

COMMONWEALTH OF PENNSYLVANIA
STATE HORSE RACING COMMISSION

In Re:

PINNACLE ENTERTAINMENT, INC. :
Omnibus Petition for Approval of License :
Transfer; Approval to Conduct Harness Horse : Docket No. 2016-5
Race Meetings and Approval to Offer Electronic :
Wagering (Meadows Transaction) :

ORDER

AND NOW, this 24th day of August 2016, pursuant to the *Omnibus Petition* filed on May 12, 2016 by Pinnacle Entertainment, Inc., and PNK Development 33, LLC (hereinafter "Pinnacle") and the averments contained therein relating to the proposed Meadows Purchase Agreements, the underlying restructuring transactions, and in accordance with the provisions of Act 7 of February 23, 2016, known as Race Horse Industry Reform Act (71 P.S. §720.77 and §720.38) ("Act") (relating to a substantial change in ownership), the Commission conducted the necessary review and analysis of the transaction, the appropriate License Applications, including supporting documentation and the Multi-Jurisdictional Personal History Disclosure Forms from officers, directors and key employees of those entities and finds that:

1. Pinnacle and its subsidiary PNK Development 33, LLC has properly complied with the provisions and notice requirements of the substantial change in ownership as set forth in 71 P.S. §720.77 (2) of the Act;

2. Pinnacle has demonstrated by clear and convincing documentary evidence that its participation in horse racing or related wagering activities is consistent with the best interests of racing (71 P.S. §720.38 (e) (3));

3. Pinnacle's principles, director, officers and key employees have demonstrated by clear and convincing evidence they are persons of good character, honesty and integrity and consistent with the best interests of racing.

4. Pursuant to 71 P.S. §720.38 (relating to licenses for horse race meetings), the Commission has authority to issue, approve, revoke, condition or deny issuance or renewal of licenses to conduct horse race meetings at which pari-mutuel wagering is permitted.

5. Pursuant to 71 P.S. §720.38, the license to conduct horse race meetings with pari-mutuel wagering activities is a privilege and not a property right and may not be used as collateral or be encumbered.

Therefore, in accordance with the Relief and Approvals requested as set forth in the *Omnibus Petition*,

IT IS ORDERED THAT:

1. The transactions required pursuant to the Purchase Agreements, as more fully described in the *Omnibus Petition* (relating to the substantial change in ownership) are hereby approved;

2. Pinnacle Entertainment, Inc. is hereby approved and licensed to conduct horse race meetings at which pari-mutuel wagering is permitted as provided in 71 P.S. §§720.38, 720.71 and 720.77 of the Act;

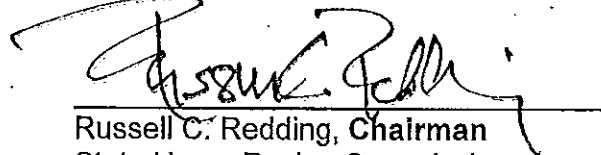
3. Pinnacle Entertainment, Inc. is granted approval to engage in and act as a host licensee under 71 P.S. §720.49;

4. Pinnacle Entertainment, Inc. is granted approval to operate the existing non-primary locations of WTA/MLR under 71 P.S. §720.51.

IT IS FURTHER ORDERED, the Commission's approval is hereby issued upon the general conditions set forth in the Act and with the following specific conditions:

1. That all Pinnacle's directors, officers, and key employees properly obtain the necessary Occupational Licenses for individuals as set forth in §720.43 of the Act;
2. Prior to closing, Pinnacle must provide, if any, updated Agreements, contracts or other documents related to the proposed transaction to the Commission within 15 days of the execution of such documents;
3. Upon closing of the transactions, Pinnacle must provide copies of all final executed documents, including but not limited to, the applicable Purchase Agreements, and Lease Agreements to the Commission within 15 days of closing or the execution of such documents;

BY THE COMMISSION



Russell C. Redding, Chairman
State Horse Racing Commission