Penn shall reimburse GLPI or GLPI shall reimburse Penn, as applicable, for the amount of Tax or Refund, as applicable, that would have been shown as due and payable if such Straddle Period had ended on the Closing

Date, determined in the manner set forth in Section 2.05 (for the avoidance of doubt taking into account those payments (if any) of Taxes with respect to such Tax Return made on or prior to the Closing Date).

(b) Mixed Business Non-Income Tax Returns. Penn shall prepare and file (or cause a Penn Entity to prepare and file) any Mixed Business Non-Income Tax Return for a Pre-Closing Period or a Straddle Period required to be filed by Penn or a Penn Entity and shall pay, or cause such Penn Entity to pay, all Taxes shown to be due and payable on such Tax Return; provided that GLPI shall reimburse Penn for any such Taxes that are GLPI Taxes. GLPI shall prepare and file (or cause a GLPI Entity to prepare and file) any Mixed Business Non-Income Tax Return for a Pre-Closing Period or a Straddle Period required to be filed by GLPI or a GLPI Entity and shall pay, or cause such GLPI Entity to pay, all Taxes shown to be due and payable on such Tax Return; provided that Penn shall reimburse GLPI for any such Taxes that are Penn Taxes.

Section 2.03 Single Business Tax Returns. Penn shall prepare and file (or cause a Penn Entity to prepare and file) any Single Business Tax Return for a Pre-Closing Period or a Straddle Period required to be filed by Penn or a Penn Entity and shall pay, or cause such Penn Entity to pay, all Taxes and shall be entitled to all Refunds shown to be due and payable on such Tax Return; provided that GLPI shall reimburse Penn for any such Taxes that are

GLPI Taxes and Penn shall reimburse GLPI for any such Refunds of GLPI Taxes. GLPI shall prepare and file (or cause a GLPI Entity to prepare and file) any Single Business Tax Return for a Pre-Closing Period or a Straddle Period required to be filed by GLPI or a GLPI Entity and shall pay, or cause such GLPI Entity to pay, all Taxes and shall be entitled to all Refunds shown to be due and payable on such Tax Return; provided that Penn shall reimburse GLPI for any such Taxes that are Penn Taxes and GLPI shall reimburse Penn for any such Refunds of Penn Taxes.

Section 2.04 Tax Return Procedures.

(a) Procedures Relating to Penn Consolidated Returns and Mixed Business Income Tax Returns.

(i) In connection with the preparation of any Tax Return pursuant to Sections 2.01 or 2.02(a)(i) or (ii), GLPI will assist and cooperate with Penn by preparing and providing to Penn pro forma Tax Returns for GLPI and any GLPI Entity to be included in such Penn Consolidated Return or equivalent financial data to be used in the preparation of a Mixed Business Income Tax Return, as applicable. Pro forma Tax Returns shall be prepared in accordance with Past Practice, unless otherwise required by Law or agreed to in writing by Penn. At its option, Penn may engage an accounting firm of its choice to review the pro forma Tax Return, supporting documentation, and statements submitted by GLPI and in connection therewith, shall determine whether such Tax Return was prepared in accordance with Past Practice. Prior to engaging such accounting firm, Penn shall provide the suggested scope for such accounting review to GLPI for review and discussion. All costs and expenses associated with such review will be borne by GLPI upon receipt of invoices detailing the work performed by such accounting firm.

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(ii) Penn shall prepare all Penn Consolidated Returns and any Mixed Business Income Tax Returns consistent with Past Practice unless otherwise required by Law or agreed to in writing by GLPI. In the event that Past Practice is not applicable to a particular item or matter, Penn shall determine the reporting of such item or matter provided that such reporting is more likely than not to be sustained and provided further that Penn and GLPI shall agree as to the reporting of any such item or matter which is not more likely than not to be sustained. Penn shall deliver to GLPI for its review a draft of such Penn Consolidated Return or Mixed Business Income Tax Return (or to the extent practicable the portion of such Tax Return that relates to GLPI Taxes). The Parties shall negotiate in good faith to resolve all disputed issues.

(b) Procedures Relating to Mixed Business Non-Income Tax Returns and Single Business Tax Returns. The Party that is required to prepare and file any Tax Return pursuant to Sections 2.02(b) or 2.03 (the "Preparing Party") which reflects Taxes which are reimbursable by the other Party (the "Reviewing Party"), in whole or in part, shall (x) unless otherwise required by Law or agreed to in writing by the Reviewing Party, prepare such Tax Return in a manner consistent with Past Practice to the extent such items affect the Taxes for which the Reviewing Party is responsible pursuant to this Agreement, and (y) submit to the Reviewing Party a draft of any such Tax Return (or to the extent practicable the portion of such Tax Return that relates to Taxes for which the Reviewing Party is responsible pursuant to this Agreement) along with a statement setting forth the calculation of the Tax shown due and payable on such Tax Return reimbursable by the Reviewing Party under Sections 2.02(b) or 2.03. The Parties shall negotiate in good faith to resolve all disputed issues.

Section 2.05 Straddle Period Tax Allocation. For U.S. federal income Tax purposes, the taxable year of GLPI and each GLPI Entity that was a member of the affiliated group of corporations of which Penn was the Common Parent shall end as of the close of the Closing Date. Penn and GLPI shall take all actions necessary or appropriate to close the taxable year of GLPI and each GLPI Entity for all other Tax purposes as of the close of the Closing Date to the extent required by applicable Law. If applicable Law does not require GLPI or a GLPI Entity, as the case may be, to close its taxable year on the Closing Date, then the allocation of income or deductions required to determine any Taxes or other amounts attributable to the portion of the Straddle Period ending on, or beginning after, the Closing Date shall be made by means of a closing of the books and records of GLPI or such GLPI Entity as of the close of the Closing Date; provided that (i) exemptions, allowances or deductions that are calculated on an annual or periodic basis shall be allocated between such portions in proportion to the number of days in each such portion, and (ii) property Taxes or other Non-Income Taxes that are calculated on an annual or periodic basis and not assessed with respect to a transaction or series of transactions shall be allocated to the portion of the Straddle Period ending on the Closing Date and the portion of the Straddle Period beginning after the Closing Date in proportion to the number of days in each such portion.

Section 2.06 Timing of Payments. All Taxes required to be paid or caused to be paid pursuant to this Article II by either Penn or a Penn Entity or GLPI or a GLPI Entity, as the case may be, to an applicable Taxing Authority or by Penn or GLPI to the other Party, pursuant to this Agreement, shall, in the case of a payment to a Taxing Authority, be paid on or before the Due Date for the payment of such Taxes and, in the case of a payment to the other Party, be paid at

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least two (2) business days before the Due Date for the payment of such Taxes by the other Party.

Section 2.07 Expenses. Except as provided in Section 2.04(a) in respect of the pro forma Tax Returns submitted by GLPI or Section 8.01(b) in respect of the Accounting Firm, each Party shall bear its own expenses incurred in connection with this Article II.

Section 2.08 Coordination with Article IV. This Article II shall not apply to any amended Tax Returns, such amended Tax Returns being governed by Article IV.

ARTICLE III

INDEMNIFICATION

Section 3.01 Indemnification by Penn. Penn shall pay, and shall indemnify and hold the GLPI Indemnified Parties harmless from and against, without duplication, (a) all Penn Taxes, (b) all Taxes incurred by GLPI or any GLPI Entity by reason of the incorrectness or breach by Penn of any of its representations, warranties or covenants hereunder, and (c) any costs and expenses related to the foregoing (including reasonable attorneys' fees and expenses).

Section 3.02 Indemnification by GLPI. GLPI shall pay, and shall indemnify and hold the Penn Indemnified Parties harmless from and against, without duplication, (a) all GLPI Taxes, (b) all Taxes incurred by Penn or any Penn Entity by reason of the incorrectness or breach by GLPI of any of its representations, warranties or covenants hereunder, and (c) any costs and expenses related to the foregoing (including reasonable attorneys' fees and expenses).

Section 3.03 Characterization of and Adjustments to Payments.

(a) For all Tax purposes, other than for purposes of Section 355(g) in accordance with the IRS Ruling, Penn and GLPI agree to treat or cause to be treated (i) any payment required by this Agreement (other than any payment of interest accruing after the Closing Date) as either a contribution by Penn to GLPI or a distribution by GLPI to Penn, as the case may be, occurring immediately prior to the Closing Date and (ii) any payment of non-federal Taxes by or to a Taxing Authority or any payment of interest as taxable or deductible, as the case may be, to the Party entitled under this Agreement to retain such payment or required under this Agreement to make such payment, in either case except as otherwise required by applicable Law.

(b) Any indemnity payment under this Article III shall be increased to take into account any inclusion in income of the Indemnified Party (or an Affiliate thereof) arising from the receipt of such relevant indemnity payment and shall be decreased to take into account any reduction in income of the Indemnified Party (or an Affiliate thereof) arising from the incurrence or payment of the relevant indemnified item. For purposes of this Section 3.03(b), any inclusion or reduction, as applicable, shall be determined (i) using the highest marginal rates in effect at the time of the determination, and (ii) assuming the Indemnified Party will be liable for such Taxes at such rate and has no Tax Attributes at the time of the determination.

Section 3.04 Timing of Indemnity Payments. Indemnity payments in respect of any liabilities for which an Indemnified Party is entitled to indemnification pursuant to this Article III

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shall be paid by the Indemnifying Party to the Indemnified Party as such liabilities are incurred upon demand by the Indemnified Party, including reasonably satisfactory documentation setting forth the basis for, and calculation of, the amount of such indemnity payment.

Section 3.05 Mitigation of Losses. GLPI shall use its best efforts to mitigate any Taxes for which Penn is liable pursuant to Section 3.01 to the extent such Taxes are (a) Transaction Taxes or (b) other Taxes imposed on or by reason of the Transactions or the failure of the Transactions to qualify for the Tax-Free Status of the Transactions.

ARTICLE IV

REFUNDS, CARRYBACKS, AMENDMENTS AND TAX ATTRIBUTES

Section 4.01 Refunds.

(a) Except as provided in Section 4.02, Penn shall be entitled to all Refunds of Taxes for which Penn is responsible pursuant to Article III, and GLPI shall be entitled to all Refunds of Taxes for which GLPI is responsible pursuant to Article III. A Party receiving a Refund to which the other Party is entitled pursuant to this Agreement shall pay the amount to which such other Party is entitled within ten (10) days after the receipt of the Refund.

(b) In the event of an Adjustment relating to Taxes for which one Party is responsible pursuant to Article III which would have given rise to a Refund but for an offset against the Taxes for which the other Party is or may be responsible pursuant to Article III (the "Benefited Party"), then the Benefited Party shall pay to the other Party, within ten (10) days of the Final Determination of such Adjustment an amount equal to the lesser of (i) the amount of such hypothetical Refund or (ii) the amount of such reduction in the Taxes of the Benefited Party, in each case, plus interest at the rate set forth in Section 6621(a)(1) on such amount for the period from the filing date of the Tax Return that would have given rise to such Refund to the payment date.

(c) Notwithstanding Section 4.01(a), to the extent that a Party applies or causes to be applied an overpayment of Taxes as a credit toward or a reduction in Taxes otherwise payable (or a Taxing Authority requires such application in lieu of a Refund) and such overpayment of Taxes, if received as a Refund, would have been payable by such Party to the other Party pursuant to this Section 4.01, such Party shall pay such amount to the other Party no later than the Due Date of the Tax Return for which such overpayment is applied to reduce Taxes otherwise payable.

(d) To the extent that the amount of any Refund under this Section 4.01 or Section 4.02(b), as applicable, is later reduced by a Taxing Authority or in a Tax Proceeding, such reduction shall be allocated to the Party to which such Refund was allocated pursuant to this Section 4.01 or Section 4.02(b), as applicable, and an appropriate adjusting payment shall be made.

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Section 4.02 Carrybacks.

(a) The carryback of any loss, credit or other Tax Attribute from any Post-Closing Period shall be in accordance with the provisions of the Code and Treasury Regulations (and any applicable state, local or foreign Laws).

(b) (i) Subject to Section 4.02(c) and (d), in the event that any member of the GLPI Group realizes any loss, credit or other Tax Attribute in a Post-Closing Period of such member, such member may elect to carry back such loss, credit or other Tax Attribute to a Pre-Closing Period or Straddle Period of Penn. Penn shall cooperate with GLPI and such member in seeking from the appropriate Taxing Authority any Refund that reasonably would result from such carryback (including by filing an amended Tax Return) at GLPI's cost and expense; provided, that Penn shall not be required to seek such Refund and GLPI and such member shall not be permitted to seek such Refund, in each case to the extent that such Refund would reasonably be expected to materially adversely impact Penn (including through an increase in Taxes or a loss or reduction of a Tax Attribute regardless of whether or when such Tax Attribute otherwise would have been used), in each case without the prior written consent of Penn, which consent shall not be unreasonably

withheld or delayed. GLPI (or such member) shall be entitled to any Refund realized by any member of the Penn Group or the GLPI Group resulting from such carryback.

(ii) Subject to Section 4.02(c) and (d), in the event that any member of the Penn Group realizes any loss, credit or other Tax Attribute in a Post-Closing Period of such member, such member may elect to carry back such loss, credit or other Tax Attribute to a Pre-Closing Period or Straddle Period of such member. GLPI shall cooperate with Penn and such member in seeking from the appropriate Taxing Authority any Refund that reasonably would result from such carryback (including by filing an amended Tax Return) at Penn's cost and expense; provided, that GLPI shall not be required to seek such Refund and Penn and such member shall not be permitted to seek such Refund, in each case to the extent that such Refund would reasonably be expected to materially adversely impact GLPI (including through an increase in Taxes or a loss or reduction of a Tax Attribute regardless of whether or when such Tax Attribute otherwise would have been used), in each case without the prior written consent of GLPI, which consent shall not be unreasonably withheld or delayed. Penn (or such member) shall be entitled to any Refund realized by any member of the GLPI Group or the Penn Group resulting from such carryback.

(c) Except as otherwise provided by applicable Law, if any loss, credit or other Tax Attribute of the Penn Business and the GLPI Business both would be eligible to be carried back or carried forward to the same Pre-Closing Period (had such carryback been the only carryback to such taxable period), any Refund resulting therefrom shall be allocated between Penn and GLPI proportionately based on the relative amounts of the Refunds to which the Penn Business and the GLPI Business, respectively, would have been entitled had such carryback been the only carryback to such taxable period.

(d) To the extent the amount of any Refund under this Section 4.02 is later reduced by a Taxing Authority or a Tax Proceeding, such reduction shall be allocated to the Party to which such Refund was allocated pursuant to this Section 4.02.

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Section 4.03 Amended Tax Returns.

(a) Penn Consolidated Returns. Penn shall, in its sole discretion, be permitted to amend any Penn Consolidated Return for a Pre-Closing Period or a Straddle Period; provided, however, that unless otherwise required by a Final Determination, Penn shall not amend any such Penn Consolidated Return to the extent that any such amendment (i) would reasonably be expected to materially adversely impact GLPI (including through an increase in Taxes or a loss or reduction of a Tax Attribute regardless of whether or when such Tax Attribute otherwise would have been used) or (ii) is inconsistent with Past Practice, in each case without the prior written consent of GLPI, which consent shall not be unreasonably withheld or delayed.

(b) Mixed Business Income Tax Returns. Penn shall, in its sole discretion, be permitted to amend, or to cause GLPI or any GLPI Entity to amend (and GLPI shall, if Penn so chooses, amend or cause the applicable GLPI Entity to amend), any Mixed Business Income Tax Returns for a Pre-Closing Period or a Straddle Period; provided, however, that unless otherwise required by a Final Determination, Penn shall not be permitted to so amend any such Mixed Business Income Tax Return to the extent that any such amendment (i) would reasonably be expected to materially adversely impact GLPI (including through an increase in Taxes or a loss or reduction of a Tax Attribute regardless of whether or when such Tax Attribute otherwise would have been used) in a Post-Closing Period or (ii) is inconsistent with Past Practice, in each case without the prior written consent of GLPI, which consent shall not be unreasonably withheld or delayed.

(c) Mixed Business Non-Income Tax Returns and Single Business Tax Returns. Each of Penn or GLPI, as the case may be, shall, in its sole discretion, be permitted to amend (or cause or permit to be amended) any Mixed Business Non-Income Tax Return or Single Business Tax Return; provided, however, that if any Party wishes to amend any such Tax Return for which the other Party may be liable for Taxes pursuant to this Agreement, then, unless otherwise required by a Final Determination, Penn or GLPI, as the case may be, shall not be permitted to so amend (or cause or permit to be amended) any such Mixed Business Non-Income Tax Return or Single Business Tax Return, as the case may be, to the extent that any such amendment (i) would reasonably be expected to materially adversely impact the other Party (including through an increase in Taxes or a loss or reduction of a Tax Attribute regardless of whether or when such Tax Attribute otherwise would have been used) or (ii) is inconsistent with Past Practice, in each case without the prior written consent of such other Party, which consent shall not be unreasonably withheld or delayed.

Section 4.04 Tax Attributes.

(a) Tax Attributes arising in a Pre-Closing Period shall be allocated to the Penn Group and the GLPI Group in accordance with the Code and Treasury Regulations (and any applicable state, local and foreign Laws). Penn and GLPI shall jointly determine the allocation of such Tax Attributes arising in Pre-Closing Periods as soon as reasonably practicable following the Closing Date, and hereby agree to compute all Taxes for Post-Closing Periods consistently with that determination unless otherwise required by a Final Determination.

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(b) To the extent that the amount of any Tax Attribute is later reduced or increased by a Taxing Authority or Tax Proceeding, such reduction or increase shall be allocated to the Party to which such Tax Attribute was allocated pursuant to Section 4.04(a).

Section 4.05 Treatment of Deductions Associated with Equity-Related Compensation.

(a) Solely the member of the Group for which the relevant individual is currently employed or, if such individual is not currently employed by a member of the Group, was most recently employed at the time of the vesting, exercise, disqualifying disposition, payment or other relevant taxable event, as appropriate, in respect of the equity awards and other incentive compensation described in Section 5.2 of the Employee Matters Agreement shall be entitled to claim any Tax deduction in respect of such equity awards and other incentive compensation on its respective Tax Return associated with such event.

(b) If, by reason of a subsequent Final Determination as to the treatment of any Tax deduction related to the equity awards and other incentive compensation referred to in Section 4.05(a) above, a Taxing Authority determines that (i) GLPI or a member of the GLPI Group is entitled to a deduction to which Penn or a member of the Penn Group is entitled pursuant to Section 4.05(a), then GLPI shall, and shall cause the GLPI Group to, pay the amount of any Tax benefits that result therefrom within ten (10) days of the date on which such Tax benefits are realized or (ii) Penn or a member of the Penn

Group is entitled to a deduction to which GLPI or a member of the GLPI Group is entitled pursuant to Section 4.05(a), then Penn shall, and shall cause the Penn Group to, pay the amount of any Tax benefits that result therefrom within ten (10) days of the date on which such Tax benefits are realized.

ARTICLE V

TAX PROCEEDINGS

Section 5.01 Notification of Tax Proceedings. Within ten (10) days after an Indemnified Party becomes aware of the commencement of a Tax Proceeding that may give rise to Taxes for which an Indemnifying Party is responsible pursuant to Article III, such Indemnified Party shall notify the Indemnifying Party of such Tax Proceeding, and thereafter shall promptly forward or make available to the Indemnifying Party copies of notices and communications relating to such Tax Proceeding. The failure of the Indemnified Party to notify the Indemnifying Party of the commencement of any such Tax Proceeding within such ten (10) day period or promptly forward any further notices or communications shall not relieve the Indemnifying Party of any obligation which it may have to the Indemnified Party under this Agreement except to the extent that the Indemnifying Party is actually prejudiced by such failure.

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Section 5.02 Statute of Limitations. Any extension of the statute of limitations for any Taxes or a Tax Return for any Pre-Closing Period or a Straddle Period shall be made by the Party required to file such Tax Return or pay such Taxes to a Taxing Authority; provided that to the extent such Taxes or Tax Return may result in an indemnity payment pursuant to this Agreement by the Party other than the filing Party, the Indemnifying Party may, in its reasonable discretion, require that the filing Party extend the applicable statute of limitations for such period as determined by the Indemnifying Party.

Section 5.03 Tax Proceeding Procedures Generally. Except as provided in Section 5.04, the Indemnifying Party shall be entitled to contest, compromise and settle any Adjustment proposed, asserted or assessed pursuant to any Tax Proceeding for which the Indemnifying Party is responsible pursuant to Article III and any such defense shall be made diligently and in good faith; provided, that the Indemnifying Party shall keep the Indemnified Party informed in a timely manner of all actions proposed to be taken by the Indemnifying Party and shall permit the Indemnified Party to observe all proceedings with respect to such Tax Proceeding; provided further, that if such Adjustment (or any actions proposed to be taken with respect thereto) would reasonably be expected to give rise to Taxes of the Indemnified Party in an amount of \$5 million or more (other than Taxes for which the Indemnifying Party is responsible under Article III), determined on an annual basis, then, unless waived by the Parties in writing, the Indemnifying Party shall (a) prepare all correspondence or filings to be submitted to any Taxing Authority or judicial authority in a manner consistent with the Tax Return which is the subject of such Adjustment as filed and timely provide the Indemnified Party with copies of any such correspondence or filings for the Indemnified Party's prior review and consent, which consent shall not be unreasonably withheld, (b) provide the Indemnified Party with written notice reasonably in advance of, and the Indemnified Party shall have the right to attend and participate in, any formally scheduled meetings with any Taxing Authority or hearings or proceedings before any judicial authority with respect to such Adjustment, (c) not enter into any settlement with any Taxing Authority with respect to such Adjustment without the prior written consent of the Indemnified Party, which consent shall not be unreasonably withheld and (d) not contest such Adjustment before a judicial authority unless (i) such Adjustment would reasonably be expected to give rise to Taxes payable by the Indemnifying Party in an amount of \$10 million or more or (ii) the Indemnifying Party has received an opinion of a nationally recognized law firm that it is more likely than not to prevail on the merits.

Section 5.04 Tax Proceedings in Respect of Transaction Taxes and Disqualifying Actions.

(a) Penn and GLPI shall be entitled to jointly contest, compromise and settle any Adjustment proposed, asserted or assessed pursuant to any Tax Proceeding relating to (i) any Transaction Taxes and (ii) any Taxes attributable to a GLPI Disqualifying Action with respect to which Penn notifies GLPI that it intends to seek indemnification pursuant to Section 3.02 hereof.

(b) Penn shall be entitled to contest, compromise and settle any Adjustment proposed, asserted or assessed pursuant to any Tax Proceeding relating to any Taxes attributable to a Penn Disqualifying Action and shall defend such Tax Proceeding diligently and in good faith; provided, that unless waived by the Parties in writing, Penn shall (i) keep GLPI informed in a timely manner of all actions taken or proposed to be taken by Penn, (ii) provide copies of all

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correspondence or filings to be submitted to any Taxing Authority or judicial authority to GLPI for its prior review and consent, which consent shall not be unreasonably withheld, and (iii) provide GLPI with written notice reasonably in advance of, and GLPI shall have the right to attend, any formally scheduled meetings with any Taxing Authority or hearings or proceedings before any judicial authority.

ARTICLE VI

TAX-FREE STATUS OF THE DISTRIBUTION

Section 6.01 Representations and Warranties.

(a) GLPI. GLPI hereby represents and warrants or covenants and agrees, as appropriate, that the facts presented and the representations made in the Tax Materials, to the extent descriptive of the GLPI Group (including the business purposes for the Internal Distribution and the Distribution described in the IRS Ruling Request and the other Tax Materials to the extent that they relate to the GLPI Group and the plans, proposals, intentions and policies of the GLPI Group), are, or will be from the time presented or made through and including the Effective Time (and thereafter as relevant) true, correct and complete in all respects.

(b) Penn. Penn hereby represents and warrants or covenants and agrees, as appropriate, that (i) it has delivered complete and accurate copies of the Tax Materials to GLPI and (ii) the facts presented and the representations made therein, to the extent descriptive of the Penn Group (including the business purposes for the Internal Distribution and the Distribution described in the IRS Ruling Request and the other Tax Materials to the extent that they relate to the Penn Group and the plans, proposals, intentions and policies of the Penn Group), are, or will be from the time presented or made through and including the Effective Time (and thereafter as relevant) true, correct and complete in all respects.

(c) No Contrary Knowledge. Each of Penn and GLPI represents and warrants that it knows of no fact (after due inquiry) that may cause the Tax treatment of the Transactions to be other than the Tax-Free Status of the Transactions.

(d) No Contrary Plan. Each of Penn and GLPI represents and warrants that neither it, nor any of its Affiliates, has any plan or intent to take any action which is inconsistent with any statements or representations made in the Tax Materials.

Section 6.02 Restrictions Relating to the Internal Distribution and the Distribution.

(a) General. Neither Penn nor GLPI shall, nor shall Penn or GLPI permit, any Penn Entity or any GLPI Entity, respectively, to take or fail to take, as applicable, any action that constitutes a Disqualifying Action described in the definitions of Penn Disqualifying Action and GLPI Disqualifying Action, respectively.

(b) Restrictions. Prior to the first day following the second anniversary of the Distribution (the “Restriction Period”), GLPI:

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(i) shall continue and cause to be continued the active conduct (as defined in Section 355(b)(2) of the Code and the Treasury Regulations) of the GLPI Active Businesses, taking into account Section 355(b)(3) of the Code;

(ii) shall not voluntarily dissolve or liquidate (including any action that is a liquidation for federal income tax purposes);

(iii) shall not (1) enter into any Proposed Acquisition Transaction or, to the extent GLPI has the right to prohibit any Proposed Acquisition Transaction, permit any Proposed Acquisition Transaction to occur, (2) redeem or otherwise repurchase (directly or through an Affiliate) any stock, or rights to acquire stock, except to the extent such repurchases satisfy Section 4.05(1)(b) of Revenue Procedure 96-30 (as in effect prior to the amendment of such Revenue Procedure by Revenue Procedure 2003-48 and Revenue Procedure 2013-32), (3) amend its certificate of incorporation (or other organizational documents), or take any other action, whether through a stockholder vote or otherwise, affecting the relative voting rights of its capital stock (including through the conversion of any capital stock into another class of capital stock), (4) merge or consolidate with any other Person or (5) take any other action or actions (including any action or transaction that would be reasonably likely to be inconsistent with any representation made in the Tax Materials) which in the aggregate (and taking into account any other transactions described in this Section 6.02(b)(iii)) would be reasonably likely to have the effect of causing or permitting one or more Persons (whether or not acting in concert) to acquire directly or indirectly stock representing a Fifty-Percent or Greater Interest in GLPI or otherwise jeopardize the Tax-Free Status of the Transactions; and

(iv) shall not, and shall not permit any other member of the GLPI Group, to sell, transfer, or otherwise dispose of or agree to, sell, transfer or otherwise dispose (including in any transaction treated for federal income tax purposes as a sale, transfer or disposition) of assets (including, any shares of capital stock of a Subsidiary) that, in the aggregate, constitute more than 30% of the consolidated gross assets of GLPI or the GLPI Group. The foregoing sentence shall not apply to (A) sales, transfers, or dispositions of assets in the Ordinary Course of Business, (B) any cash paid to acquire assets from an unrelated Person in an arm’s-length transaction, (C) any assets transferred to a Person that is disregarded as an entity separate from the transferor for U.S. federal income Tax purposes, or (D) any mandatory or optional repayment (or pre-payment) of any indebtedness of GLPI or any member of the GLPI Group. The percentages of gross assets or consolidated gross assets of GLPI or the GLPI Group sold, transferred, or otherwise disposed of, shall be based on the fair market value of the gross assets of GLPI and the members of the GLPI Group as of the Closing Date. For purposes of this Section 6.02(b)(iv), a merger of GLPI or one of its Subsidiaries with and into any Person that is not a wholly owned Subsidiary of GLPI shall constitute a disposition of all of the assets of GLPI or such Subsidiary; provided, however that in the event GLP Capital, L.P. ceases to be disregarded as an entity separate from its owner, GLPI, for U.S. federal income tax purposes, for purposes of this Section 6.02(b)(iv), references to GLPI shall also refer to GLP Capital, L.P., and any wholly owned Subsidiary of GLP Capital, L.P. shall be treated as a wholly owned Subsidiary of GLPI.

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(c) Notwithstanding the restrictions imposed by Section 6.02(b), during the Restriction Period, GLPI may proceed with any of the actions or transactions described therein, if (i) GLPI shall first have requested Penn to obtain a supplemental ruling in accordance with Section 6.03(a) to the effect that such action or transaction will not affect the Tax-Free Status of the Transactions and Penn shall have received such a supplemental ruling in form and substance reasonably satisfactory to it, (ii) GLPI shall have provided to Penn an Unqualified Tax Opinion in form and substance reasonably satisfactory to Penn, or (iii) Penn shall have waived in writing the requirement to obtain such ruling or opinion. In determining whether a ruling or opinion is satisfactory, Penn shall exercise its discretion, in good faith, solely to preserve the Tax-Free Status of the Transactions and may consider, among other factors, the appropriateness of any underlying assumptions or representations used as a basis for the ruling or opinion and the views on the substantive merits.

(d) Certain Issuances of Capital Stock. If GLPI proposes to enter into any Section 6.02(d) Acquisition Transaction or, to the extent GLPI has the right to prohibit any Section 6.02(d) Acquisition Transaction, proposes to permit any Section 6.02(d) Acquisition Transaction to occur, in each case, during the Restriction Period, GLPI shall provide Penn, no later than ten (10) days following the signing of any written agreement with respect to any Section 6.02(d) Acquisition Transaction, with a written description of such transaction (including the type and amount of GLPI capital stock to be issued in such transaction).

(e) Tax Reporting. Each of Penn and GLPI covenants and agrees that it will not take, and will cause its respective Affiliates to refrain from taking, any position on any Income Tax Return that is inconsistent with the Tax-Free Status of the Transactions.

Section 6.03 Procedures Regarding Opinions and Rulings.

(a) If GLPI notifies Penn that it desires to take one of the actions described in Section 6.02(b) (a “Notified Action”), Penn shall cooperate with GLPI and use its reasonable best efforts to seek to obtain, as expeditiously as possible, a supplemental ruling from the IRS or an Unqualified Tax Opinion for the purpose of permitting GLPI to take the Notified Action unless Penn shall have waived the requirement to obtain such ruling or opinion.

If such a ruling is to be sought, Penn shall apply for such ruling and Penn and GLPI shall jointly control the process of obtaining such ruling. In no event shall Penn be required to file any ruling request under this Section 6.03(a) unless GLPI represents that (i) it has read such ruling request, and (ii) all information and representations, if any, relating to any member of the GLPI Group, contained in such ruling request documents are (subject to any qualifications therein) true, correct and complete. GLPI shall reimburse Penn for all reasonable costs and expenses incurred by the Penn Group in obtaining a ruling or Unqualified Tax Opinion requested by GLPI within ten (10) days after receiving an invoice from Penn therefor.

(b) Penn shall have the right to obtain a supplemental ruling or an Unqualified Tax Opinion at any time in its sole and absolute discretion. If Penn determines to obtain such ruling or opinion, GLPI shall (and shall cause each GLPI Entity to) cooperate with Penn and take any and all actions reasonably requested by Penn in connection with obtaining such ruling or opinion (including by making any representation or reasonable covenant or providing any materials requested by the IRS or the law firm issuing such opinion); provided, that GLPI shall not be

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required to make (or cause a GLPI Entity to make) any representation or covenant that is untrue or inconsistent with historical facts, or as to future matters or events over which it has no control. In connection with obtaining such ruling, Penn shall apply for such ruling and shall have sole and exclusive control over the process of obtaining such ruling. Penn and GLPI shall each bear its own costs and expenses in obtaining a ruling or Unqualified Tax Opinion requested by Penn.

(c) Except as provided in Sections 6.03(a) and (b), following the Effective Time, neither GLPI nor any GLPI Affiliate shall seek any guidance from the IRS or any other Taxing Authority (whether written, verbal or otherwise) at any time concerning the Transactions (including the impact of any transaction on the Transactions).

Section 6.04 336(e) Election. The Parties agree that (i) Penn and GLPI shall enter into a written, binding agreement and (ii) Penn shall timely make a protective election under Section 336(e) of the Code (and any similar provision of any U.S. state or local jurisdiction) and Treasury Regulation Section 1.336-2(j) (a "Protective Section 336(e) Election") with respect to the Distribution, in each case, in accordance with Treasury Regulation Section 1.336-2(h). Penn shall timely file such forms as may be contemplated by applicable Tax law or administrative practice to effect such Protective Section 336(e) Election. To the extent, pursuant to a Final Determination, the Distribution constitutes a "qualified stock disposition," as defined in Treasury Regulation Section 1.336-1(b)(6), the Parties shall not and shall not permit any of their respective Subsidiaries to, take any position for Tax purposes inconsistent with the relevant Protective Section 336(e) Election, except as may be required pursuant to a Final Determination. For the avoidance of doubt, in the event that (x) Section 336(e) applies to the Distribution and (y) neither Section 355(c) nor Section 361(c) applies to the Internal Distribution, Penn shall be permitted to make an election under Treasury Regulation Section 1.1502-13(f)(5)(ii) in accordance with Treasury Regulation Section 1.1502-13(f)(5)(ii) (E) and specifying Treasury Regulation Section 1.1502-13(f)(5)(ii)(C) as the basis for relief.

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ARTICLE VII

COOPERATION

Section 7.01 General Cooperation. The Parties shall each cooperate fully (and each shall cause its respective Subsidiaries to cooperate fully) with all reasonable requests in writing ("Information Request") from another Party hereto, or from an agent, representative or advisor to such Party, in connection with the preparation and filing of Tax Returns (including the preparation of Tax Packages), claims for Refunds, Tax Proceedings, and calculations of amounts required to be paid pursuant to this Agreement, in each case, related or attributable to or arising in connection with Taxes of any of the Parties or their respective Subsidiaries covered by this Agreement and the establishment of any reserve required in connection with any financial reporting (a "Tax Matter"). Such cooperation shall include the provision of any information reasonably necessary or helpful in connection with a Tax Matter ("Information") and shall include, without limitation, at each Party's own cost:

(a) the provision of any Tax Returns of the Parties and their respective Subsidiaries, books, records (including information regarding ownership and Tax basis of property), documentation and other information relating to such Tax Returns, including accompanying schedules, related work papers, and documents relating to rulings or other determinations by Taxing Authorities;

(b) the execution of any document (including any power of attorney) in connection with any Tax Proceedings of any of the Parties or their respective Subsidiaries, or the filing of a Tax Return or a Refund claim of the Parties or any of their respective Subsidiaries;

(c) the use of the Party's reasonable best efforts to obtain any documentation in connection with a Tax Matter; and

(d) the use of the Party's reasonable best efforts to obtain any Tax Returns (including accompanying schedules, related work papers, and documents), documents, books, records or other information in connection with the filing of any Tax Returns of any of the Parties or their Subsidiaries.

Each Party shall make its employees, advisors, and facilities available, without charge, on a reasonable and mutually convenient basis in connection with the foregoing matters.

Section 7.02 Retention of Records. Penn and GLPI shall retain or cause to be retained all Tax Returns, schedules and work papers, and all material records or other documents relating thereto in their possession, until sixty (60) days after the expiration of the applicable statute of limitations (including any waivers or extensions thereof) of the taxable periods to which such Tax Returns and other documents relate or until the expiration of any additional period that any Party reasonably requests, in writing, with respect to specific material records and documents. A Party intending to destroy any material records or documents shall provide the other Party with reasonable advance notice and the opportunity to copy or take possession of such records and documents. The Parties hereto will notify each other in writing of any waivers or extensions of

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the applicable statute of limitations that may affect the period for which the foregoing records or other documents must be retained.

ARTICLE VIII

MISCELLANEOUS

Section 8.01 Dispute Resolution.

(a) In the event of any dispute between the Parties as to any matter covered by this Agreement, the Parties shall agree as to whether such dispute shall be governed by the procedures set forth in Section 8.01(b) of this Agreement or in Article VII of the Separation Agreement. If the Parties cannot agree as to which procedure will govern such dispute, such disagreement shall be resolved pursuant to Article VII of the Separation Agreement.

(b) With respect to any dispute governed by this Section 8.01(b), the Parties shall appoint a nationally recognized independent public accounting firm (the "Accounting Firm") to resolve such dispute. In this regard, the Accounting Firm shall make determinations with respect to the disputed items based solely on representations made by Penn and GLPI and their respective representatives, and not by independent review, and shall function only as an expert and not as an arbitrator and shall be required to make a determination in favor of one Party only. The Parties shall require the Accounting Firm to resolve all disputes no later than thirty (30) days after the submission of such dispute to the Accounting Firm, but in no event later than the Due Date for the payment of Taxes or the filing of the applicable Tax Return, if applicable, and agree that all decisions by the Accounting Firm with respect thereto shall be final and conclusive and binding on the Parties. The Accounting Firm shall resolve all disputes in a manner consistent with this Agreement and, to the extent not inconsistent with this Agreement, in a manner consistent with the Past Practices of Penn and its Subsidiaries, except as otherwise required by applicable Law. The Parties shall require the Accounting Firm to render all determinations in writing and to set forth, in reasonable detail, the basis for such determination. The fees and expenses of the Accounting Firm shall be paid by the non-prevailing Party.

Section 8.02 Tax Sharing Agreements. All Tax sharing, indemnification and similar agreements, written or unwritten, as between Penn or a Penn Entity, on the one hand, and GLPI or a GLPI Entity, on the other (other than this Agreement or any other Transaction Document), shall be or shall have been terminated no later than the Effective Time and, after the Effective Time, none of Penn or a Penn Entity, or GLPI or a GLPI Entity shall have any further rights or obligations under any such Tax sharing, indemnification or similar agreement.

Section 8.03 Interest on Late Payments. With respect to any payment between the Parties pursuant to this Agreement not made by the due date set forth in this Agreement for such payment, the outstanding amount will accrue interest at a rate per annum equal to the rate in effect for underpayments under Section 6621 of the Code from such due date to and including the earlier of the ninetieth (90th) day or the payment date and thereafter will accrue interest at a rate per annum equal to 9%.

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Section 8.04 Survival of Covenants. Except as otherwise contemplated by this Agreement, all covenants and agreements of the Parties contained in this Agreement shall survive the Effective Time and remain in full force and effect in accordance with their applicable terms, provided, however that the representations and warranties and all indemnification for Taxes shall survive until sixty (60) days following the expiration of the applicable statute of limitations (taking into account all extensions thereof), if any, of the Tax that gave rise to the indemnification; provided further, that in the event that notice for indemnification has been given within the applicable survival period, such indemnification shall survive until such time as such claim is finally resolved.

Section 8.05 Termination. Notwithstanding any provision to the contrary, this Agreement may be terminated at any time prior to the Effective Time by and in the sole discretion of Penn without the prior approval of any Person, including GLPI. In the event of such termination, this Agreement shall become void and no Party, or any of its officers and directors, shall have any liability to any Person by reason of this Agreement. After the Effective Time, this Agreement may not be terminated except by an agreement in writing signed by each of the Parties to this Agreement.

Section 8.06 Severability. If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced under any Law or as a matter of public policy, all other conditions and provisions of this Agreement shall remain in full force and effect. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties to this Agreement shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in a mutually acceptable manner.

Section 8.07 Entire Agreement. Except as otherwise expressly provided in this Agreement, this Agreement constitutes the entire agreement of the Parties hereto with respect to the subject matter of this Agreement and supersedes all prior agreements and undertakings, both written and oral, between or on behalf of the Parties hereto with respect to the subject matter of this Agreement.

Section 8.08 Assignment; No Third-Party Beneficiaries. This Agreement shall not be assigned by any Party without the prior written consent of the other Party hereto, except that Penn may assign (a) any or all of its rights and obligations under this Agreement to any of its Affiliates and (b) any or all of its rights and obligations under this Agreement in connection with a sale or disposition of any of its assets or entities or lines of business; provided, however, that, in each case, no such assignment shall release Penn from any liability or obligation under this Agreement nor change any of the steps in the Plan of Reorganization (as such term is defined in the Separation Agreement). Except as provided in Article III with respect to Indemnified Parties, this Agreement is for the sole benefit of the Parties to this Agreement and their respective Subsidiaries and their permitted successors and assigns and nothing in this Agreement, express or implied, is intended to or shall confer upon any other Person any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

Section 8.09 Specific Performance. In the event of any actual or threatened default in, or breach of, any of the terms, conditions and provisions of this Agreement, the Party who is or is to be thereby aggrieved shall have the right to specific performance and injunctive or other equitable

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relief of its rights under this Agreement, in addition to any and all other rights and remedies at law or in equity, and all such rights and remedies shall be cumulative. The Parties agree that the remedies at law for any breach or threatened breach, including monetary damages, may be inadequate compensation for any loss and that any defense in any action for specific performance that a remedy at law would be adequate is waived. Any requirements for the securing or posting of any bond with such remedy are waived by the Parties to this Agreement.

Section 8.10 Amendment. No provision of this Agreement may be amended or modified except by a written instrument signed by the Parties to this Agreement. No waiver by any Party of any provision of this Agreement shall be effective unless explicitly set forth in writing and executed by the Party so waiving. The waiver by any Party of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any other subsequent breach.

Section 8.11 Rules of Construction. Interpretation of this Agreement shall be governed by the following rules of construction: (a) words in the singular shall be held to include the plural and vice versa and words of one gender shall be held to include the other gender as the context requires; (b) references to the terms Article, Section, paragraph, clause, Exhibit and Schedule are references to the Articles, Sections, paragraphs, clauses, exhibits and schedules of this Agreement unless otherwise specified; (c) the terms “hereof,” “herein,” “hereby,” “hereto,” and derivative or similar words refer to this entire Agreement, including the Schedules and Exhibits hereto; (d) references to “\$” shall mean U.S. dollars; (e) the word “including” and words of similar import when used in this Agreement shall mean “including without limitation,” unless otherwise specified; (f) the word “or” shall not be exclusive; (g) references to “written” or “in writing” include in electronic form; (h) provisions shall apply, when appropriate, to successive events and transactions; (i) the headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement; (j) Penn and GLPI have each participated in the negotiation and drafting of this Agreement and if an ambiguity or question of interpretation should arise, this Agreement shall be construed as if drafted jointly by the parties hereto and no presumption or burden of proof shall arise favoring or burdening either Party by virtue of the authorship of any of the provisions in this Agreement or any interim drafts of this Agreement; and (k) a reference to any Person includes such Person’s successors and permitted assigns.

Section 8.12 Counterparts. This Agreement may be executed in one or more counterparts each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Agreement by facsimile or portable document format (PDF) shall be as effective as delivery of a manually executed counterpart of any such Agreement.

Section 8.13 Coordination with the Employee Matters Agreement. To the extent any covenants or agreements between the Parties with respect to employee withholding Taxes are set forth in the Employee Matters Agreement, such Taxes shall be governed exclusively by the Employee Matters Agreement and not by this Agreement.

Section 8.14 Effective Date. This Agreement shall become effective only upon the occurrence of the Distribution.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed as of the day and year first above written.

PENN NATIONAL GAMING, INC.

By /s/ Robert S. Ippolito
Name: Robert S. Ippolito
Title: Secretary and Treasurer

GAMING AND LEISURE PROPERTIES, INC.

By /s/ William J. Clifford
Name: William J. Clifford
Title: CFO, Secretary and Treasurer

[Signature Page to Tax Matters Agreement]

TRANSITION SERVICES AGREEMENT

This Transition Services Agreement (this “Services Agreement”) is entered into and effective as of the 1st day of November, 2013 (the “Effective Date”), by and between Penn National Gaming, Inc., a Pennsylvania corporation (“Provider”), and Gaming and Leisure Properties, Inc., a Pennsylvania corporation (“Recipient”). Provider and Recipient each may be referred to herein as a “Party” and collectively, as the “Parties.”

RECITALS

WHEREAS, the board of directors of Provider has determined that it is in the best interest of Provider to separate the majority of its operating assets and real property assets into two separate publicly traded companies, including an operating entity, Provider, and, through a tax-free spin-off of its real estate assets to holders of its common stock, Recipient, a newly formed, publicly traded real estate investment trust (such separation, the “Separation”);

WHEREAS, Provider and Recipient have entered into that certain Separation and Distribution Agreement, dated as of November 1, 2013 (the “Separation Agreement”), in order to carry out, effect and consummate the Separation; and

WHEREAS, to facilitate the Separation, Provider and Recipient deem it to be appropriate and in the best interests of Provider and Recipient that Provider provide certain services to Recipient and its Subsidiaries (as defined below) pursuant to the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual promises, covenants, agreements, representations and warranties contained herein, and for other good and valuable consideration the receipt and adequacy of which are hereby acknowledged, the Parties intending to be legally bound hereby agree as follows:

Article 1 Services

1.1 General. In accordance with the provisions hereof, Provider, through its and its Subsidiaries’ employees, agents or contractors, shall provide to Recipient and its Subsidiaries (as defined below), and Recipient shall purchase from Provider, the services described in Schedule A (each a “Service” and collectively, the “Services”). In addition to a description of each Service, Schedule A sets forth, where relevant, the maximum level or amount of each Service, applicable performance times and the pricing parameters for each Service. Schedule A may be amended from time to time by written agreement of the Parties. For purposes of this Services Agreement, a “Subsidiary” of any Party means a corporation or other entity of which at least a majority of the voting power or value of equity securities is owned, directly or indirectly, by such Party.

1.2 Quality of Services. Subject to Section 1.3, Provider shall perform each of the Services (i) in a workmanlike and professional manner, (ii) with the same degree of care as it exercises in performing its own functions of a like or similar nature, (iii) utilizing persons of

suitable experience, training and skill, and (iv) in a timely manner in accordance with the provisions of this Services Agreement.

1.3 Level of Service. The Service levels, if any, initially requested by Recipient (the “Initial Service Levels”) shall be as set forth on Schedule A. Recipient shall provide Provider with an updated Schedule A at least fifteen (15) days prior to the end of each fiscal quarter indicating the anticipated Service needs of Recipient for the next fiscal quarter (each a “Service Request”). Subject to Section 1.8, Service levels may not be increased from the Initial Service Levels, including the enhancement of any Services or addition of any new Services, without the written agreement of the Parties. To the extent any Services are mischaracterized in Schedule A, Provider and Recipient shall negotiate in good faith to amend Schedule A as appropriate.

1.4 Third Party Services. Each Party acknowledges and agrees that certain of the Services to be provided under this Services Agreement have been, and will continue to be, provided to Recipient by third parties designated by Provider. To the extent so provided, Provider shall use commercially reasonable efforts to cause such third parties to continue to provide such Services to Recipient, consistent with the manner in which such Services had been provided historically to Provider; provided, however, that if any such third party notifies Provider or its Subsidiaries that it is unable or unwilling to provide any such Services, Provider shall promptly notify Recipient in writing and shall use its commercially reasonable efforts to determine the manner in which such Services can best be provided, and, if there is any change to the Services provided as a result, including the level or cost thereof, Provider and Recipient shall negotiate in good faith to amend Schedule A as appropriate.

1.5 Responsible Personnel. Provider and Recipient shall each designate a point of contact for each Service listed on Schedule A to whom any questions related to the Services provided may be directed.

1.6 Consultation. At either Party’s reasonable request, the Parties shall meet and discuss the nature, quality and level of Services covered by this Services Agreement and any proposed modifications a Party may wish to make to the Services or other matter set forth herein.

1.7 Monitoring and Reports; Books and Records; Audit Right.

(a) Provider shall maintain books and records in reasonable and customary detail pertaining to the provision of Services pursuant to this Services Agreement. Provider shall make such books and records available for inspection by Recipient or its authorized representatives during normal business hours, upon reasonable notice to Provider, and shall retain such books and records for periods consistent with the retention policies applicable to the Provider’s business (or such longer period as reasonably requested in writing by the Recipient).

(b) Upon thirty (30) days’ advance notice to Provider, Recipient may audit (or cause an independent third party auditor to audit), during regular business hours and in a manner that complies with the building and security requirements of Provider, the books, records and facilities of Provider pertaining to the provision of Services pursuant to this Services Agreement to the extent necessary to determine Provider’s compliance with this Services Agreement or as may otherwise be required to ensure compliance with applicable laws or regulations. Recipient

shall have the right to audit such books, records and facilities of Provider once for each twelve (12) month period during the term of this Services Agreement (or on other occasions to the extent required by applicable law or regulations). Any audit under this Section 1.7(b) shall not interfere unreasonably with the operations of Provider. Recipient shall reimburse Provider for any reasonable, documented, out-of-pocket costs incurred in connection with such audit.

1.8 Changes to Services. It is understood and agreed that Provider may from time to time modify, change or enhance the manner, nature and/or quality of any Service provided to Recipient to the extent Provider is making a similar change in the performance of such services for the Provider and its affiliates and provided that any such modification, change or enhancement will not reasonably be expected to materially and negatively affect such Service. Provider shall furnish to Recipient substantially the same notice (in content and timing), if any, as Provider furnishes to its own organization with respect to such modifications, changes or enhancements.

Article 2 Compensation; Billing

2.1 Service Fees. In consideration of providing the Services, Provider will charge Recipient the fees indicated for each Service listed on Schedule A (each, a “Service Fee” and collectively, the “Service Fees”). The Service Fees shall be adjusted proportionately on a quarterly basis in accordance with the Service Request provided by Recipient as provided in Section 1.3.

2.2 Expenses. In addition to the Service Fee, Provider shall also be entitled to charge Recipient for its reasonable documented, out-of-pocket costs and expenses incurred by Provider in providing the Services (“Expenses”).

2.3 Invoices. Within thirty (30) days after the end of each calendar month, Provider shall send Recipient an invoice that includes in reasonable detail the Service Fees and Expenses due for Services provided to Recipient for such month. Payments of invoices shall be made by check or wire transfer of immediately available funds to one or more accounts specified in writing by Provider. Payment shall be made within thirty (30) days after the date of receipt of Provider’s invoice. All amounts payable to Provider hereunder shall be paid without setoff, deduction, abatement or counterclaim.

2.4 Payment Delay; Finance Charges.

(a) If Recipient fails to make any payment of a material invoice within sixty (60) days from the date such payment was due, Provider shall have the right, at its sole option, upon ten (10) business days’ prior written notice (a “Suspension Notice”), to suspend performance of the Services until payment has been received.

(b) With respect to the unpaid amount of any invoice not paid in full within thirty (30) days of receipt, a finance charge of 2% per month, payable from the date of the invoice to the date payment is received, shall be due and payable to Provider. In addition, Recipient shall indemnify Provider for its costs, including reasonable attorneys’ fees and disbursements, incurred to collect any unpaid amount.

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(c) Recipient shall not be liable for the payment of any finance charges pursuant to this Section 2.4, and Provider shall not be authorized to suspend performance pursuant to Section 2.4, to the extent, but only to the extent, that Recipient is in good faith disputing the fees or expenses to which such finance charges or performance relates in accordance with Section 12.2.

Article 3 Cooperation and Consents

3.1 General. Each Party shall reasonably cooperate with and provide assistance to the other Party in carrying out the provisions of this Services Agreement. Such cooperation shall include, but not be limited to, exchanging information, providing access to electronic systems used in connection with the Services, making adjustments and obtaining all consents, licenses, sublicenses or approvals necessary to permit each Party to perform its obligations hereunder.

3.2 Transition. At the request of Recipient in contemplation of the termination of any Services hereunder, in whole or in part, Provider shall cooperate with Recipient, at Recipient’s expense, in transitioning such Services to Recipient or to any third-party service provider designated by Recipient.

3.3 Consents. Provider will take commercially reasonable efforts to obtain, and to keep and maintain in effect, any third-party licenses and consents necessary to enable it to provide the Services (the “Consents”). The costs relating to obtaining any such licenses or consents obtained solely for the benefit of Recipient shall be borne by Recipient; provided that Provider shall not incur any such costs without the prior written consent of Recipient. If any such consent is not obtained or maintained, Provider shall promptly notify Recipient in writing and the Parties will reasonably cooperate with one another to achieve a reasonable alternative arrangement with respect thereto.

Article 4 Confidentiality

4.1 Recipient Confidential Information. From and after the Effective Date, subject to Section 4.3 and except as contemplated by or otherwise provided in this Services Agreement or the Separation Agreement, Provider shall not, and shall cause its affiliates and officers, directors, employees, and other agents and representatives, including attorneys, agents, customers, suppliers, contractors, consultants and other representatives of any individual, corporation, partnership, firm, joint venture, association, joint-stock company, trust, unincorporated organization, limited liability company, governmental authority or other entity (a “Person”) providing services to Provider (collectively, “Representatives”), not to, directly or indirectly, disclose, reveal, divulge or communicate to any Person other than Representatives of such party or of its affiliates who reasonably need to know such information in providing services to Provider and each Person (other than Recipient and its affiliates) that is an affiliate of Provider immediately after the Effective Time (as defined in the Separation Agreement) (all such Persons together with Provider, the “Provider Group”) or use or otherwise exploit for its own benefit or for the benefit of any third Person, any Recipient Confidential Information (as defined below). If any disclosures are made in connection with providing Services to any member of the Provider Group under this Services Agreement or the Separation Agreement, then the Recipient

Confidential Information so disclosed shall be used only as required to perform the Services. Provider shall use the same degree of care to prevent and restrain the unauthorized use or disclosure of the Recipient Confidential Information by any of its Representatives as it currently uses for its own confidential information of a like nature, but in no event less than a reasonable standard of care. For purposes of this Section 4.1, any information, material or documents relating to the businesses currently or formerly conducted, or proposed to be conducted, by Recipient or any of its affiliates (other than any member of the Provider Group) furnished to, or in possession of, Provider, irrespective of the form of communication, and all notes, analyses, compilations, forecasts, data, translations, studies, memoranda or other documents prepared by Provider or its officers, directors and affiliates, that contain or otherwise reflect such information, material or documents is hereinafter referred to as "Recipient Confidential Information." Recipient Confidential Information does not include, and there shall be no obligation hereunder with respect to, information that (i) is or becomes generally available to the public, other than as a result of a disclosure by Provider not otherwise permissible hereunder, (ii) Provider can demonstrate was or became available to Provider from a source other than Recipient or its affiliates or (iii) is developed independently by Provider without reference to the Recipient Confidential Information; provided, however, that, in the case of clause (ii), the source of such information was not known by Provider to be bound by a confidentiality agreement with, or other contractual, legal or fiduciary obligation of confidentiality to, Recipient or any Person (other than any member of the Provider Group) that is an affiliate of Recipient immediately after the Effective Time (all such Persons together with Recipient, the "Recipient Group") with respect to such information.

4.2 Provider Confidential Information. From and after the Effective Date, subject to Section 4.3 and except as contemplated by this Services Agreement or the Separation Agreement, Recipient shall not, and shall cause its affiliates and their respective Representatives, not to, directly or indirectly, disclose, reveal, divulge or communicate to any Person other than Representatives of such party or of its affiliates who reasonably need to know such information in providing services to Recipient or any member of the Recipient Group or use or otherwise exploit for its own benefit or for the benefit of any third Person, any Provider Confidential Information (as defined below). If any disclosures are made in connection with providing Services to any member of the Recipient Group under this Services Agreement or the Separation Agreement, then the Provider Confidential Information so disclosed shall be used only as required to perform the Services. The Recipient Group shall use the same degree of care to prevent and restrain the unauthorized use or disclosure of the Provider Confidential Information by any of their Representatives as they use for their own confidential information of a like nature, but in no event less than a reasonable standard of care. For purposes of this Section 4.2, any information, material or documents relating to the businesses currently or formerly conducted, or proposed to be conducted, by Provider or any of its affiliates (other than any member of the Recipient Group) furnished to, or in possession of, any member of the Recipient Group, irrespective of the form of communication, and all notes, analyses, compilations, forecasts, data, translations, studies, memoranda or other documents prepared by Recipient, any member of the Recipient Group or their respective officers, directors and affiliates, that contain or otherwise reflect such information, material or documents is hereinafter referred to as "Provider Confidential Information." Provider Confidential Information does not include, and there shall be no obligation hereunder with respect to, information that (i) is or becomes generally available to the public, other than as a result of a disclosure by any member of the

Recipient Group not otherwise permissible hereunder, (ii) Recipient can demonstrate was or became available to Recipient from a source other than Provider and its respective affiliates or (iii) is developed independently by such member of the Recipient Group without reference to the Provider Confidential Information; provided, however, that, in the case of clause (ii), the source of such information was not known by Recipient to be bound by a confidentiality agreement with, or other contractual, legal or fiduciary obligation of confidentiality to, Provider or its affiliates with respect to such information.

4.3 Required Disclosure. If Provider or its affiliates, on the one hand, or Recipient or its affiliates, on the other hand, are requested or required (by oral question, interrogatories, requests for information or documents, subpoena, civil investigative demand or similar process) by any governmental authority or pursuant to applicable law to disclose or provide any Recipient Confidential Information or Provider Confidential Information (other than with respect to any such information furnished pursuant to the provisions of Article IV of the Separation Agreement), as applicable, the Person receiving such request or demand shall use commercially reasonable efforts to provide the other Party with written notice of such request or demand as promptly as practicable under the circumstances so that such other Party shall have an opportunity to seek an appropriate protective order. The Party receiving such request or demand agrees to take, and cause its Representatives to take, at the requesting Party's expense, all other reasonable steps necessary to obtain confidential treatment by the applicable recipient. Subject to the foregoing, the Party that receives such a request or demand may thereafter disclose or provide any Recipient Confidential Information or Provider Confidential Information, as the case may be, to the extent required by such law (as so advised by counsel) or by lawful process or such governmental authority.

4.4 Third Party Confidential Information. Each of Provider and Recipient acknowledges that it and the other members of its Group (as defined below) may have in their possession confidential or proprietary information of third Persons that were received under confidentiality or non-disclosure agreements with such third Person prior to the Effective Date. Provider and Recipient each agrees that it will hold, and will cause the other members of its Group and their respective Representatives to hold, in strict confidence the confidential and proprietary information of third Persons to which it or any other member of its respective Group has access, in accordance with the terms of any agreements entered into prior to the Effective Date between or among one (1) or more members of the applicable party's Group and such third Persons. For the purposes of this Services Agreement, "Group" shall mean the Provider Group or the Recipient Group, as the context requires.

Article 5 Intellectual Property

5.1 Recipient Intellectual Property. Except as otherwise agreed by the Parties, all data, software, or other property or assets owned or created by Recipient shall remain the sole and exclusive property and responsibility of Recipient. Provider shall not acquire any rights in any such data, software or other property or assets pursuant to this Services Agreement.

5.2 Provider Intellectual Property. Except as otherwise agreed by the Parties, all data, software or other property or assets which are owned by Provider, including without limitation

derivative works thereof and new data or software created by Provider at Provider's expense pursuant to the provision of Services and all intellectual property rights therein (the "Provider Property"), shall be the sole and exclusive property and responsibility of Provider. Recipient shall not acquire any rights in any Provider Property pursuant to this Services Agreement.

Article 6
Remedies and Limitation of Liability

6.1 Remedies. In the event that any Service performed by Provider hereunder is not performed in accordance with the provisions of Article 1, Recipient's sole remedy shall be, at the election of Recipient either (i) to require Provider to re-perform such Service in accordance with Article 1 without obligation on the part of Recipient to make payment for such performance, (ii) to obtain from Provider a credit in an equivalent amount towards the future purchase of Services, as contemplated by this Services Agreement, or (iii) to require Provider to pay the cost of replacing such Service with a third-party provider. In the event that Recipient elects to replace any Services with a third-party provider, Provider shall be forever released from any liability arising on account of such Service.

6.2 Limitation of Liability.

(a) Provider, its affiliates and their respective controlling persons, if any, directors, officers, employees, agents and permitted assigns (each, a "Provider Party") shall not be liable to Recipient, its affiliates and such entities' directors, officers, employees, agents or permitted assigns (each, a "Recipient Party") for any liabilities, claims, demands, damages, judgments, losses, costs and expenses (including, but not limited to, court costs and reasonable attorneys' fees and amounts paid in settlement) of any kind or nature, whether direct or indirect, (collectively referred to as "Damages") of a Recipient Party resulting from, relating to or arising in connection with this Services Agreement or any of the Services provided hereunder, except to the extent that Damages resulted from (i) acts or omissions of any Provider Party which acts or omissions are the result of gross negligence, willful misconduct or bad faith by such Provider Party or (ii) Provider's breach of its obligations under Article 4 or Article 7 of this Services Agreement.

(b) No Recipient Party shall be liable to any Provider Party for any Damages of a Recipient Party resulting from, relating to or arising in connection with this Services Agreement or any of the Services provided hereunder, except to the extent that Damages resulted from (i) acts or omissions of any Recipient Party which acts or omission are the result of gross negligence, willful misconduct or bad faith by such Recipient Party or (ii) Recipient's breach of its obligations under Article 4 or Article 7 of this Services Agreement.

(c) IN NO EVENT SHALL EITHER PARTY BE LIABLE TO THE OTHER FOR ANY SPECIAL, INDIRECT, PUNITIVE, EXEMPLARY, REMOTE, SPECULATIVE OR SIMILAR DAMAGES IN EXCESS OF COMPENSATORY DAMAGE, HOWEVER CAUSED AND ON ANY THEORY OF LIABILITY (INCLUDING NEGLIGENCE) ARISING IN ANY WAY OUT OF THIS SERVICES AGREEMENT; PROVIDED, HOWEVER, THAT THE FOREGOING LIMITATIONS SHALL NOT LIMIT EITHER PARTY'S INDEMNIFICATION

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OBLIGATIONS FOR LIABILITIES WITH RESPECT TO THIRD PARTY CLAIMS, AS SET FORTH IN ARTICLE 7.

(d) Each party agrees that it shall, in all circumstances, use commercially reasonable efforts to mitigate and otherwise minimize its damages and those of its affiliates, whether direct or indirect, due to, resulting from or arising in connection with any failure by the other party to comply fully with its obligations under this Services Agreement.

(e) In no event, whether as a result of breach of contract, indemnity, warranty, tort (including negligence), strict liability, or otherwise, shall the liability of Provider to the Recipient parties for any loss or damage arising out of, or resulting from, this Services Agreement or the furnishing of Services hereunder exceed the aggregate Service Fees actually paid to Provider pursuant to this Services Agreement during the six (6) month period immediately preceding the applicable claim for losses or damages.

Article 7
Indemnification

7.1 General.

(a) Provider shall indemnify and hold harmless Recipient and any Recipient Party against and from all claims, liabilities, damages and expenses payable to third parties arising out of or relating to (i) a breach of Article 4 of this Services Agreement by Provider, (ii) the gross negligence, or willful misconduct of Provider, and (iii) any infringement by Provider of third-party intellectual property in the performance of any Service, in each case, except to the extent that such claims, liabilities, damages or expenses are a result of the breach of this Services Agreement, gross negligence or willful misconduct on the part of the Recipient or Recipient Party.

(b) Recipient shall indemnify and hold harmless Provider and any Provider Party against and from all claims, liabilities, damages and expenses payable to third parties arising out of or relating to (i) a breach of Article 4 of this Services Agreement by Recipient, and (ii) the gross negligence, or willful misconduct of Recipient, in each case, except to the extent that such claims, liabilities, damages or expenses are a result of the breach of this Services Agreement, gross negligence or willful misconduct on the part of the Provider or Provider Party.

7.2 Indemnification Procedures. The provisions of Article V of the Separation Agreement shall govern, mutatis mutandis, claims for indemnification under this Article 7.

Article 8
Independent Contractor

In performing the Services hereunder, Provider and its Subsidiaries shall operate as and have the status of independent contractors. No Party's employees shall be considered employees or agents of the other Party, nor shall the employees of any Party be eligible or entitled to any benefits, perquisites or privileges given or extended to any of the other Party's employees. Nothing contained in this Services Agreement shall be deemed or construed to create a joint

venture or partnership between the parties. No party shall have any power or authority to bind or commit any other party.

Article 9
Compliance With Laws

In the performance of its duties and obligations under this Services Agreement, each Party shall comply with all applicable laws. The Parties shall cooperate fully in obtaining and maintaining in effect all permits and licenses that may be required for the performance of the Services.

Article 10
Term and Termination

10.1 Term. The term of this Services Agreement shall commence on the Effective Date and end on the second anniversary of the Effective Date, unless terminated earlier in whole or in part as provided in Section 10.2.

10.2 Termination of this Services Agreement. This Services Agreement may be terminated:

- (a) by the written agreement of the Parties;
- (b) by Provider in the event an unpaid invoice resulting in delivery to Recipient of a Suspension Notice under Section 2.4 is not satisfied within sixty (60) days of the date of delivery of such Suspension Notice;
- (c) by either Party upon a material breach (other than non-payment of Services Fees or Expenses) by the other Party that is not cured within thirty (30) days after delivery of written notice of such breach from the non-breaching Party;
- (d) immediately by either Party, if the other Party: (i) commences a voluntary case or other proceeding seeking bankruptcy protection, liquidation, reorganization, or similar relief or seeks the appointment of a trustee, receiver, liquidator or other similar official of it or the taking of possession by any such official in any involuntary case or other proceeding commenced against it, or makes a general assignment for the benefit of creditors, or fails generally to pay its debts as they become due; or (ii) has an involuntary case or other proceeding commenced against it seeking bankruptcy protection, liquidation, reorganization or other relief with respect to it or substantially all of its debts or seeks the appointment of a trustee, receiver, liquidator, custodian or other similar official for such Party or any substantial part of its property, and such involuntary case or other proceeding remains undismissed for a period of sixty (60) days; or
- (e) except as may otherwise be set forth on Schedule A, by Recipient upon not less than thirty (30) days' advance written notice, with respect to all or any part of any Service provided pursuant to this Services Agreement; provided that to the extent there are any break-up costs (including commitments made to or in respect of personnel or third parties due to the requirement to provide the Services and prepaid expenses related to the Services, or costs related to terminating such commitments) incurred by Provider as a result of such termination, Provider

shall use its reasonable best efforts to mitigate such costs and Recipient shall bear such costs and reimburse Provider in full for the same.

10.3 Effect. In the event of termination of this Services Agreement in its entirety pursuant to this Article 10 or upon the expiration of the term of this Services Agreement, this Services Agreement shall cease to have further force or effect and neither Party shall have any liability to the other Party with respect to this Services Agreement, provided that:

- (a) Termination or expiration of this Services Agreement for any reason shall not release a Party from any liability or obligation which already has accrued as of the effective date of such termination or expiration, and shall not constitute a waiver or release of, or otherwise be deemed to adversely affect, any rights, remedies or claims, which a Party may have hereunder at law, equity or otherwise or which may arise out of or in connection with such termination or expiration.
- (b) As promptly as practicable following termination of this Services Agreement in its entirety or with respect to any Service to the extent applicable, and the payment by Recipient of all amounts owing hereunder, Provider shall return all reasonably available material, inventory and other property of Recipient held by Provider and shall deliver copies of all of Recipient's records maintained by Provider with regard to the Services in Provider's standard format and media. Provider shall deliver such property and records to such location or locations as reasonably requested by Recipient. Arrangements for shipping, including the cost of freight and insurance, and the reasonable cost of packing incurred by Provider shall be borne by Recipient.
- (c) Articles 4, 5, 6, 7, 9, 11, 12 and 13 and this Section 10.3 shall survive any termination or expiration of this Services Agreement and remain in full force and effect.

Article 11
Notices

All notices, demands and other communications required to be given to a Party hereunder shall be in writing and shall be deemed to have been duly given if personally delivered, sent by a nationally recognized overnight courier, transmitted by facsimile, or mailed by registered or certified mail (postage prepaid, return receipt requested) to such Party at the relevant street address, facsimile number or e-mail address set forth below (or at such other street address, facsimile number or e-mail address as such Party may designate from time to time by written notice in accordance with this provision):

If to Provider, to:

Penn National Gaming, Inc.
825 Berkshire Boulevard, Suite 200
Wyomissing, Pennsylvania 19610
Attention: Chief Executive Officer
Facsimile: (610) 373-4966

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with a copy to:

Ballard Spahr LLP
1735 Market Street, 51st Floor
Philadelphia, Pennsylvania 19103
Attention: Justin P. Klein, Esq.
Facsimile: (215) 864-9166

If to Recipient, to:

Gaming and Leisure Properties, Inc.
825 Berkshire Boulevard, Suite 400
Wyomissing, Pennsylvania 19610
Attention: Chief Executive Officer
Facsimile: (610) 401-2901

with a copy to:

Pepper Hamilton LLP
3000 Two Logan Square
Eighteenth and Arch Streets
Philadelphia, Pennsylvania 19103
Attention: Barry M. Abelson, Esq.
Facsimile: (215) 689-4803

Any notice, demand or other communication hereunder shall be deemed given upon the first to occur of: (i) the fifth (5th) day after deposit thereof, postage prepaid and addressed correctly, in a receptacle under the control of the United States Postal Service; (ii) transmittal by facsimile transmission to a receiver or other device under the control of the party to whom notice is being given; or (iii) actual delivery to or receipt by the party to whom notice is being given or an employee or agent thereof.

Article 12 Dispute Resolution

12.1 Dispute Resolution. The provisions of Article VII of the Separation Agreement shall apply, mutatis mutandis, to all disputes, controversies or claims (whether arising in contract, tort or otherwise) that may arise out of or relate to, or arise under or in connection with this Services Agreement or the transactions contemplated hereby.

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Article 13 Miscellaneous

13.1 Amendment. No provisions of this Services Agreement shall be amended, modified or supplemented by any Party, unless such amendment, supplement or modification is in writing and signed by an authorized representative of the Party against whom it is sought to enforce such amendment, supplement or modification.

13.2 Waiver.

(a) Any term or provision of this Services Agreement may be waived, or the time for its performance may be extended, by the Party or the Parties entitled to the benefit thereof. Any such waiver shall be validly and sufficiently given for the purposes of this Services Agreement if, as to any Party, it is in writing signed by an authorized representative of such Party.

(b) Waiver by any Party of any default by the other Party of any provision of this Services Agreement shall not be construed to be a waiver by the waiving party of any subsequent or other default, nor shall it in any way affect the validity of this Services Agreement or any Party or prejudice the rights of the other Party thereafter to enforce each and every such provision. No failure or delay by any Party in exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

13.3 Governing Law; Jurisdiction. This Services Agreement and the legal relations between the Parties hereto shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania, without regard to the conflict of laws rules thereof to the extent such rules would require the application of the law of another jurisdiction. In addition, with respect to this Services Agreement (other than arbitrable Disputes (as defined in the Separation Agreement) governed by Article 12 hereof), the Parties agree that any legal action or proceeding shall be brought or determined exclusively in a state or federal court located within the County of Berks in the Commonwealth of Pennsylvania.

13.4 Assignability. This Services Agreement shall be binding upon and inure to the benefit of the Parties, and their respective successors and permitted assigns; provided, however, that no Party may assign, delegate or transfer (by operation of law or otherwise) its respective rights or delegate its respective obligations under this Services Agreement without the express prior written consent of the other Party. Notwithstanding the foregoing, either Party may assign its rights and obligations under this Services Agreement to (i) any Subsidiary of such Party; provided, however, that each Party shall at all times remain liable for the performance of its obligations under this Services Agreement by any such Subsidiary or (ii) any successor by merger, consolidation, reorganization, recapitalization or acquisition or person acquiring all or substantially all of the assets of such Party. Any attempted assignment or delegation in violation of this Section 13.4 shall be void.

13.5 Subcontracting. Provider may hire or engage one or more subcontractors to perform all or any of its obligations under this Services Agreement; provided that, (i) Provider shall use the same degree of care in selecting any subcontractors as it would if such

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subcontractor was being retained to provide similar services to Provider, (ii) the use of such subcontractor will come at no additional cost to Recipient and (iii) Provider shall in all cases remain responsible for ensuring that obligations with respect to the standards of services set forth in this Service Agreement are satisfied with respect to any Service provided by a subcontractor hired or engaged by Provider.

13.6 No Third Party Beneficiaries. Subject to the indemnification provisions in Article 7, this Services Agreement is for the sole benefit of the Parties and their successors and assigns and nothing herein, express or implied, is intended to or shall confer upon any other Person or entity any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Services Agreement.

13.7 Severability. If any provision of this Services Agreement or the application thereof to any Person or circumstance is determined by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions hereof, or the application of such provision to Persons or circumstances or in jurisdictions other than those as to which it has been held invalid or unenforceable, shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby, so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner adverse to any Party. Upon such determination, the Parties shall negotiate in good faith in an effort to agree upon such a suitable and equitable provision to effect the original intent of the Parties.

13.8 Attorneys' Fees. In any action hereunder to enforce the provisions of this Services Agreement, the prevailing Party shall be entitled to recover its reasonable attorneys' fees in addition to any other recovery hereunder from the non-prevailing Party.

13.9 Counterparts. This Services Agreement may be executed in one or more counterparts, each of which when so executed and delivered or transmitted by facsimile, e-mail or other electronic means, shall be deemed to be an original and all of which taken together shall constitute but one and the same instrument. A facsimile or electronic signature is deemed an original signature for all purposes under this Services Agreement.

13.10 Disclaimer of Representations and Warranties. EXCEPT FOR THE REPRESENTATIONS, WARRANTIES AND COVENANTS EXPRESSLY MADE IN THIS SERVICES AGREEMENT, PROVIDER HAS NOT MADE AND DOES NOT HEREBY MAKE ANY EXPRESS OR IMPLIED REPRESENTATIONS, WARRANTIES OR COVENANTS, STATUTORY OR OTHERWISE, OF ANY NATURE, INCLUDING WITH RESPECT TO THE WARRANTIES OF MERCHANTABILITY, QUALITY, QUANTITY, SUITABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE. ALL OTHER REPRESENTATIONS, WARRANTIES, AND COVENANTS, EXPRESS OR IMPLIED, STATUTORY, COMMON LAW OR OTHERWISE, OF ANY NATURE, INCLUDING WITH RESPECT TO THE WARRANTIES OF MERCHANTABILITY, QUALITY, QUANTITY, SUITABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE ARE HEREBY DISCLAIMED BY PROVIDER.

13.11 Remedies. The rights and remedies provided herein shall be cumulative and not exclusive of any rights or remedies provided by law.

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13.12 Force Majeure. No Party hereto (or any Person acting on its behalf) shall have any liability or responsibility for failure to fulfill any obligation (other than a payment obligation) under this Services Agreement, so long as and to the extent to which the fulfillment of such obligation is prevented, frustrated, hindered or delayed as a consequence of circumstances of Force Majeure. A Party claiming the benefit of this provision shall, as soon as reasonably practicable after the occurrence of any such event, (i) notify the other Party of the nature and extent of any such Force Majeure condition and (ii) use due diligence to remove any such causes and resume performance under this Services Agreement as soon as feasible.

13.13 Specific Performance. Subject to the provisions of Article 12, in the event of any actual or threatened default in, or breach of, any of the terms, conditions and provisions of this Services Agreement, the Party or Parties who are or are to be thereby aggrieved shall have the right to specific performance and injunctive or other equitable relief (on an interim or permanent basis) of its rights under this Services Agreement, in addition to any and all other rights and remedies at law or in equity, and all such rights and remedies shall be cumulative. The Parties agree that the remedies at law for any breach or threatened breach, including monetary damages, may be inadequate compensation for any loss and that any defense in any action for specific performance that a remedy at law would be adequate is waived. Any requirements for the securing or posting of any bond with such remedy are waived by each of the Parties to this Services Agreement.

13.14 Construction. Any uncertainty or ambiguity with respect to any provision of this Services Agreement shall not be construed for or against any party based on attribution of drafting by either Party. The headings contained herein are for reference purposes only and shall not affect in any way the meaning or interpretation of this Services Agreement. In this Services Agreement, unless a clear contrary intention appears:

- (a) the singular number includes the plural number and vice versa;
- (b) reference to any Person includes such Person's successors and assigns but, if applicable, only if such successors and assigns are not prohibited by this Services Agreement, and reference to a Person in a particular capacity excludes such Person in any other capacity or individually;
- (c) reference to any gender includes each other gender;

(d) reference to any agreement, document or instrument means such agreement, document or instrument as amended, modified, supplemented or restated, and in effect from time to time in accordance with the terms thereof subject to compliance with the requirements set forth herein;

(e) reference to any applicable law means such applicable law as amended, modified, codified, replaced or reenacted, in whole or in part, and in effect from time to time, including rules and regulations promulgated thereunder, and reference to any section or other provision of any applicable law means that provision of such applicable law from time to time in effect and constituting the substantive amendment, modification, codification, replacement or reenactment of such section or other provision;

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(f) "herein," "hereby," "hereunder," "hereof," "hereto" and words of similar import shall be deemed references to this Services Agreement as a whole and not to any particular article, section or other provision hereof;

(g) "including" (and with correlative meaning "include") means including without limiting the generality of any description preceding such term;

(h) with respect to the determination of any period of time, "from" means "from and including" and "to" means "to but excluding;" and

(i) references to documents, instruments or agreements shall be deemed to refer as well to all addenda, exhibits, schedules or amendments thereto.

13.15 Entire Agreement. This Services Agreement and the Schedules hereto, as well as any other agreements and documents referred to herein (including the Separation Agreement, to the extent applicable), constitute the entire agreement between the Parties with respect to the subject matter hereof and supersede all previous agreements, negotiations, discussions, understandings, writings, commitments and conversations between the Parties with respect to such subject matter. No agreements or understandings exist between the Parties other than those set forth or referred to herein.

{SIGNATURES APPEAR ON THE FOLLOWING PAGE}

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IN WITNESS WHEREOF, the Parties hereto have caused this Services Agreement to be executed by their duly authorized officers or representatives as of the date first written above.

PENN NATIONAL GAMING, INC.

By: /s/ Robert S. Ippolito
Name: Robert S. Ippolito
Title: Secretary and Treasurer

GAMING AND LEISURE PROPERTIES, INC.

By: /s/ William J. Clifford
Name: William J. Clifford
Title: CFO, Secretary and Treasurer

[Signature Page to Transition Services Agreement]

**SCHEDULE A
TO
TRANSITION SERVICES AGREEMENT**

Function	Initial Percentage Use/Cost*
Accounting, Finance and Tax	[]%
Administrative Services	[\$[] annually for rent, taxes and utilities
Construction/Development	Direct Bill
Governmental Affairs	[]%
Human Resources Support	[]%
Insurance Advisory	[]%
Internal Audit	[]%
Information Technology	[]%
Legal Affairs	[]%
Marketing	[]%
Regulatory Compliance	[]%
Housekeeping	[]%

*Includes labor and related expenses only.

EMPLOYEE MATTERS AGREEMENT

BY AND BETWEEN PENN NATIONAL GAMING, INC. AND

GAMING AND LEISURE PROPERTIES, INC.

EMPLOYEE MATTERS AGREEMENT

This EMPLOYEE MATTERS AGREEMENT (this "Agreement"), dated as of November 1, 2013 is by and between Penn National Gaming, Inc., a Pennsylvania corporation ("Penn"), and Gaming and Leisure Properties, Inc., a Pennsylvania corporation ("GLPI" and together with Penn, the "Parties" and each a "Party").

WHEREAS, the board of directors of Penn has determined that it is in the best interests of Penn and its shareholders to create a new publicly traded company which shall operate the GLPI Business;

WHEREAS, in furtherance thereof Penn and GLPI have entered into that certain Separation and Distribution Agreement dated November 1, 2013 (the "Separation Agreement"); and

WHEREAS, as contemplated by the Separation Agreement, Penn and GLPI desire to enter into this Agreement to provide for the allocation of assets, Liabilities, and responsibilities with respect to certain matters relating to employees (including employee compensation and benefit plans and programs) between them.

NOW, THEREFORE, the Parties, intending to be legally bound, agree as follows:

ARTICLE I

DEFINITIONS

Capitalized terms used but not defined herein shall have the meaning ascribed to them in the Separation Agreement. For purposes of this Agreement the following terms shall have the following meanings:

- 1.1 "Closing Penn Stock Price" has the meaning set forth in Section 5.2(a)(i)(2).
 - 1.2 "COBRA" means the continuation coverage requirements for "group health plans" under Title X of the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended, and as codified in Code Section 4980B and ERISA Sections 601 through 608.
 - 1.3 "Code" means the Internal Revenue Code of 1986, as amended, or any successor federal income tax law. Reference to a specific Code provision also includes any proposed, temporary, or final regulation in force under that provision.
 - 1.4 "Effective Time" has the meaning set forth in the Separation Agreement.
 - 1.5 "ERISA" means the Employee Retirement Income Security Act of 1974, as amended. Reference to a specific provision of ERISA also includes any proposed, temporary, or final regulation in force under that provision.
-
- 1.6 "Former GLPI Employee," means any individual whose employment with either Party or any of its respective Subsidiaries and Affiliates terminated for any reason before the Effective Time, and who was primarily engaged in providing services to the GLPI Business as of the date of his or her termination of employment.
 - 1.7 "Former Penn Employee" means any individual whose employment with either Party or any of its respective Subsidiaries and Affiliates terminated for any reason before the Effective Time, other than a Former GLPI Employee.
 - 1.8 "GLPI 401(k) Plan" means the tax-qualified 401(k) defined contribution savings plan to be established by GLPI or a GLPI Group member prior to the Effective Time.
 - 1.9 "GLPI Change in Control" has the meaning set forth in Section 5.2(a)(ii)(2).
 - 1.10 "GLPI Employee," means any individual who, as of the Effective Time, is either actively employed by or then on a short-term leave of absence from GLPI or a GLPI Group member (including maternity, paternity, family, sick, short-term disability leave, qualified military service under the Uniformed Services Employment and Reemployment Rights Act of 1994, and leave under the Family Medical Leave Act and other approved leaves) or who is so employed by Penn or a Penn Group member and who is primarily engaged in providing services to the GLPI Business as of the date hereof.
 - 1.11 "GLPI FSAs" has the meaning set forth in Section 4.3.
 - 1.12 "GLPI Health and Welfare Plans" has the meaning set forth in Section 4.1.
 - 1.13 "GLPI Long Term Incentive Plan" means the Gaming and Leisure Properties, Inc. 2013 Long Term Incentive Compensation Plan adopted by GLPI prior to the Effective Time.

1.14 “GLPI Participant” means any individual who is a GLPI Employee or a Former GLPI Employee, and any beneficiary, dependent, or alternate payee of such individual, as the context requires.

1.15 “HIPAA” means the health insurance portability and accountability requirements for “group health plans” under the Health Insurance Portability and Accountability Act of 1996, as amended.

1.16 “Incentive Stock Option” means an option which qualifies as an incentive stock option under the provisions of Section 422 of the Code.

1.17 “Opening GLPI Stock Price” has the meaning set forth in Section 5.2(a)(i)(2).

1.18 “Opening Penn Stock Price” has the meaning set forth in Section 5.2(a)(i)(2).

1.19 “Option” when immediately preceded by “Penn,” means an option (either nonqualified or an Incentive Stock Option) to purchase Penn Common Shares granted by Penn prior to the Effective Date pursuant to a Penn Equity-Based Plan and, when immediately preceded by “GLPI,” means an option to purchase shares of GLPI Common Stock, which option is granted

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pursuant to the GLPI Long Term Incentive Plan as part of the adjustment to Penn Options as set forth in Section 5.2.

1.20 “Participating Company” means (a) Penn, (b) any Person (other than an individual) that Penn has approved for participation in, and which is participating in, a Plan and (c) any Person (other than an individual) which, by the terms of such a Plan, participates in such Plan.

1.21 “Penn Change in Control” has the meaning set forth in Section 5.2(a)(ii)(2).

1.22 “Penn Defined Contribution Plan” means the Penn National Gaming, Inc. 401(k) Plan.

1.23 “Penn Employee” means any individual who, as of the Effective Time, is either actively employed by or then on a leave of absence from Penn or a Penn Group member (including maternity, paternity, family, sick, short-term or long-term disability leave, qualified military service under the Uniformed Services Employment and Reemployment Rights Act of 1994, and leave under the Family Medical Leave Act and other approved leaves), but does not include any GLPI Employee.

1.24 “Penn Equity-Based Plans” means the Penn National Gaming, Inc. 2003 Long Term Incentive Compensation Plan and the Penn National Gaming, Inc. 2008 Long Term Incentive Compensation Plan, each as amended from time to time.

1.25 “Penn FSAs” has the meaning set forth in Section 4.3.

1.26 “Penn Health and Welfare Plans” means the health and welfare plans sponsored and maintained by Penn or any Penn Group member immediately prior to the Effective Time which provide group health, life, dental, accidental death and dismemberment, health care reimbursements, dependent care assistance and disability benefits.

1.27 “Penn Participant” means any individual who is a Penn Employee or a Former Penn Employee, and any beneficiary, dependent, or alternate payee of such individual, as the context requires.

1.28 “Plan,” when immediately preceded by “Penn,” means any plan, policy, program, payroll practice, on-going arrangement, contract, trust, insurance policy or other agreement or funding vehicle (including a Penn Health and Welfare Plan) for which the eligible classes of participants include employees or former employees of Penn or a Penn Group member (which may include employees of GLPI Group members prior to the Effective Time), and when immediately preceded by “GLPI,” means any plan, policy, program, payroll practice, on-going arrangement, contract, trust, insurance policy or other agreement or funding vehicle (including a GLPI Health and Welfare Plan) for which the eligible classes of participants are limited to employees or former employees (and their eligible dependents) of GLPI or a GLPI Group member, but no other Penn Group member.

1.29 “Purging Distribution” means the dividend GLPI will declare to its shareholders, in connection with its election to be taxed as a real estate investment trust (a “REIT”) for U.S. federal income tax purposes, to distribute any accumulated earnings and profits relating to its real property

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assets and attributable to any pre-REIT years to comply with certain REIT qualification requirements.

1.30 “Purging Distribution Exchange Ratio” has the meaning set forth in Section 5.2(a)(ii)(6)(A).

1.31 “Restricted Award,” when immediately preceded by “Penn,” means a Penn Restricted Stock Unit or a Penn Restricted Stock Award and when immediately preceded by “GLPI,” means a GLPI Restricted Stock Unit or a GLPI Restricted Stock Award, which is granted pursuant to the GLPI Long Term Incentive Plan as part of the adjustment to Penn Restricted Awards as set forth in Section 5.2.

1.32 “Restricted Stock Award,” when immediately preceded by “Penn,” means a Penn Common Share granted by Penn prior to the Effective Date pursuant to a Penn Equity-Based Plan which is subject to vesting and forfeiture restrictions and when immediately preceded by “GLPI,” means a share of GLPI Common Stock, which is granted pursuant to the GLPI Long Term Incentive Plan as part of the adjustment to Penn Restricted Stock Awards as set forth in Section 5.2 which is subject to vesting and forfeiture restrictions.

1.33 “Restricted Stock Unit,” when immediately preceded by “Penn,” means a unit granted by Penn prior to the Effective Date pursuant to a Penn Equity-Based Plan representing a general unsecured promise by Penn to deliver an amount in cash equal to the value of a Penn Common Share and when immediately preceded by “GLPI,” means a unit granted by GLPI representing a general unsecured promise by GLPI to deliver an amount in cash equal

to the value of a share of GLPI Common Stock, which unit is granted pursuant to the GLPI Long Term Incentive Plan as part of the adjustment to Penn Restricted Stock Units as set forth in Section 5.2.

1.34 “Stock Appreciation Right” when immediately preceded by “Penn,” means a right to receive a payment in cash equal in value to the increase in value of Penn Common Shares over a designated strike price granted by Penn prior to the Effective Date pursuant to a Penn Equity-Based Plan and, when immediately preceded by “GLPI,” means a right to receive a payment in cash equal in value to the increase in value in shares of shares of GLPI Common Stock over a designated strike price, which right is granted pursuant to the GLPI Long Term Incentive Plan as part of the adjustment to Penn Stock Appreciation Rights as set forth in Section 5.2.

ARTICLE II

TRANSFER OF GLPI EMPLOYEES; GENERAL PRINCIPLES

2.1 Transfer of Employment of Certain GLPI Employees. Penn and GLPI will cause the employment of each GLPI Employee who is not employed by a GLPI Group member as of the date hereof to be transferred to a GLPI Group member prior to the Effective Time.

2.2 Assumption and Retention of Liabilities. Penn and GLPI intend that employment-related Liabilities associated with Penn Participants are to be retained or assumed by Penn or a Penn Group member, and employment-related Liabilities associated with GLPI

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Participants are to be assumed by GLPI or a GLPI Group member, in each case, except as specifically set forth herein. Accordingly, as of the Effective Time:

- (a) Penn or another member of the Penn Group hereby retains or assumes and agrees to pay, perform, fulfill, and discharge, except as expressly provided in this Agreement, (i) all Liabilities arising under or related to Penn Plans, (ii) all employment or service-related Liabilities with respect to (A) all Penn Participants and (B) any individual who is, or was, an independent contractor, temporary employee, temporary service worker, consultant, freelancer, agency employee, leased employee, on-call worker, incidental worker, or non-payroll worker or in any other employment or similar relationship primarily connected to Penn or a Penn Group member and (iii) any Liabilities expressly transferred to Penn or a Penn Group member under this Agreement; and
- (b) GLPI or another member of the GLPI Group hereby retains or assumes and agrees to pay, perform, fulfill, and discharge, except as expressly provided in this Agreement, (i) all Liabilities arising under or related to GLPI Plans, (ii) all employment or service-related Liabilities with respect to (A) all GLPI Participants and (B) any individual who is, or was, an independent contractor, temporary employee, temporary service worker, consultant, freelancer, agency employee, leased employee, on-call worker, incidental worker, or non-payroll worker or in any other employment or similar relationship primarily connected to GLPI or a GLPI Group member and (iii) any Liabilities expressly transferred to GLPI or a GLPI Group member under this Agreement.

2.3 GLPI Participation in the Penn Plans. Effective as of the Effective Time, GLPI and each GLPI Group member shall cease to be Participating Companies in any Penn Plan, and Penn and GLPI shall take all necessary action before the Effective Time to effectuate such cessation as a Participating Company.

2.4 Sponsorship of the GLPI Plans. Effective no later than immediately prior to the Effective Time, Penn and GLPI shall take such actions (if any) as are required to cause GLPI or a GLPI Group member to assume, sponsorship of, and all Liabilities with respect to, each GLPI Plan.

2.5 No Duplication of Benefits; Service and Other Credit. Penn and GLPI shall adopt, or cause to be adopted, all reasonable and necessary amendments and procedures to prevent GLPI Participants from receiving duplicative benefits from the Penn Plans and the GLPI Plans. With respect to GLPI Employees, each GLPI Plan shall provide that for purposes of determining eligibility to participate, vesting, and entitlement to benefits (but not for accrual of pension benefits under any defined benefit pension plan), service prior to the Effective Time with Penn or a Penn Group member shall be treated as service with GLPI or the applicable GLPI Group member. Such service also shall apply for purposes of satisfying any waiting periods, evidence of insurability requirements, or the application of any preexisting condition limitations under any GLPI Plan. Each GLPI Plan shall, to the extent practicable, waive pre-existing condition limitations with respect to GLPI Employees. GLPI shall honor any deductible, co-payment and out-of-pocket maximums incurred by the GLPI Employees and their eligible dependents under the Penn Plans in

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which they participated immediately prior to the Effective Time during the portion of the calendar year prior to the Effective Time in satisfying any deductibles, co-payments or out-of-pocket maximums under the GLPI Plans in which they are eligible to participate after the Effective Time in the same plan year in which such deductibles, co-payments or out-of-pocket maximums were incurred.

2.6 Reimbursements. From time to time after the Effective Time, the Parties shall promptly reimburse one another, upon reasonable request of the Party requesting reimbursement and the presentation by such Party of such substantiating documentation as the other Party shall reasonably request, for the cost of any Liabilities satisfied or assumed by the Party requesting reimbursement or its Affiliates that are made pursuant to this Agreement, the responsibility of the other Party or any of its Affiliates.

2.7 Approval of Plan. (i) Prior to the Effective Time, Penn shall cause GLPI to adopt the GLPI Long Term Incentive Plan and (ii) at or prior to the Effective Time, Penn and GLPI shall take all actions as may be necessary to approve the GLPI Long Term Incentive Plan in order to satisfy the requirements of the applicable rules and regulations of the NASDAQ.

2.8 Delivery of Shares; Registration Statement. From and after the Effective Time, GLPI shall have sole responsibility for delivery of shares of GLPI Common Stock pursuant to awards issued under a GLPI Plan in satisfaction of any obligations to deliver such shares under the GLPI and/or Penn Plans (including delivery to Penn Employees and Former Penn Employees) and shall do so without compensation from any Penn Group member. GLPI shall cause a registration statement on Form S-8 (or other appropriate form) to be filed with respect to such issued or issuable shares prior to the Effective Time and shall

cause such registration to remain in effect for so long as there may be an obligation to deliver GLPI shares under such GLPI and/or Penn Plans. Penn shall use commercially reasonable efforts to assist GLPI in completing such registration. GLPI and Penn shall cooperate to establish a procedure whereby the other Party shall be promptly informed of the obligation to deliver shares to a current or Former GLPI Employee or a Penn Employee, as the case may be.

2.9 Labor Relations. To the extent required by applicable Law or any agreement with a labor union, works council or similar employee organization, GLPI shall provide notice, engage in consultation and take any similar action which may be required on its part in connection with the Distribution and shall fully indemnify each Penn Group member against any Liabilities arising from its failure to comply with such requirements.

ARTICLE III

DEFINED CONTRIBUTION AND NON-QUALIFIED DEFERRED COMPENSATION PLANS

3.1 401(k) Plan.

- (a) Establishment of Plan and Trust. Penn and GLPI shall adopt or cause to be adopted the GLPI 401(k) Plan and any trust agreements or other plan documents reasonably

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necessary and shall cause trustees to be appointed for such plan. Such actions shall be completed prior to the Effective Time.

- (b) Assumption of Liabilities and Transfer of Assets. In accordance with applicable Law, Penn and GLPI shall cause, in the manner described herein, the accounts under the Penn Defined Contribution Plan of each GLPI Employee to be transferred to the GLPI 401(k) Plan prior to or as soon as practicable after the Effective Time. Prior to or as soon as practicable after the Effective Time: (i) Penn shall cause the accounts (including any outstanding loan balances) of each GLPI Employee and in the Penn Defined Contribution Plan to be transferred to the GLPI 401(k) Plan and its related trust; (ii) the GLPI 401(k) Plan shall assume and be solely responsible for all liabilities under the GLPI 401(k) Plan relating to the accounts that are so transferred as of the time of such transfer; and (iii) GLPI shall cause such transferred accounts to be accepted by the GLPI 401(k) Plan and its related trust and shall cause the GLPI 401(k) Plan to satisfy all protected benefit requirements under the Code and applicable Law with respect to the transferred accounts.
- (c) Service Crediting. In determining whether a GLPI Employee is vested in his or her account under the GLPI 401(k) Plan, the GLPI 401(k) Plan shall credit each GLPI Employee with all the individual's service credited under the Penn Defined Contribution Plan. Participants in the Penn Defined Contribution Plan will not be treated as having experienced a termination of service for purposes of such plans as a result of the Distribution or the occurrence of the Effective Time.

3.2 Other Non-Qualified Deferred Compensation Plans. Prior to the Effective Time, GLPI shall establish a non-qualified deferred compensation plan or plans substantially identical to the non-qualified deferred compensation plan or plans of Penn in which GLPI Employees participate. Prior to or upon the Effective Time, GLPI and the applicable GLPI plan shall assume all Liabilities with respect to each GLPI Employee who participates in a corresponding Penn deferred compensation plan. Prior to or upon the Effective Time, Penn shall cause the Penn National Gaming, Inc. Deferred Compensation Trust to transfer to a corresponding "rabbi" trust of GLPI all assets held in the Penn National Gaming, Inc. Deferred Compensation Trust in respect of GLPI Employees participating in non-qualified deferred compensation plans of Penn. For purposes of determining when a distribution is required from the GLPI Plans described in this Section 3.2, GLPI Employees who were participants in such plans will be treated as not having experienced a separation from service until such employees have separated from service from all GLPI Group members.

ARTICLE IV

HEALTH AND WELFARE PLANS

4.1 Cessation of Participation in Penn Health and Welfare Plans. Prior to the Effective Time, GLPI shall establish health and welfare plans (the "GLPI Health and Welfare Plans") which generally correspond to the Penn Health and Welfare Plans in which GLPI Employees participate

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immediately prior to the Effective Time. As of the Effective Time GLPI Employees shall cease to participate in the Penn Health and Welfare Plans and shall commence participation in the corresponding GLPI Health and Welfare Plan. GLPI shall cause GLPI Employees and their covered dependents who participate in Penn Health and Welfare Plans immediately before the Effective Time to be automatically enrolled as of the Effective Time in GLPI Health and Welfare Plans corresponding to the Penn Health and Welfare Plans in which the GLPI Employee or his or her covered dependents, if any, participated immediately before the Effective Time. The transfer of employment from Penn or a Penn Group member to GLPI or a GLPI Group member prior to or as of the Effective Time shall not be treated as a "status change" with respect to any GLPI Employee under the Penn Health and Welfare Plans or the GLPI Health and Welfare Plans.

4.2 Allocation of Health and Welfare Plan Liabilities. All outstanding Liabilities relating to, arising out of, or resulting from health and welfare coverage or claims incurred by or on behalf of GLPI Employees or their covered dependents under the Penn Health and Welfare Plans on or before the Effective Time shall be assumed by GLPI upon the Effective Time.

4.3 Flexible Spending Plan Treatment. Prior to the Effective Time, GLPI shall establish a dependent care spending account and a medical care spending account (the "GLPI FSAs") effective as of the Effective Time, which GLPI FSAs shall have terms that are substantially identical to the analogous Penn dependent care and medical care flexible spending accounts (the "Penn FSAs") as in effect immediately prior to the Effective Time. GLPI and Penn shall take all steps necessary or appropriate so that the account balances (if any) under the Penn FSAs of each GLPI Employee who has elected to participate therein in the year in which the Effective Time occurs shall be transferred, as soon as practicable after the Effective Time from the Penn FSAs to the corresponding GLPI FSAs. The GLPI FSAs shall assume responsibility as of the Effective Time for all outstanding dependent care and medical care claims under the Penn FSAs of each GLPI Employee for the year in which the Effective Time occurs and shall assume and agree to perform the obligations of the

analogous Penn FSA from and after the Effective Time. GLPI shall take all steps necessary or appropriate so that the contribution elections of each such GLPI Employee as in effect immediately before the Effective Time remain in effect under the GLPI FSAs following the Effective Time. As soon as practicable, after the Effective Time, Penn shall transfer to GLPI an amount equal to the total contributions made to the Penn FSAs by GLPI Employees in respect of the plan year in which the Effective Time occurs, reduced by an amount equal to the total claims already paid to GLPI in respect of such plan year. From and after the Effective Time, Penn shall provide GLPI with such information such entity may reasonably request to enable it to verify any claims information pertaining to a Penn FSA.

4.4 Workers' Compensation Liabilities. All workers' compensation Liabilities relating to, arising out of, or resulting from any claim by GLPI Employees or Former GLPI Employees that result from an accident or from an occupational disease which is incurred or becomes manifest, as the case may be, on or before the Effective Time and while such individual was employed by Penn or a Penn Group member shall be assumed by GLPI as of the Effective Time. GLPI and each GLPI Group member shall also be solely responsible for all workers' compensation Liabilities relating to, arising out of, or resulting from any claim incurred for a compensable injury sustained by a GLPI Employee that results from an accident or from an occupational disease which is incurred or becomes manifest, as the case may be, after the Effective Time. Penn, each Penn Group member, GLPI and each GLPI Group member shall cooperate with respect to any

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notification to appropriate governmental agencies of the disposition and the issuance of new, or the transfer of existing, workers' compensation insurance policies and claims handling contracts.

4.5 Payroll Taxes and Reporting. Penn and GLPI (i) shall, to the extent practicable, treat GLPI (or a GLPI Group member designated by GLPI) as a "successor employer" and Penn (or the appropriate Penn Group member) as a "predecessor," within the meaning of Sections 3121(a)(1) and 3306(b) (1) of the Code, with respect to GLPI Employees for purposes of taxes imposed under the United States Federal Unemployment Tax Act or the United States Federal Insurance Contributions Act, and (ii) hereby agree to use commercially reasonable efforts to implement the alternate procedure described in Section 5 of Revenue Procedure 2004-53. Without limiting in any manner the obligations and Liabilities of the Parties under the Tax Sharing Agreement, including all withholding obligations otherwise set forth therein, Penn, each Penn Group member, GLPI and each GLPI Group member shall each bear its responsibility for payroll tax obligations and for the proper reporting to the appropriate governmental authorities of compensation earned by their respective employees after the Effective Time, including compensation related to the exercise of Options or the vesting or exercise of other equity awards, including in instances where such equity awards are with respect to the equity of the other Party.

4.6 COBRA and HIPAA Compliance. As of the Effective Time, GLPI shall assume and be responsible for administering compliance with the health care continuation requirements of COBRA, the certificate of creditable coverage requirements of HIPAA, and the corresponding provisions of the Penn Health and Welfare Plans with respect to GLPI Participants who incur a COBRA qualifying event or loss of coverage under the Penn Health and Welfare Plans at any time on or before the Effective Time. GLPI shall also be responsible for administering compliance with the health care continuation requirements of COBRA, the certificate of creditable coverage requirements of HIPAA, and the corresponding provisions of the GLPI Health and Welfare Plans with respect to GLPI Participants who incur a COBRA qualifying event or loss of coverage under the GLPI Health and Welfare Plans at any time after the Effective Time.

4.7 Vacation and Paid Time Off. As of the Effective Time, the applicable GLPI Group Member shall credit each GLPI Employee with the unused vacation days and personal and sickness days that such individual has accrued immediately prior to the Effective Time in accordance with the vacation and personnel policies applicable to such employee immediately prior to the Effective Time.

ARTICLE V

INCENTIVE COMPENSATION, EQUITY COMPENSATION AND OTHER BENEFITS

5.1 Annual Cash-Based Incentive Plans. As soon as practicable following the close of the calendar year in which the Effective Time occurs, Penn shall pay each GLPI Employee who is participating in an annual cash incentive bonus program of Penn or a Penn Group member a pro-rata portion of such GLPI Employee's annual incentive bonus under such plan, based on actual performance for such year, pro-rated for the portion of the annual performance period which has elapsed as of the Effective Time.

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5.2 Awards under the Penn Equity-Based Plans. Unless otherwise determined by Penn, Penn and GLPI shall use their commercially reasonable efforts to take all actions necessary or appropriate so that each outstanding Penn Option, Stock Appreciation Right, Restricted Stock Award and Restricted Stock Unit outstanding immediately prior to the Effective Time shall be adjusted as set forth in this Section 5.2; provided, however, that any Penn Option outstanding immediately prior to the Effective Time and held by individual who is then serving as a member of the Penn board of directors shall not be adjusted in the manner set forth in this Section 5.2. Penn Restricted Stock Units held by individuals who are serving as members of the Penn board of directors as of the Effective Time shall be adjusted in the manner set forth in Section 5.2(c).

(a) Options.

- (i) Conversion. Each Penn Option which is outstanding immediately prior to the Effective Time will be converted upon the Effective Time into two separate options, an adjusted Penn Option and a GLPI Option, as set forth below. Conversion of any Penn Option which constitutes an Incentive Stock Option shall be effected in a manner which complies with the requirements of Section 424 of the Code.

(1) Number of Shares Subject to Options. The number of Penn Common Shares subject to each of the adjusted Penn Options will be equal to the number of Penn Common Shares subject to the Penn Option immediately prior to the Effective Time. The number of shares of GLPI Common Stock subject to the GLPI Option will be equal to the number of Penn Common Shares subject to the Penn Option immediately prior to the Effective Time.

(2) Exercise Price. The per share exercise price of the adjusted Penn Option shall be equal to the product of (1) the per share exercise price of the Penn Option immediately prior to the Effective Time multiplied by (2) a fraction, the numerator of which shall be the Opening Penn Stock Price (as defined below) and the denominator of which shall be the Closing Penn Stock Price (as defined below), which product shall be rounded up to the nearest whole cent. The per share exercise price of the GLPI Option shall be equal to the product of (1) the per share exercise price of the Penn Option immediately prior to the Effective Time multiplied by (2) a fraction, the numerator of which shall be the Opening GLPI Stock Price (as defined below) and the denominator of which shall be the Closing Penn Stock Price, which product shall be rounded up to the nearest whole cent. The "Opening Penn Stock Price" shall mean the per share closing trading price of Penn Common Shares, as traded on an ex-distribution basis on the last trading day immediately preceding the Distribution Date. The "Opening GLPI Stock Price" shall mean the per share closing "when-issued" trading price of GLPI Common Stock on the last trading day immediately preceding the Distribution Date. The "Closing Penn Stock Price" shall be the per share closing trading price of Penn Common Shares trading on the "regular way" basis on the last trading day immediately prior to the Distribution Date.

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(ii) Option Terms.

(1) Service. Each adjusted Penn Option shall be subject to the same terms and conditions regarding term, vesting, and other provisions regarding exercise as set forth in the original Penn Option, except as set forth below. Each GLPI Option issued pursuant to this Section 5.2(a) shall be subject to the same terms and conditions regarding term, vesting, and other provisions regarding exercise as set forth in the related Penn Option before the Effective Time, except as set forth below. Notwithstanding the foregoing, Penn will take such action as is necessary to ensure that with respect to adjusted Penn Options that are held by GLPI Employees as of and following the Effective Time, such individuals will not incur a termination of employment as a result of the Distribution for purposes of the adjusted Penn Options. GLPI will take such action as is necessary to ensure that with respect to the GLPI Option grants that are held by Penn Employees as of and following the Effective Time, such individuals will not incur a termination of employment as a result of the Distribution for purposes of the GLPI Options. For purposes of the vesting and termination provisions of the adjusted Penn Options and the GLPI Options, continued service with a Penn Group member or a GLPI Group member, as the case may be, shall be considered to be continued service for purposes of such Option.

(2) Change in Control. Upon a Change in Control of Penn (as defined in the applicable Penn Equity-Based Plan, a "Penn Change in Control") all then outstanding Penn Options will immediately vest and become exercisable (whether held by a Penn Employee or a GLPI Employee) and all GLPI Options held by Penn Employees will immediately vest and become exercisable. Upon a Change in Control of GLPI (as defined in the GLPI Long Term Incentive Plan, a "GLPI Change in Control") all then outstanding GLPI Options will immediately vest and become exercisable (whether held by a Penn Employee or a GLPI Employee) and all Penn Options held by GLPI employees will immediately vest and become exercisable. Penn Options and GLPI Options that immediately vest and become exercisable pursuant to this Section 5.2(a)(ii)(2) shall remain exercisable for the remainder of their original terms, notwithstanding any subsequent termination of the holder's employment or service.

(3) Exercise; Withholding. Upon the exercise of a GLPI Option, whether by a Penn Employee or a GLPI Employee, the exercise price shall be paid to (or otherwise satisfied to the satisfaction of) GLPI in accordance with the terms of the option, and GLPI shall be solely responsible for the issuance of GLPI Common Stock in respect of such exercise, for ensuring the withholding of all applicable employment tax on behalf of the employing entity of such holder, and for ensuring the remittance of such employment taxes to the employing entity of such holder. Upon the exercise of a Penn Option, whether by a Penn Employee or a GLPI Employee, the exercise price shall be paid to (or otherwise satisfied to the satisfaction of) Penn in accordance with the terms of the Penn Option, and Penn shall be solely responsible for the issuance of Penn Common Shares, for ensuring the withholding of all applicable employment tax on behalf of the employing entity of such holder and for ensuring the remittance of such employment taxes to the employing entity of such holder.

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(4) Dividend Equivalents — Unvested GLPI Options. The holder of any GLPI Options which are unvested as of the Distribution Date will be credited with dividend equivalents with respect to the unvested GLPI Options for the GLPI Common Stock subject to such GLPI Options, which dividend equivalents will accrue and be paid out (subject to applicable withholding) by GLPI to the holder on the vesting date of the related GLPI Option (or portion thereof). Dividend equivalents shall be calculated as follows: (i) with respect to any cash distribution, on each date that any such cash distribution is paid to all holders of GLPI Common Stock while the GLPI Options are outstanding and unvested, GLPI shall establish or designate an account for the holder of the GLPI Option and the holder's account shall be credited with the right to receive an amount of cash equal to the amount of such cash distribution with respect to each share of GLPI Common Stock subject to the unvested portion of such GLPI Option, had such shares been outstanding on the date of such share distribution and (ii) with respect to any distribution in GLPI Common Stock (or other shares), on each date that any such share distribution is paid to all holders of GLPI Common Stock while the GLPI Options are outstanding and unvested, GLPI shall establish or designate an account for the holder of the GLPI Option and the holder's account shall be credited with the right to receive the number of shares of GLPI Common Stock or other shares that would have been delivered with respect to the number of shares of GLPI Common Stock subject to the unvested portion of the GLPI Option, had such shares been outstanding on the date of such share distribution.

(5) Dividend Equivalents — Vested GLPI Options. Penn shall reserve an amount, determined in its discretion, which amount is intended to reflect the aggregate dividend equivalents that would be expected to be paid within a three year period following the Distribution by GLPI in respect of the number of shares equal to the number of shares subject to vested GLPI Options held by Penn Employees. Penn shall set this amount aside as a special incentive bonus pool for the purpose of paying bonuses to Penn Employees who hold GLPI Options which either (i) are vested as of the Distribution Date or (ii) vest within three years following the Distribution Date (provided that there is no intention to pay amounts under this paragraph that are duplicative of the dividend equivalents set forth in Section 5.2(a)(ii)(4)). No Penn Employee will have any right to be paid any amount from the special incentive bonus pool.

(6) Purging Distribution. In connection with the Purging Distribution, GLPI Options (whether held by a Penn Employee or a GLPI Employee) shall be adjusted in a manner that preserves both the intrinsic value of the GLPI Options and the ratio immediately prior to the Purging Distribution between the trading price of the GLPI Common Stock and the per share exercise price applicable to the GLPI Option.

(A) Number of Shares Subject to Options. Each GLPI Option will be adjusted into an option to acquire the number of shares of GLPI Common Stock equal to the product of (1) the number of shares of GLPI Common Stock subject to the GLPI Option immediately prior to the ex-dividend date for the Purging Distribution multiplied by (2) a fraction, the numerator of which shall be

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the closing trading price of the GLPI Common Stock on the date preceding the ex-dividend date for the Purging Distribution and the denominator of which shall be the opening trading price of the GLPI Common Stock on the date immediately following the ex-dividend date for the Purging Distribution (such ratio the "Purging Distribution Exchange Ratio"), rounded down to the nearest whole share.

(B) Exercise Price. The exercise price per share of GLPI Common Stock following the adjustment will equal to the per share exercise price of the GLPI Option before the adjustment divided by the Purging Distribution Exchange Ratio, rounded up to the nearest cent.

(b) Stock Appreciation Rights.

(i) Conversion. Each Penn Stock Appreciation Right which is outstanding immediately prior to the Effective Time will be converted upon the Effective Time into two separate stock appreciation rights, an adjusted Penn Stock Appreciation Right and a GLPI Stock Appreciation Right, as set forth below.

(1) Number of Shares Subject to Stock Appreciation Rights. The number of Penn Common Shares subject to each of the adjusted Penn Stock Appreciation Rights will be equal to the number of Penn Common Shares subject to the Penn Stock Appreciation Right immediately prior to the Effective Time. The number of shares of GLPI Common Stock subject to the GLPI Stock Appreciation Right will be equal to the number of Penn Common Shares subject to the Penn Stock Appreciation Right immediately prior to the Effective Time.

(2) Strike Price. The per share strike price of the adjusted Penn Stock Appreciation Right shall be equal to the product of (1) the per share strike price of the Penn Stock Appreciation Right immediately prior to the Effective Time multiplied by (2) a fraction, the numerator of which shall be the Opening Penn Stock Price and the denominator of which shall be the Closing Penn Stock Price, which product shall be rounded up to the nearest whole cent. The per share strike price of the GLPI Stock Appreciation Right shall be equal to the product of (1) the per share strike price of the Penn Stock Appreciation Right immediately prior to the Effective Time multiplied by (2) a fraction, the numerator of which shall be the Opening GLPI Stock Price and the denominator of which shall be the Closing Penn Stock Price, which product shall be rounded up to the nearest whole cent.

(ii) Stock Appreciation Right Terms.

(1) Service. Each adjusted Penn Stock Appreciation Right issued shall be subject to the same terms and conditions regarding term, vesting, and other provisions regarding exercise as set forth in the original Penn Stock Appreciation Right, except as set forth below. Each GLPI Stock Appreciation Right issued pursuant to this

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Section 5.2(b) shall be subject to the same terms and conditions regarding term, vesting, and other provisions regarding exercise as set forth in the related Penn Stock Appreciation Right before the Effective Time, except as set forth below. Notwithstanding the foregoing, Penn will take such action as is necessary to ensure that with respect to adjusted Penn Stock Appreciation Rights that are held by GLPI Employees as of and following the Effective Time, such individuals will not incur a termination of employment as a result of the Distribution for purposes of the adjusted Penn Stock Appreciation Rights. GLPI will take such action as is necessary to ensure that with respect to the GLPI Stock Appreciation Right grants that are held by Penn Employees as of and following the Effective Time, such individuals will not incur a termination of employment as a result of the Distribution for purposes of the GLPI Stock Appreciation Rights. For purposes of the vesting and termination provisions of the adjusted Penn Stock Appreciation Right and the GLPI Stock Appreciation Rights, continued service with a Penn Group member or a GLPI Group Member shall be considered to be continued service for purposes of such Stock Appreciation Right.

(2) Change in Control. Upon a Penn Change in Control all Penn Stock Appreciation Rights will immediately vest and become exercisable (whether held by a Penn Employee or a GLPI Employee) and all GLPI Stock Appreciation Rights held by Penn Employees will immediately vest and become exercisable. Upon a GLPI Change in Control all GLPI Stock Appreciation Rights will immediately vest and become exercisable (whether held by a Penn Employee or a GLPI Employee) and all Penn Stock Appreciation Rights held by GLPI employees will immediately vest and become exercisable on their original schedule, without any requirement of continued employment. Penn Stock Appreciation Rights and GLPI Stock Appreciation Rights that immediately vest and become exercisable pursuant to this Section 5.2(b)(ii)(2) shall remain exercisable for the remainder of their original terms, notwithstanding any subsequent termination of the holder's employment or service.

(3) Exercise; Withholding. GLPI shall be solely responsible for the payment of cash in respect of Penn or GLPI Stock Appreciation Rights held by GLPI Employees, for ensuring the withholding of all applicable employment tax, and for ensuring the remittance of such employment taxes to the applicable governmental authority. Penn shall be solely responsible for the payment of cash in respect of Penn or GLPI Stock Appreciation Rights held by Penn Employees, for ensuring the withholding of all applicable employment tax, and for ensuring the remittance of such employment taxes to the applicable governmental authority.

(4) Dividend Equivalents — Unvested GLPI Stock Appreciation Rights. The holder of any GLPI Stock Appreciation Rights which are unvested as of the Distribution Date will be credited with dividend equivalents with respect to the unvested GLPI Stock Appreciation Rights for the GLPI Common Stock subject to such GLPI Stock Appreciation Rights, which dividend equivalents will accrue and be paid out (subject to applicable withholding) by GLPI to holders who are GLPI Employees and by Penn to

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holders who are Penn Employees, in each case on the vesting date of the related GLPI Stock Appreciation Right (or portion thereof). Dividend equivalents shall be calculated as follows: (i) with respect to any cash distribution, on each date that any such cash distribution is paid to all holders of GLPI Common Stock while the GLPI Stock Appreciation Rights are outstanding and unvested, GLPI shall establish or designate an account for the holder of the GLPI Stock Appreciation Right and the holder's account shall be credited with the right to receive an amount of cash equal to the amount of such cash distribution with respect to each share of GLPI Common Stock subject to the unvested portion of such GLPI Stock Appreciation Right, had such shares been outstanding on the date of such share distribution and (ii) with respect to any distribution in GLPI Common Stock (or other shares), on each date that any such share distribution is paid to all holders of GLPI Common Stock while the GLPI Stock Appreciation Rights are outstanding and unvested, GLPI shall establish or designate an account for the holder of the GLPI Stock Appreciation Right and the holder's account shall be credited with the right to receive the number of share of GLPI Common Stock or other shares that would have been delivered with respect to the number of shares of GLPI Common Stock subject to the unvested portion of the GLPI Stock Appreciation Right, had such shares been outstanding on the date of such share distribution.

(5) Dividend Equivalents — Vested GLPI Stock Appreciation Rights. Penn shall reserve an amount, determined in its discretion, which amount is intended to reflect the aggregate dividend equivalents that would be expected to be paid within a three year period following the Distribution by GLPI in respect of the number of shares equal to the number of shares subject to vested GLPI Stock Appreciation Rights held by Penn Employees. Penn shall set this amount aside as a special incentive bonus pool for the purpose of paying bonuses to Penn Employees who hold GLPI Stock Appreciation Rights which either (i) are vested as of the Distribution Date or (ii) vest within three years following the Distribution Date (provided that there is no intention to pay amounts under this paragraph that are duplicative of the dividend equivalents set forth in Section 5.2(b)(ii)(4)). No Penn Employee will have any right to be paid any amount from the special incentive bonus pool.

(6) Purging Distribution. In connection with the Purging Distribution, GLPI Stock Appreciation Rights (whether held by a Penn Employee or a GLPI Employee) shall be adjusted in a manner that preserves both the intrinsic value of the GLPI Stock Appreciation Rights and the ratio immediately prior to the Purging Distribution between the trading price of the GLPI Common Stock and the per share strike price applicable to the GLPI Stock Appreciation Right.

(A) Number of Shares Subject to Stock Appreciation Rights. Each GLPI Stock Appreciation Right will be adjusted into a stock appreciation right with respect to the number of shares of GLPI Common Stock equal to the product of (1) the number of shares of GLPI Common Stock subject to the GLPI Stock Appreciation Right immediately prior to the ex-dividend date for

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the Purging Distribution multiplied by (2) the Purging Distribution Exchange Ratio, rounded down to the nearest whole share.

(B) Strike Price. The strike price per share of GLPI Common Stock subject to the GLPI Stock Appreciation Right following the adjustment will equal to the per share strike price of the GLPI Stock Appreciation Right before the adjustment divided by the Purging Distribution Exchange Ratio, rounded up to the nearest cent.

(c) Restricted Stock and Restricted Stock Units.

(i) Restricted Stock. Upon the Effective Time, holders of Penn Restricted Stock Awards will become entitled to GLPI Restricted Stock Awards equal to a number of shares of GLPI Common Stock to which such holder becomes entitled pursuant to the Distribution.

(ii) Restricted Stock Units. Upon the Effective Time, holders of Penn Restricted Stock Units will receive a GLPI Restricted Stock Unit with respect to a number of shares of GLPI Common Stock equal to the number of Penn Common Shares subject to the corresponding Penn Restricted Stock Unit immediately prior to the Effective Time.

(iii) Restricted Award Terms.

(1) Service. Each Penn Restricted Award shall be subject to the same terms and conditions as set forth in the original Penn Restricted Award, except as set forth below. Each GLPI Restricted Award issued pursuant to this Section 5.2(c) shall be subject to the same terms and conditions as set forth in the related Penn Restricted Award before the Effective Time, except as set forth below. Notwithstanding the foregoing, Penn will take such action as is necessary to ensure that with respect to adjusted Penn Restricted Awards that are held by GLPI Employees as of and following the Effective Time, such individuals will not incur a termination of employment as a result of the Distribution for purposes of the adjusted Penn Restricted Awards. GLPI will take such action as is necessary to ensure that with respect to the GLPI Restricted Awards that are held by Penn Employees as of and following the Effective Time, such individuals will not incur a termination of employment as a result of the Distribution for purposes of the GLPI Restricted Awards. For purposes of the vesting and termination provisions of the Penn Restricted Awards and the GLPI Restricted Awards, continued service with a Penn Group member or a GLPI Group member shall be considered to be continued service for purposes of such Restricted Award.

(2) Change in Control Provisions. Upon a Penn Change in Control, all Penn Restricted Awards will vest and be paid out, as the case may be (whether held by a Penn Employee or a GLPI Employee), and all GLPI Restricted Awards held by Penn Employees will vest and be paid out, as the case may be. Upon a GLPI Change in

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Control, all GLPI Restricted Awards will vest and be paid out, as the case may be (whether held by a Penn Employee or a GLPI Employee), and all Penn Restricted Awards held by GLPI employees will vest and be paid out, as the case may be.

(3) Delivery; Withholding. GLPI shall be solely responsible for the issuance of GLPI Common Stock in respect of GLPI Restricted Stock Awards (regardless of the holder thereof), for ensuring the withholding of all applicable employment tax on behalf of the employing entity of such holder, and for ensuring the remittance of such employment taxes to the employing entity of such holder. Penn shall be solely responsible for the issuance of Penn Common Shares in respect of Penn Restricted Stock Awards (regardless of the holder thereof), for ensuring the withholding of all applicable employment tax on behalf of the employing entity of such holder, and for ensuring the remittance of such employment taxes to the employing entity of such holder. GLPI shall be solely responsible for the payment of cash in respect of Penn or GLPI Restricted Stock Units held by GLPI Employees, for ensuring the withholding of all applicable employment tax, and for ensuring the remittance of such employment taxes to the applicable governmental authority. Penn shall be solely responsible for the payment of cash in respect of Penn or GLPI Restricted Stock Units held by Penn Employees, for ensuring the withholding of all applicable employment tax, and for ensuring the remittance of such employment taxes to the applicable governmental authority. Any forfeited GLPI Restricted Awards will be forfeited to GLPI and any forfeited Penn Restricted Awards will be forfeited to Penn (regardless of the employer of the holder thereof).

(4) Dividend Equivalents. Holders of GLPI Restricted Stock Units will have a right to receive dividend equivalents with respect to the shares of GLPI Common Stock underlying such award, which dividend equivalents will accrue and be paid by GLPI to holders who are GLPI Employees and by Penn to holders who are Penn Employees, in each case on the payment date of the related GLPI Restricted Stock Units (subject to the award vesting on such date). Holders of GLPI Restricted Stock Awards will be entitled to receive any dividends paid with respect to the GLPI Common Stock subject to such award on the same date or dates that dividends are payable on GLPI Common Shares to holders of such shares generally.

(5) Purging Distribution. Upon declaration of the Purging Distribution, holders of GLPI Restricted Stock Units will be credited with a dividend equivalent equal to the Purging Distribution, which dividend will accrue and be paid by GLPI to holders who are GLPI Employees and by Penn to holders who are Penn Employees, in each case, if applicable, on the payment date of the related GLPI Restricted Stock Unit. Holders of GLPI Restricted Stock Awards will be entitled to receive the Purging Distribution with respect to the GLPI Common Stock subject to such award on the same date or dates that the Purging Distribution is payable on GLPI Common Stock to stockholders of GLPI generally.

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- (d) Allocation of Tax Deduction. The deduction in respect of equity based awards held by Penn Employees (whether with respect to Penn Common Shares or GLPI Common Stock) will be allocated to Penn. The deduction in respect of equity based awards held by GLPI Employees as a result of the operation of this Section 5.2 (whether with respect to Penn Common Shares or GLPI Common Stock) will be allocated as follows: a pro-rata portion of the deduction will be allocated to Penn based on the portion of the vesting period occurring prior to the Distribution; the remainder of the deduction, if any, will be allocated to GLPI.
- (e) Partial Interests in Shares. To the extent that any adjustment described in this Section 5.2 results in any fractional interest in shares, such fractional interest shall be rounded down to the nearest whole share. No fractional interests shall be payable in cash or otherwise.
- (f) Administration. Each of Penn and GLPI shall establish an appropriate administration system in order to handle exercises and delivery of shares in an orderly manner and provide reasonable levels of service for equity award holders.
- (g) No Effect on Subsequent Awards. The provisions of this Section 5.2 shall have no effect on the terms and conditions of equity and equity-based awards granted following the Effective Date by Penn or GLPI.

ARTICLE VI

GENERAL AND ADMINISTRATIVE

6.1 Sharing of Participant Information. To the maximum extent permitted under applicable Law, Penn and GLPI shall share, and shall cause each member of its respective Group to share, with each other and their respective agents and vendors all participant information reasonably necessary for the efficient and accurate administration of each of the Penn Plans and the GLPI Plans. Penn and GLPI and their respective authorized agents shall, subject to applicable laws on confidentiality, be given reasonable and timely access to, and may make copies of, all information relating to the subjects of this Agreement in the custody of the other Party, to the extent necessary for such administration. Until the Effective Time, all participant information shall be provided in the manner and medium applicable to Participating Companies in the Penn Plans generally, and thereafter until the time at which the Parties subsequently determine, all participant information shall be provided in a manner and medium that are compatible with the data processing systems of Penn as in effect as of the Effective Time, unless otherwise agreed to by Penn and GLPI.

6.2 Non-Termination of Employment; No Third Party Beneficiaries. No provision of this Agreement or the Separation Agreement shall be construed to create any right, or accelerate entitlement, to any compensation or benefit whatsoever on the part of any future, present, or former employee of Penn, a Penn Group member, GLPI, or a GLPI Group member under any Penn Plan or GLPI Plan or otherwise. Except as expressly provided in this Agreement, nothing in this Agreement shall preclude GLPI or any GLPI Group member, at any time after the Effective Time,

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from amending, merging, modifying, terminating, eliminating, reducing, or otherwise altering in any respect any GLPI Plan, any benefit under any GLPI Plan or any trust, insurance policy or funding vehicle related to any GLPI Plan; and (iii) except as expressly provided in this Agreement, nothing in this Agreement shall preclude Penn or any Penn Group member, at any time after the Effective Time, from amending, merging, modifying, terminating, eliminating, reducing, or otherwise altering in any respect any Penn Plan, any benefit under any Penn Plan or any trust, insurance policy or funding vehicle related to any Penn Plan.

6.3 Audit Rights with Respect to Information Provided. Each of Penn and GLPI, and their duly authorized representatives, shall have the right to conduct reasonable audits with respect to all information provided to it by the other Party. The Parties shall cooperate to determine the procedures and guidelines for conducting audits under this Section 6.3, which shall require reasonable advance notice by the auditing Party. The auditing Party shall have the right to make copies of any records at its expense, subject to applicable Law.

6.4 Fiduciary Matters. Penn and GLPI each acknowledge that actions required to be taken pursuant to this Agreement may be subject to fiduciary duties or standards of conduct under ERISA or other applicable Law, and no Party shall be deemed to be in violation of this Agreement if it fails to comply with any provisions hereof based upon its good faith determination (as supported by advice from counsel experienced in such matters) that to do so would violate such a fiduciary duty or standard. Each Party shall be responsible for taking such actions as are deemed necessary and appropriate to comply with its own fiduciary responsibilities and shall fully release and indemnify the other Party for any Liabilities caused by the failure to satisfy any such responsibility.

6.5 Consent of Third Parties. If any provision of this Agreement is dependent on the consent of any third party (such as a vendor or Governmental Authority) and such consent is withheld, Penn and GLPI shall use commercially reasonable efforts to implement the applicable provisions of this Agreement to the full extent practicable. If any provision of this Agreement cannot be implemented due to the failure of such third party to consent, Penn and GLPI shall negotiate in good faith to implement the provision in a mutually satisfactory manner. The phrase "commercially reasonable efforts" as used herein shall not be construed to require the incurrence of any non-routine or unreasonable expense or liability or the waiver of any right.

6.6 Subsequent Transfers of Employment. To the extent that the employment of any individuals transfers between any Penn Group member and any GLPI Group member in the twenty four (24) month period following the Effective Date, the Parties shall use their reasonable efforts to effect the provisions of this Agreement with respect to the compensation and benefits of such individuals following such transfer, it being understood that (i) it may not be possible to replicate the effect of such provisions under such circumstances and (ii) neither Penn nor GLPI shall be bound by the provisions of this Section 6.6 to assume any Liabilities or transfer any assets. Notwithstanding to foregoing, for compensation subject to the provisions of Section 409A of the Code, any such subsequent transfer shall be a separation from service from the applicable employer for purposes of such compensation, and the consequences of such separation from service shall be determined in accordance with the terms of the applicable plan or agreement.

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ARTICLE VII

GOVERNING LAW; DISPUTE RESOLUTION

7.1 Governing Law. This Agreement and the legal relations between the Parties hereto shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania, without regard to the conflict of laws rules thereof to the extent such rules would require the application of the law of another jurisdiction.

7.2 Dispute Resolution. The provisions of Article VII of the Separation Agreement shall apply, mutatis mutandis, to all disputes, controversies or claims (whether arising in contract, tort or otherwise) that may arise out of or relate to, or arise under or in connection with this Agreement or the transactions contemplated hereby.

ARTICLE VIII

MISCELLANEOUS

8.1 Complete Agreement; Construction. This Agreement (including the schedules hereto) constitutes the entire agreement between the Parties with respect to the subject matter hereof and supersedes all prior agreements and undertakings, both written and oral, between on behalf of the Parties with respect to such subject matter.

8.2 Survival of Agreements. Except as otherwise contemplated by this Agreement, any covenants and agreements of the Parties contained in this Agreement shall survive the Effective Time and remain in full force and effect in accordance with their applicable terms.

8.3 Notices. All notices, requests, claims, demands and other communications under this Agreement shall be in writing and shall be given or made (and shall be deemed to have been duly given or made upon receipt) by delivery in person, by overnight courier service, by facsimile or electronic transmission with receipt confirmed (followed by delivery of an original via overnight courier service) or by registered or certified mail (postage prepaid, return receipt requested) to the respective Parties at the following addresses (or at such other address for a Party as shall be specified in a notice given in accordance with this Section 8.3):

If to Penn, to:

Penn National Gaming, Inc.
825 Berkshire Boulevard, Suite 200
Wyomissing, Pennsylvania 19610
Attention: Chief Executive Officer
Facsimile: (610) 373-4966

with a copy to (which shall not constitute notice):

Skadden, Arps, Slate, Meagher & Flom LLP
Four Times Square

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New York, New York 10036-6522
Attention: Regina Olshan, Esq.
Facsimile: (212) 735-2000

if to GLPI, to:

Gaming and Leisure Properties, Inc.
825 Berkshire Boulevard, Suite 400
Wyomissing, Pennsylvania 19610
Attention: Chief Executive Officer
Facsimile: 610-401-2901

with a copy to (which shall not constitute notice):

Pepper Hamilton LLP
300 Two Logan Square
Eighteenth and Arch Streets
Philadelphia, Pennsylvania 19103
Attention: Barry M. Abelson, Esq.
Facsimile: (215) 981-4750

8.4 Termination. Notwithstanding any provision to the contrary, this Agreement may be terminated at any time prior to the Effective Time by and in the sole discretion of Penn without the prior approval of any Person, including GLPI. In the event of such termination, this Agreement shall become void and no Party, or any of its officers and directors shall have any liability to any Person by reason of this Agreement. After the Effective Time, this Agreement may not be terminated except by an agreement in writing signed by each of the Parties.

8.5 Severability. If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced under any Law or as a matter of public policy, all other conditions and provisions of this Agreement shall remain in full force and effect. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated by this Agreement be consummated as originally contemplated to the greatest extent possible.

8.6 Assignment; No Third-Party Beneficiaries. This Agreement shall not be assigned by any Party without the prior written consent of the other Parties, except that Penn may assign (i) any or all of its rights and obligations under this Agreement to any of its Affiliates and (ii) any or all of its rights and obligations under this Agreement in connection with a sale or disposition of any assets or entities or lines of business of Penn; provided, however, that, in each case, no such assignment shall release Penn from any liability or obligation under this Agreement. This Agreement is for the sole benefit of the Parties and their permitted successors and assigns and nothing in this Agreement, express or implied, (i) is intended to or shall confer upon any other Person any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement, (ii) shall confer any right to employment or continued employment for any

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period or terms of employment, (iii) be interpreted to prevent or restrict the Parties from modifying or terminating any Penn Plan or GLPI Plan or the employment or terms of employment of any Penn Employee or GLPI Employee or (iv) shall establish, modify or amend any Penn Plan or GLPI Plan covering a Penn Participant, GLPI Participant, any collective bargaining agreements, national collective bargaining agreements, or the terms and conditions of employment applicable to a Penn Employee or a GLPI Employee.

8.7 Specific Performance. Subject to the provisions of Article VII of this Agreement, in the event of any actual or threatened default in, or breach of, any of the terms, conditions and provisions of this Agreement, the Party which is or is to be thereby aggrieved shall have the right to specific performance and injunctive or other equitable relief (on an interim or permanent basis) of its rights under this Agreement, in addition to any and all other rights and remedies at Law or in equity, and all such rights and remedies shall be cumulative. The Parties agree that the remedies at Law for any breach or threatened breach, including monetary damages, may be inadequate compensation for any loss and that any defense in any action for specific performance that a remedy at Law would be adequate is waived. Any requirements for the securing or posting of any bond with such remedy are waived by each of the Parties.

8.8 Amendment. No provision of this Agreement may be amended or modified except by a written instrument signed by all the Parties. No waiver by any Party of any provision of this Agreement shall be effective unless explicitly set forth in writing and executed by the Party so waiving. The waiver by any Party of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any other subsequent breach.

8.9 Rules of Construction. Interpretation of this Agreement shall be governed by the following rules of construction: (i) words in the singular shall be held to include the plural and vice versa and words of one gender shall be held to include the other gender as the context requires, (ii) references to the terms Article, Section, paragraph, clause, Exhibit and Schedule are references to the Articles, Sections, paragraphs, clauses, Exhibits and Schedules of this Agreement unless otherwise specified, (iii) the terms "hereof," "herein," "hereby," "hereto," and derivative or similar words refer to this entire Agreement, including the Schedules and Exhibits here-to, (iv) references to "\$" shall mean U.S. dollars, (v) the word "including" and words of similar import when used in this Agreement shall mean "including without limitation," unless otherwise specified, (vi) the word "or" shall not be exclusive, (vii) references to "written" or "in writing" include in electronic form, (viii) provisions shall apply, when appropriate, to successive events and transactions, (ix) the table of contents and headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement, (x) Penn and GLPI have each participated in the negotiation and drafting of this Agreement and if an ambiguity or question of interpretation should arise, this Agreement shall be construed as if drafted jointly by the Parties and no presumption or burden of proof shall arise favoring or burdening either Party by virtue of the authorship of any of the provisions in this Agreement or any interim drafts of this Agreement, and (xi) a reference to any Person includes such Person's successors and permitted assigns.

8.10 Counterparts. This Agreement may be executed in one (1) or more counterparts, and by the different Parties in separate counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same agreement.

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Delivery of an executed counterpart of a signature page to this Agreement by facsimile or portable document format (PDF) shall be as effective as delivery of a manually executed counterpart of any such Agreement.

[The remainder of this page is intentionally left blank.]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed on the date first written above by their respective duly authorized officers.

PENN NATIONAL GAMING, INC.

By: /s/ Robert S. Ippolito
Name: Robert S. Ippolito
Title: Secretary/Treasurer

GAMING AND LEISURE PROPERTIES, INC.

By: /s/ William J. Clifford
Name: William J. Clifford
Title: CFO, Secretary and Treasurer

[Signature Page to Employee Matters Agreement]
