

VIII. ECONOMIC ACTIVITY AND BUSINESS DEVELOPMENT

6. CAPITAL AND FINANCING STRUCTURE

Submit as Exhibit VIII. A.6.a. a schedule for each Financing Source that is an entity, describing such entity's current capital structure, including secured debt, unsecured debt, and equity. Indicate maturity dates, interest rates, preferred dividends or distributions and key covenants. For each Financing Source that is a trust or individual, provide evidence of financial wherewithal to participate in the proposed financing. Describe and quantify any other material financial commitments, obligations and guarantees that would materially impact such wherewithal.

OCCR Enterprises, LLC is a 50/50 joint venture through various intermediary companies between Cordish Co. and Penn National Gaming, Inc., the ultimate owners. Each of the ultimate owners expects to provide 50% of the financing for this \$750 million project.

For Cordish

The Applicant is owned by OCCR Enterprises Holdings, LLC, which in turn is owned equally by PPE Casino Resorts NY, LLC (PPE) and NY OCCR Investment LLC. The owners of the Applicant have entered into an operating agreement for OCCR Enterprises Holdings, LLC in which they have agreed to self-fund the project in equal amounts based upon a capital call to the extent that market financing is either unavailable or is not offered under terms acceptable to the owners.

The PPE Casino Resorts NY, LLC (PPE) Operating Agreement contains a similar commitment among the owners to fund OCCR Enterprise Holdings, LLC consistent their 50% interest and with the funding agreement contained in the OCCR Enterprises Holdings LLC Operating Agreement. PPE is owned by five individuals with substantial financial wherewithal, and PPE has a credit facility from The Cordish Family II, LLC FOR \$250,000,000.

PPE Casino Resorts NY, LLC

| Name | Percentage Ownership | Percent Capital Contribution |
|---------------------|-----------------------------|-------------------------------------|
| Jonathan A. Cordish | 29.34 | 29.34 |
| Blake L. Cordish | 29.33 | 29.33 |
| Reed S. Cordish | 29.33 | 29.33 |

Joseph S. Weinberg 10.00 10.00

Charles F. Jacobs 2.00 2.00

There is no secured debt

There is no unsecured debt

All contributions to date are equity

There are no preferred dividends

There are no maturity dates

There are no interest rates at present

There have been no distributions; but there has been a funding provided to OCCR Enterprises Holdings, LLC

There are no financial covenants at the present time; the current PPE credit facility only has general covenants of payment

PPE Casino Resorts NY, LLC Restated and Amended Operating Agreement (attached)

PPE Casino Resorts NY, LLC Financial Statement (attached)

Individual Owners of PPE Casino Resorts NY, LLC attested Financial Statements (attached)

PPE Credit Facility (attached)

Cordish Trust II

Jonathan A. Cordish, Manager

Cordish Family II Trust Financial Statement (attached)

OCCR Enterprises Holdings, LLC (direct owner of Applicant)

| Name | Percentage Ownership | Capital Commitment |
|----------------------------|-----------------------------|---------------------------|
| PPE Casino Resorts NY, LLC | 50% | 50% |
| OCCR NY Investment LLC | 50% | 50% |

There is no secured debt

There is no unsecured debt

All funding is equity

There are no maturity dates

There are no interest rates

There are no preferred dividends

There are no distributions

There are no covenants

OCCR Enterprises Holdings, LLC Limited Liability Company Agreement (attached)

OCCR Enterprises Holdings, LLC Financial Statement (attached)

OCCR Enterprises, LLC

Owned 100% BY OCCR Enterprises Holdings, LLC

There is no secured debt

There is no unsecured debt

All funding are owners' contributions

There are no maturity dates

There are no preferred dividends

There have been no distributions

There are no covenants

OCCR Enterprises, LLC Operating Agreement (attached)

OCCR Enterprise, LLC Financial Statement (attached)

None of the companies, the individual owners or the Cordish II Trust have any material financial commitments, obligations or guarantees that would materially impact their financial wherewithal.

For Penn National:

Penn National currently has approximately \$740 million in bank debt and \$300 million in senior subordinated notes outstanding. In addition, Penn has approximately \$22 million in outstanding letters of credit and approximately \$1.9 million in capital leases (see attached debt summary chart). The company currently has \$500 million available on its revolving credit facility and has projected 2014 free cash flow in excess of \$115 million. This represents more than enough cash to Finance Penn's 50% portion of this project investment. In addition, Penn's existing senior secured credit facility includes a green shoe provision that would allow the company to obtain additional senior debt financing of up to \$400 million under similar terms as its existing credit facility should that be needed. In addition Penn has the ability to issue subordinated debt outside of its existing credit facility.

In addition to the existing indebtedness on its balance sheet Penn has commitments to complete the FFE outfitting at two racetracks with VLT's in Ohio, to build and furnish a racetrack with slot machines in Massachusetts and is providing a backstop for financing for a tribal development deal in California. The combined cost of the Ohio and Massachusetts projects is approximately \$415M spent primarily in 2014 and 2015. The financing backstop for the California tribal project would be \$360 million, between now and 2016, if completed on Penn's balance sheet. Based on our current projections, Penn believes that these commitments would not impair our ability to finance and construct our project in New York.

While Penn reserves the right to seek project financing for its portion of the development investment, Penn's investment is not contingent on achieving such financing as it has sufficient capital resources to finance the project through its existing bank facility and cash flow.