

BEFORE THE NEVADA GAMING COMMISSION
AND THE STATE GAMING CONTROL BOARD

In the Matter of

PENN NATIONAL GAMING, INC.

(Registration)_____

THIRD REVISED ORDER OF REGISTRATION

THIS MATTER came on regularly for hearing before the State Gaming Control Board (“Board”) on September 6, 2012, and before the Nevada Gaming Commission (“Commission”) on September 20, 2012, at Las Vegas, Nevada; and

THE BOARD AND COMMISSION having considered all information pertinent hereto;

IT IS HEREBY ORDERED BY THE NEVADA GAMING COMMISSION UPON THE RECOMMENDATION OF THE STATE GAMING CONTROL BOARD:

1. THAT the following applications, as amended and supplemented, have been filed:

a. The application of Penn National Gaming, Inc. for an amendment to its Order of Registration, and

b. The applications of LV Gaming Ventures, LLC for (i) approval to issue 1,000,000 Class A membership units to Penn National Gaming, Inc. and (ii) approval to issue 100,000 Class C membership units to A3 Gaming Investments, LLC.

2. THAT the Second Revised Order of Registration of Penn National Gaming, Inc. dated January 26, 2012, is hereby amended and restated in its entirety by this Third Revised Order of Registration.

3. THAT Penn National Gaming, Inc. is registered as a publicly traded corporation, is found suitable as the sole shareholder of Delvest Corp. and is licensed as a member and the sole manager of LV Gaming Ventures, LLC.

4. THAT Delvest Corp. is registered as an intermediary company and is found suitable as the sole shareholder of Nevada Gaming Ventures, Inc.

5. THAT LV Gaming Ventures, LLC, dba The M Resort Spa and Casino, is licensed as a manufacturer and distributor, is licensed to conduct nonrestricted gaming operations at 12300 Las Vegas Boulevard South, Henderson, and is approved to receive a percentage of gaming revenue from the race book and sports pool operated by Cantor G&W (Nevada), L.P. at The M Resort Spa and Casino, subject to such conditions or limitations as may be imposed by the Commission.

6. THAT LV Gaming Ventures, LLC, is granted approval to issue warrants to the Bank of Scotland PLC, conditioned that such warrants shall not be exercised without the prior approval of the Commission, and shall not be sold, assigned, transferred, pledged or otherwise disposed of without the prior administrative approval of the Chairman of the Board or his designee.

7. THAT Penn National Gaming, Inc. is granted approval, pursuant to NRS 463.5733 and NGC Regulation 8.030, to pledge its membership interest in LV Gaming Ventures, LLC to Wells Fargo Bank, N.A., as Administrative Agent, in conjunction with a Credit Agreement dated July 14, 2011, provided that:

a. This approval is pursuant to the Security Agreement with Wells Fargo Bank, N.A. dated July 14, 2011 ("Security Agreement"),

b. The prior approval of the Commission must be obtained before any foreclosure or transfer of any possessory security interest in such securities or membership interests (except back to Penn National Gaming, Inc.) and before any other resort to the

collateral or other enforcement of the security interest in such securities or membership interests may occur; and

c. Pursuant to NGC Regulations 15B.140 and 8.030(4)(a), if membership certificates are issued, the membership certificates of LV Gaming Ventures, LLC evidencing said pledge of the membership interest must at all times remain physically within the State of Nevada at a location designated to the Board and must be made available for inspection by agents or employees of the Board immediately upon request during normal business hours.

8. THAT the Security Agreement shall not be amended without the prior administrative approval of the Chairman of the Board or his designee. Such administrative approval may not be granted regarding amendments to the Security Agreement that increase or change the membership interest that is the subject of the pledge or that change the identity of the Collateral Agent.

9. THAT Penn National Gaming, Inc., shall establish and maintain a Gaming Compliance Plan ("Plan") for the purpose of, at a minimum, reviewing Penn National Gaming, Inc.'s gaming operations, and to review and ensure compliance by Penn National Gaming, Inc., and its subsidiaries and any affiliated entities, with the Nevada Gaming Control Act (the "Act"), as amended, the Commission's Regulations (the "Regulations"), as amended, and the laws and regulations of any other jurisdiction in which Penn National Gaming, Inc., its subsidiaries and any affiliated entities are involved in gaming operations. Further, the Plan shall require the reporting of any incidents, occurrences, or events that, while they may be related to the non-gaming activities of other subsidiaries and/or affiliates of Penn National Gaming, Inc., could reflect or tend to reflect discredit or disrepute upon the State of Nevada or gaming in the State of Nevada. The Plan, any amendments thereto, and the members of the gaming compliance committee, one such member who shall be knowledgeable of the Act and Regulations, shall be administratively reviewed and approved by the Chairman of the Board or his designee. Penn National Gaming, Inc., shall amend the Plan, or any element thereof, and perform such duties

as may be requested or assigned by the Chairman of the Board or his designee relating to a review of activities relevant to the continuing qualifications of Penn National Gaming, Inc., under the provisions of the Act and Regulations.

10. THAT Penn National Gaming, Inc. shall fund and maintain with the Board a revolving fund in the amount of \$50,000 for the purpose of funding investigative reviews by the Board for compliance with the terms of this Order of Registration and any amendments thereto. Without limiting the foregoing, the Board shall have the right, without notice, to draw upon the funds of said account for the payment of costs and expenses incurred by the Board and its staff in the surveillance, monitoring, and investigative review of all activities of Penn National Gaming, Inc. and its affiliated companies.

11. THAT, pursuant to NRS 463.625, Penn National Gaming, Inc. is exempted from compliance with NRS 463.585 through 463.615, inclusive, and shall instead comply with NRS 463.635 through 463.645, inclusive.

12. THAT Penn National Gaming, Inc. is exempted from NGC Regulation 15 and shall instead comply with the provisions of NGC Regulation 16.

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13. THAT the Commission hereby expressly finds that the exemptions and conditions herein are consistent with the State policy set forth in NRS 463.0129 and 463.489.

ENTERED in Las Vegas, Nevada, this 20th day of September 2012.