



**Pennsylvania Gaming Control Board
Joint Petition for Final Approval Of Change in Control
September 7, 2016**

**Washington Trotting Association, Inc.,
Gaming and Leisure Properties, Inc. &
Pinnacle Entertainment, Inc.**

Attendees

- Guy Hillyer, Executive VP, Cannery Casino Resorts
- Marie J. Jones, Esquire, Counsel for Washington Trotting Association, Inc.
- Brandon J. Moore, Esquire, Senior VP & General Counsel, Gaming and Leisure Properties, Inc.
- James A. Doherty, Esquire, Counsel for Gaming and Leisure Properties, Inc.
- Sean Sullivan, General Manager, Washington Trotting Association, Inc.
- Anthony Sanfilippo, CEO, Pinnacle Entertainment
- Carlos Ruisanchez, President & Chief Financial Officer, Pinnacle Entertainment
- Donna Negrotto, Esquire, Executive VP & General Counsel, Pinnacle Entertainment
- Rod Centers, VP & General Manager*, Pinnacle Entertainment

Petition for Final Approval of Change and Control Pursuant to 4 PA. C.S. §1328(A)



• Request for Relief

- Final Approval of the transaction between Washington Trotting Association, Inc., (“WTA”), Gaming and Leisure Properties, Inc. (“GLPI”), and Pinnacle Entertainment, Inc. (“Pinnacle”), and related entities.
- Approve GLPI, and related entities, as suitable for licensure as a passive Landlord in connection with the transaction.
- Approve Pinnacle, and related entities and individuals, as suitable for licensure.
- Award a Category 1 License to WTA as a direct wholly-owned subsidiary of Pinnacle Development 33, LLC, including permission to operate Table Games.
- Assess a reduced license fee for this transaction consistent with past practices of the Board.

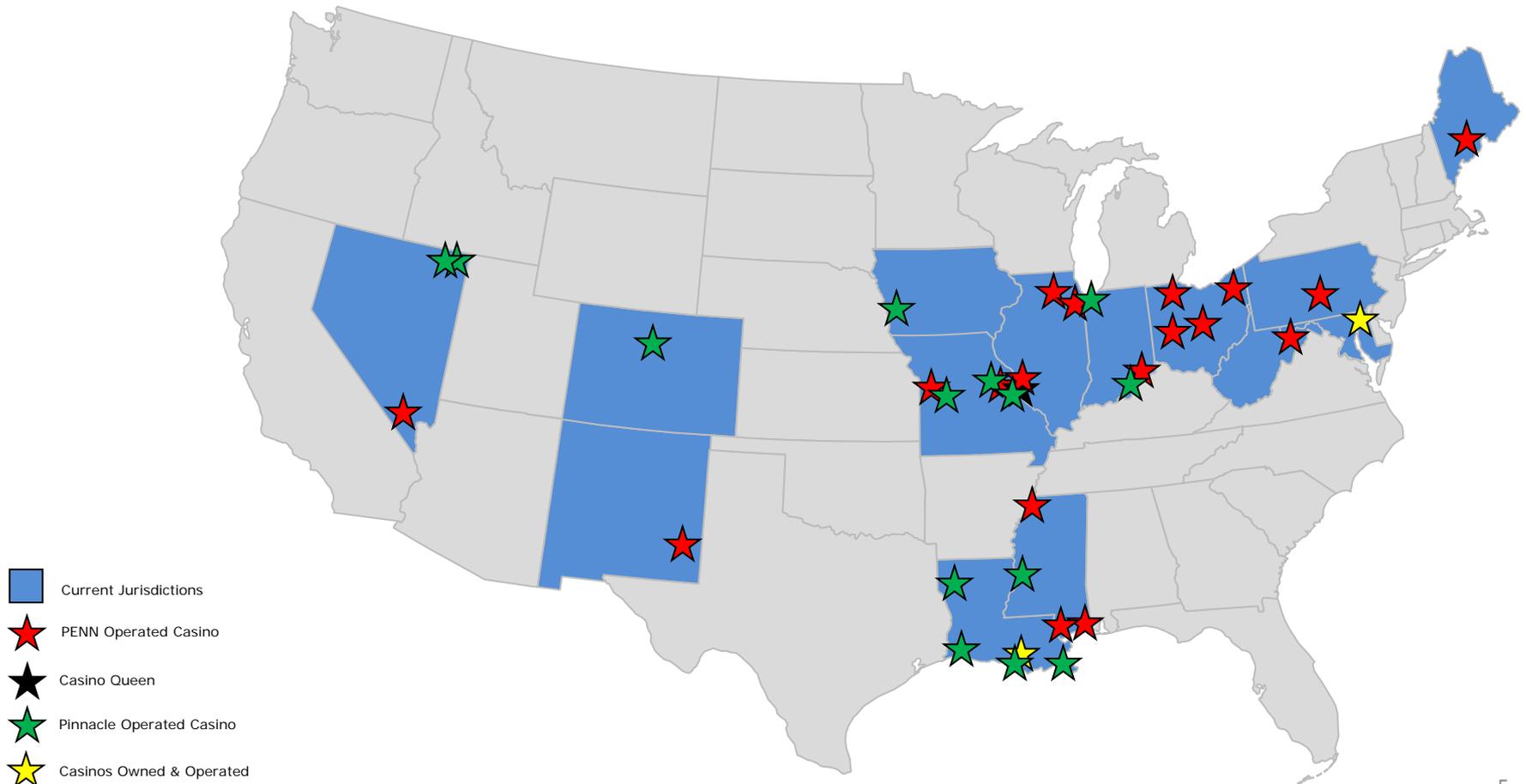
Gaming & Leisure Properties Overview



- Spun-off from Penn National Gaming (NASDAQ: PENN) November 2013
- 33 Properties under triple-net lease, and two operating entities
- Approximately 14.7 million total square feet of building space owned in 14 states
- Third largest publicly traded triple net REIT
- Two properties owned and operated in a taxable REIT subsidiary

GLP's Highly Diversified Portfolio

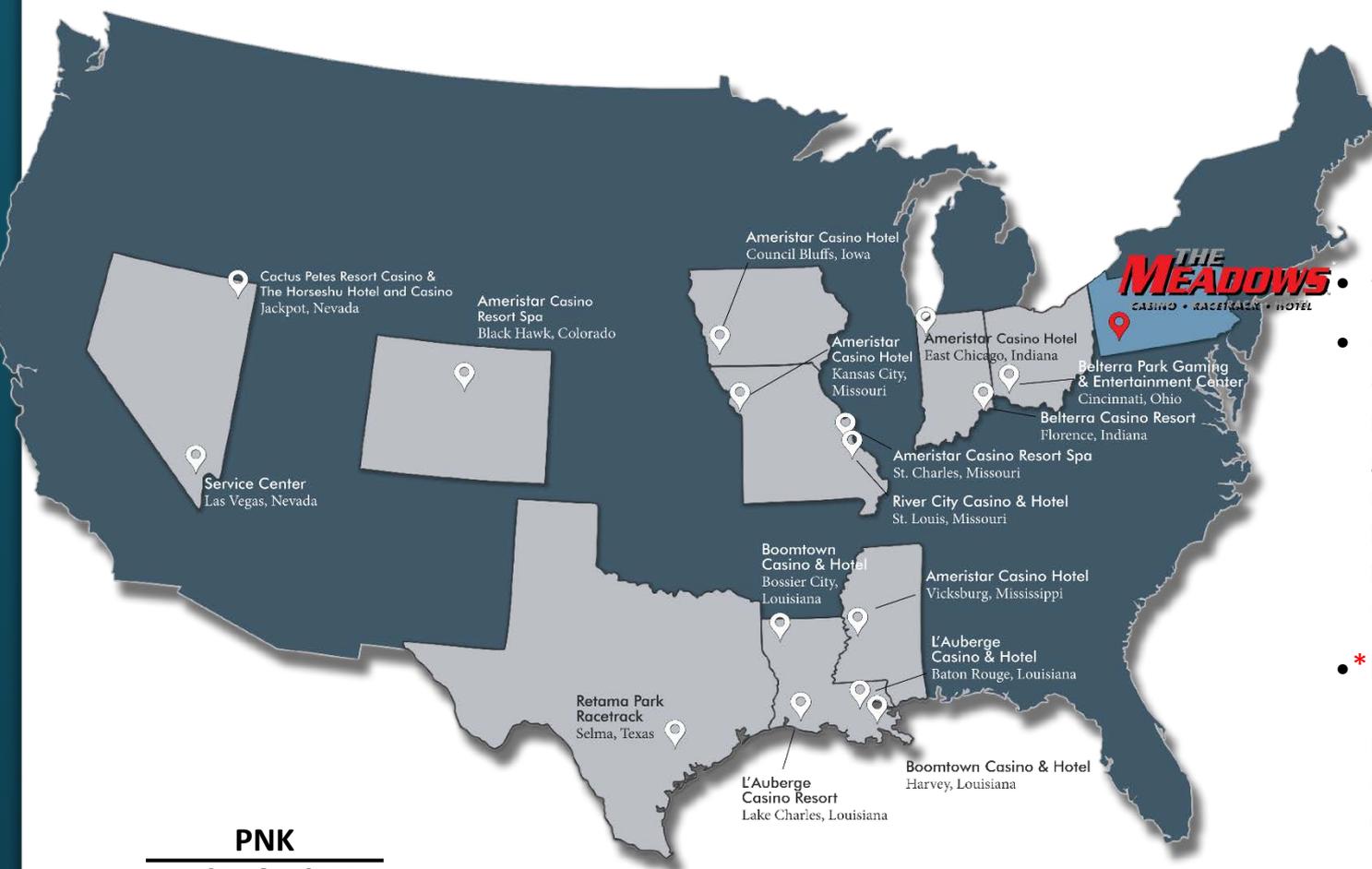
- Multi-jurisdictional Portfolio With 35 Assets In Over 20 Markets
- No Property Generates Greater Than 8% of 2015 Gaming Revenues



Pinnacle - Proven & Experienced Operator



The Best Casino Entertainment Company In The World®



- ~15,000 team members
- Currently 15 gaming entertainment properties in 9 states and 13 distinct gaming markets (Louisiana, Colorado, Indiana, Mississippi, Missouri, Iowa, Nevada, Ohio, and Texas)
- * Expect to close on the acquisition of **The Meadows Racetrack & Casino** in Washington County, PA, by end of Q3 2016, subject to regulatory approvals

PNK

NASDAQ LISTED

* Pending PGCB application approval

Our Properties

L'Auberge Lake Charles



Location: Lake Charles, LA
Opening Date: May 2005

L'Auberge Baton Rouge



Location: Baton Rouge, LA
Opening Date: September 2012



Our Properties

Ameristar St. Charles



Location: St. Louis, MO
Opening Date: May 1994

River City



Location: St. Louis, MO
Opening Date: March 2010



Our Properties

Ameristar Kansas City



Location: Kansas City, MO
Opening Date: January 1997



Belterra Resort



Location: Florence, IN
Opening Date: October 2000



Racing Operations

■ Retama Park

- Location: Selma, TX, 20 minutes from downtown San Antonio
- Pari-mutuel horse-racing track
- Live racing with quarter horses and thoroughbred horses
- Simulcast wagering
- Pinnacle holds a majority interest in the racing license owner, as well as management contract



■ Belterra Park

- Location: east of downtown Cincinnati, OH
- Originally opened in 1925 as Coney Island Racetrack, was later renamed to River Downs Racetrack
- Opened as Belterra Park on May 1, 2014
- Represents \$300+ million investment by Pinnacle Entertainment, incl. land and licensing fees
- Dirt Track (1 mile); **Ohio's Only** Turf Track (7/8 mile), and Off-Track Betting Racebook
- Variety of food and beverage venues



Company Culture and Values

Culture
Focus on team members, guests and shareholders



Company Values



Celebrating Team Member Success

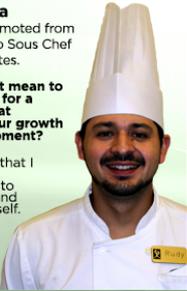
979 TEAM MEMBER PROMOTIONS COMPANY-WIDE IN 2015

Rudy Sena

Recently promoted from Lead Cook to Sous Chef at Cactus Petes.

What does it mean to you to work for a company that supports your growth and development?

I appreciate that I have the opportunity to learn more and improve myself.



Douglas Smith

Recently promoted from Surveillance Agent and Training Partner to Surveillance Supervisor at Boomtown Bossier.

What do you like best about your job?

I love the investigations and how they unfold and build like a story.



Hayden Warr

Recently promoted from Assistant Restaurant Manager to Convention Services Manager at Boomtown New Orleans.

Who supports you in Being the Best You?

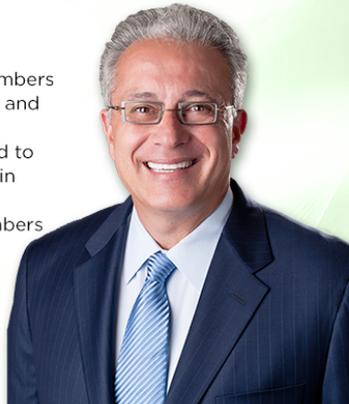
All of the leaders at Boomtown are so supportive in helping team members develop into who they want to be. We have a great support system in our leaders.



Dear Fellow PNK Team Members,

In all that we do, we strive to provide our team members with training and support to achieve their personal and professional goals. **In 2015, 979 team members received promotions company-wide.** We are proud to support committed and dedicated team members in advancing their career. Congratulations to Rudy, Douglas and Hayden, and the 976 other team members who were promoted this year. We look forward to your continued success with our company! Be a great leader!

Anthony



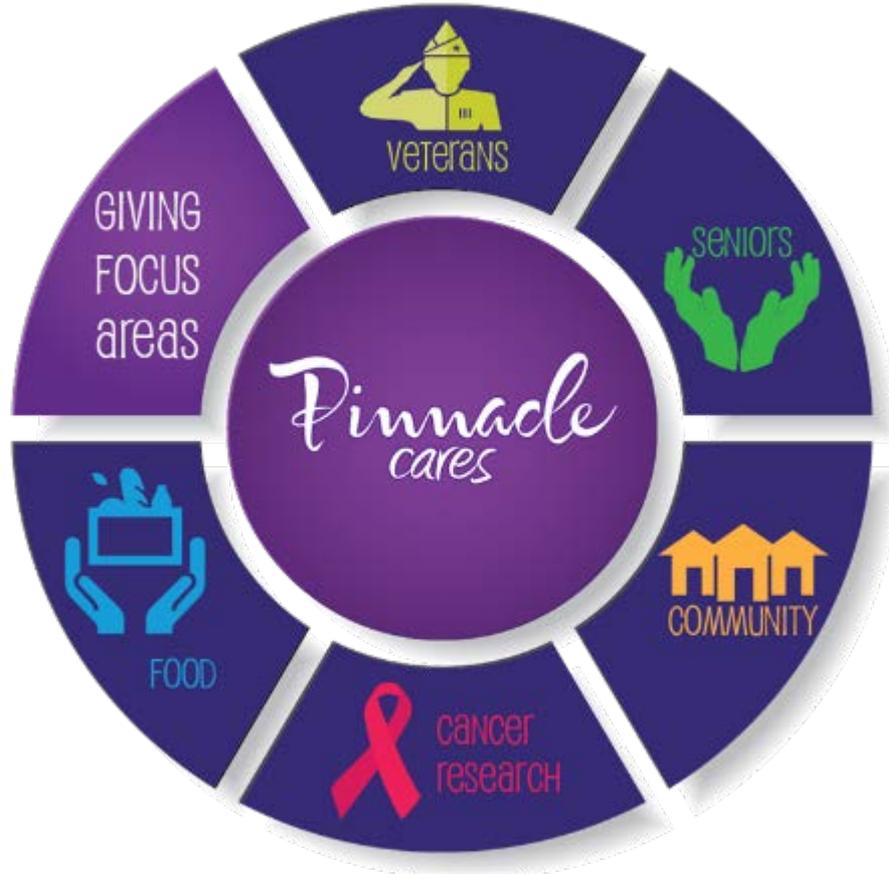
Throughout 2015, 979 team members received promotions companywide



Pinnacle cares



Pinnacle Cares Giving Focus Areas



Veterans:

Serving those who serve

Seniors:

Caring for Senior Citizens

Community:

Strengthening our communities

Cancer:

Supporting efforts in finding a cure for cancer

Food:

Spreading love through food

GIVING CAMPAIGN

Pinnacle Cares Giving Campaign

Through this annual giving campaign, team members give financial contributions to help those in need. Team members select a national and/or local charity of choice and Pinnacle matches all donations by 25%.



Pinnacle Entertainment Foundation

The Foundation gives financial contributions to both national and local 501©3 charitable organizations.



Pinnacle Cares Volunteer Program

Through the Cares Volunteer Program, Pinnacle's 15,000+ team members volunteer their time in the community to help others live their best lives.

Charitable Giving Donations

Each Pinnacle property donates funds to local charities that are important to their team members, communities and guests.

Caring for our Team Members...



In less than 8 hours the Pinnacle Entertainment Foundation, on behalf of Ameristar Kansas City, donated a 2016 Ford Transit Van and insulated carriers to Don Bosco Senior Center after theirs were stolen.



Our Diverse Culture Begins With Our Board



**Charles
Atwood**



**Steve
Comer**



**James
Martineau**



**Jaynie
Miller Studenmund**



**Desirée
Rogers**



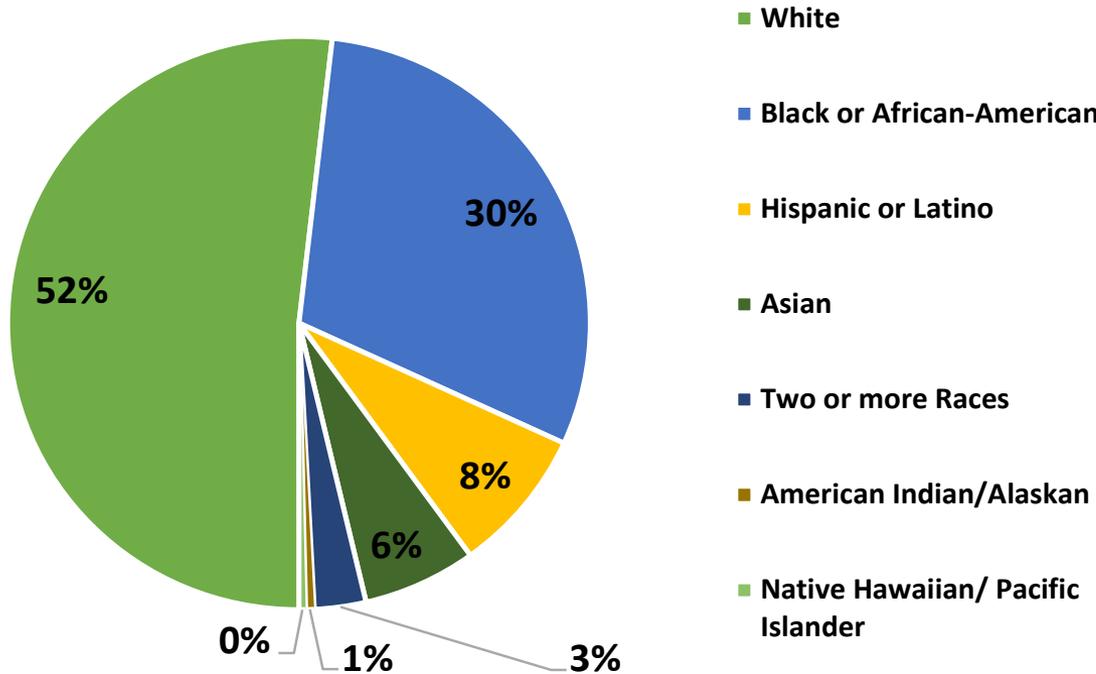
**Carlos
Ruisanchez**



**Anthony
Sanfilippo**

Who Makes Up Pinnacle Entertainment

Pinnacle's Team Member Diversity



- Pinnacle's 15,051 team members come from diverse backgrounds
- 48% of the team member population is ethnically diverse
- Pinnacle comprises 51% female team members

Diversity Plan Commitment

The Meadows Diversity Plan Mission Statement

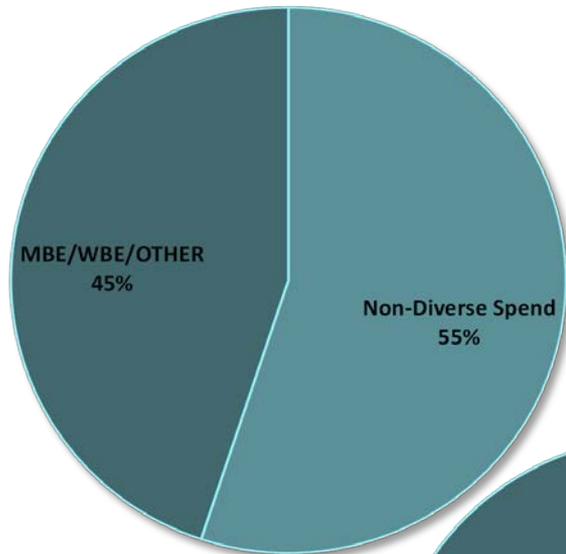
The Meadows Racetrack & Casino is dedicated to establishing an organization that reflects a fundamental respect for different ways of working and living. We intend to assure every individual the opportunity to reach his or her full potential. The Meadows Racetrack & Casino is committed to being proactive in promoting diversity throughout all aspects of its operations. We believe that all employees are responsible for contributing to a work environment free from discrimination and prejudice, regardless of position or title.

- Pinnacle will remain committed to the Diversity Plan as outlined above in The Meadows Mission Statement
- All components of the plan will remain in place

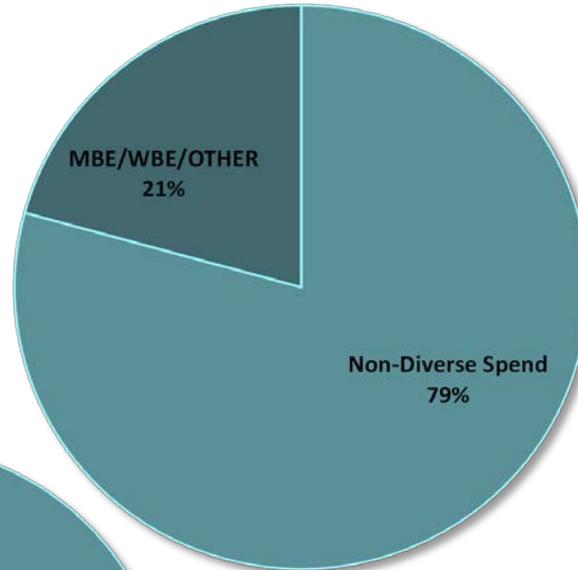


Supplier Diversity/MWBE Investment

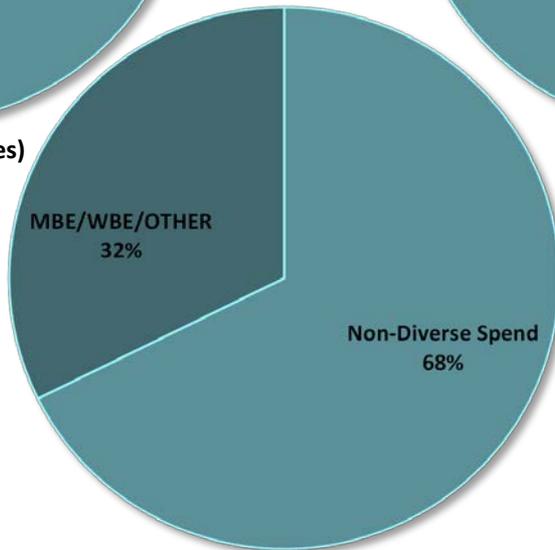
MWBE qualified spending in our three largest operating states



Louisiana (4 Properties)



Indiana/Ohio (3 Properties)



Missouri (3 Properties)

- Over \$88M spent with WBE/MBE suppliers in 2015
- Supplier diversity is engrained in our culture and top of mind when making procurement decisions
- We have consistently performed above goals even in regions where it not a jurisdictional requirement
- Pinnacle hosts the largest Supplier Diversity Fair in Missouri

Compliance Is Our Culture

Audit Monitoring

24 Team Members
200 Audit Reports Issued Annual
Annual Financial Statement Testing for SOX Compliance

Compliance Committee

Quarterly Meetings
Five members (2 Independent)
Vendor & Employee Background Reviews

Training

AML Training (SAR, KYC & CTR)
SOX Audit & Functional Review
PCI Standards
RU21 Training



Policies & Practices

PNK Eviction Policy
KYC Policy
Suspicious Activity Reporting Guidelines
Whistleblower Hotline Monitoring

Responsible Gaming is Our Responsibility

RESPONSIBLE GAMING

Responsible Gaming training is required of all PNK Team Members companywide (new hire and annual); to include, red flags of problem gambling, characteristics of problem gamblers, self-exclusion programs and our commitment and responsibility to responsible gaming

Annually, PNK properties participate in the AGA sponsored Responsible Gaming Education Week with targeted collateral, internal messaging and various activities to spark enhanced awareness

Responsible Gaming/Treatment Provider brochures and help numbers are available throughout each property, easily accessible to both team members and guests (public and back of house restrooms), cage and players club counters, breakrooms, internal new letter, etc.

PNK has an established employee assistance program available to all team members

The Recent Evolution of Pinnacle Entertainment (“PNK”)

2015

- ❖ Further invest in gaming entertainment businesses and expand margins
- ❖ Announced spin-off of operations and sale and leaseback of real estate assets to GLPI

2013

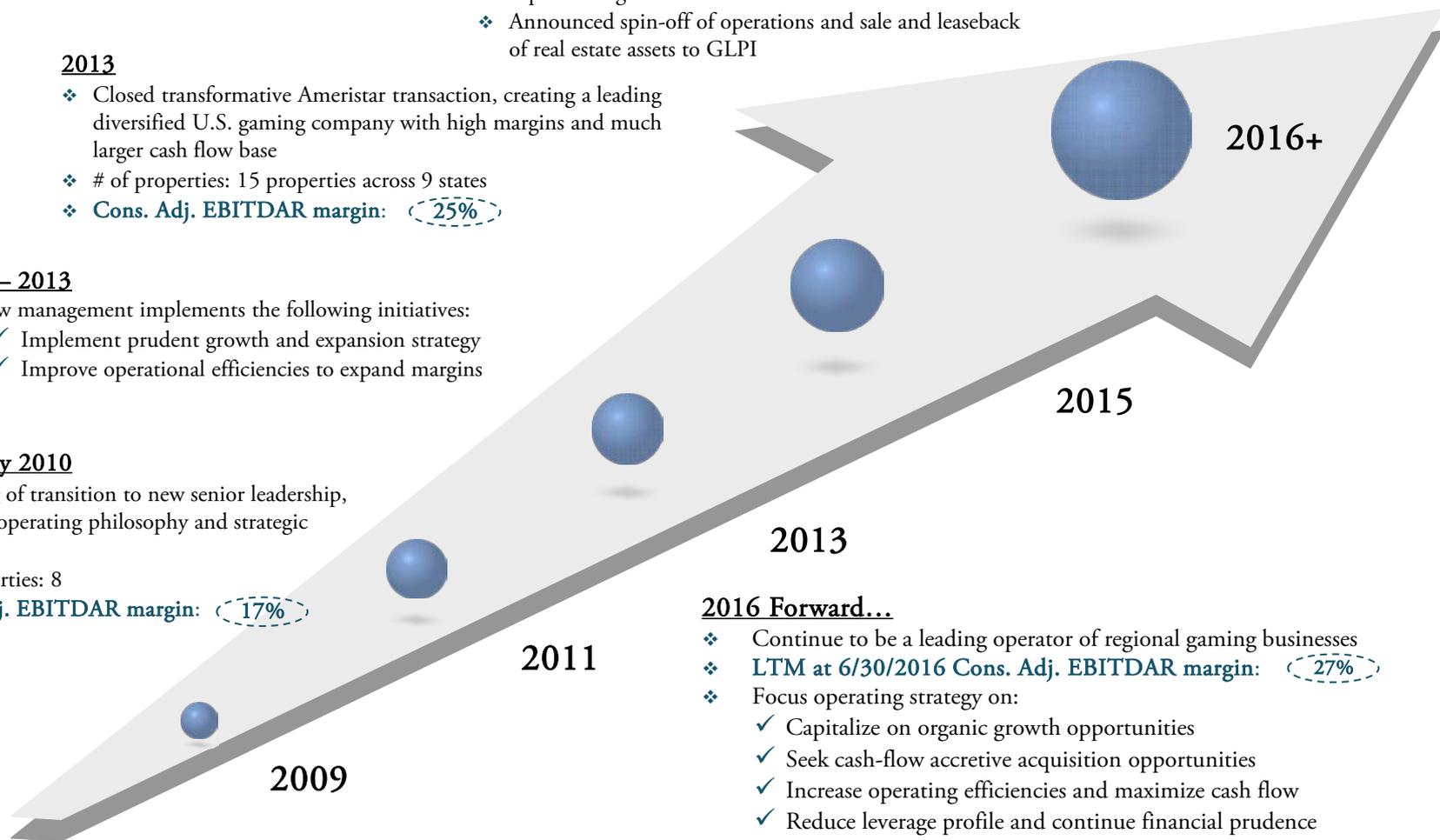
- ❖ Closed transformative Ameristar transaction, creating a leading diversified U.S. gaming company with high margins and much larger cash flow base
- ❖ # of properties: 15 properties across 9 states
- ❖ Cons. Adj. EBITDAR margin: 25%

2010 – 2013

- ❖ New management implements the following initiatives:
 - ✓ Implement prudent growth and expansion strategy
 - ✓ Improve operational efficiencies to expand margins

2009 – Early 2010

- ❖ Beginning of transition to new senior leadership, with new operating philosophy and strategic direction
- ❖ # of properties: 8
- ❖ Cons. Adj. EBITDAR margin: 17%



2016 Forward...

- ❖ Continue to be a leading operator of regional gaming businesses
- ❖ LTM at 6/30/2016 Cons. Adj. EBITDAR margin: 27%
- ❖ Focus operating strategy on:
 - ✓ Capitalize on organic growth opportunities
 - ✓ Seek cash-flow accretive acquisition opportunities
 - ✓ Increase operating efficiencies and maximize cash flow
 - ✓ Reduce leverage profile and continue financial prudence

Key Company Highlights

1

High Quality, Broad Scale, Diversified Portfolio

- ✓ Top regional operator with large, high-quality portfolio of gaming entertainment businesses
- ✓ Geographically diverse platform
 - ◆ Located in 9 states and **13 distinct gaming markets**⁽¹⁾
 - ◆ No single asset accounts for more than 15% of total gross gaming revenue⁽¹⁾

2

Leading Gaming Entertainment Platform

- ✓ First rate operator of 15 gaming resorts with over 600 tables, 21,000 slots and 4,800 rooms⁽¹⁾
- ✓ Strong brand names with a national presence, especially in key gaming markets
 - ◆ **77% of EBITDAR** sourced from properties with **#1 and #2** market share positions⁽¹⁾

3

Strong Credit Metrics, Capitalization and Liquidity

- ✓ Total conventional leverage⁽²⁾ at 6/30/2016 of approximately **3.4x**
- ✓ Ample excess available liquidity on revolving credit facility
- ✓ Well-staggered debt maturity profile with no significant near term refinancing risk

4

Capital Structure Supportive of Go-Forward Growth Strategy

- ✓ Focus on operating efficiencies and maximizing cash flow by leveraging my**choice** loyalty program, hotel management tools, and increased focus on table games where prudent
 - ◆ LTM 6/30/16 Consolidated Adjusted EBITDAR margin reached 27%^(3,4), improving from 17% in 2009
- ✓ Committed to further reducing our leverage profile and maintaining a strong and prudent balance sheet over time

Notes:

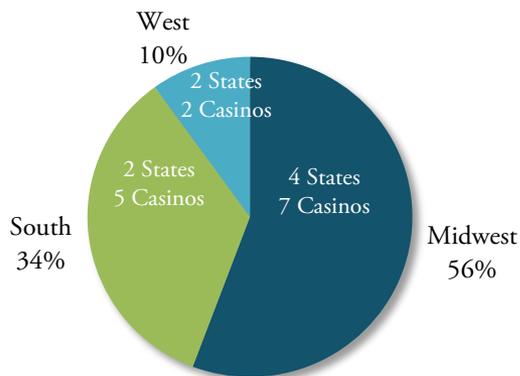
- (1) Does not give pro forma effect to the Meadows since transaction is pending regulatory approval.
- (2) Defined as total conventional debt from borrowed money divided by Consolidated Adj. EBITDA, net of cash rent payments to GLPI for the master lease.
- (3) Based upon LTM at 6/30/16 Revenue of \$2.3 billion.
- (4) Based upon LTM at 6/30/16 Consolidated Adj. EBITDAR of \$622.4 million.

Best in Class Gaming and Entertainment Operator...



❖ The Meadows would rank as Pinnacle's second largest business as measured by net revenues

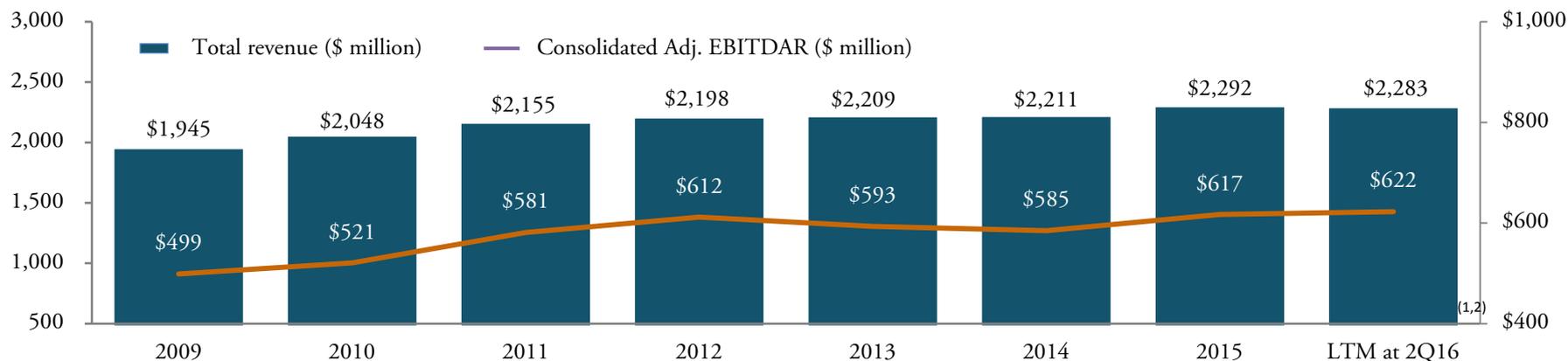
LTM 2Q16 Revenue Diversification⁽¹⁾



Net Revenue of Top 10 Businesses⁽¹⁾

Property	LTM at 2Q16 Net Revenue (\$ million)	% of Consolidated Net Revenue ⁽¹⁾
L'Auberge Lake Charles	\$339.0	15%
Ameristar St. Charles	266.0	12%
River City	219.6	10%
Ameristar East Chicago	216.5	9%
Ameristar Kansas City	199.5	9%
Ameristar Black Hawk	173.5	8%
Ameristar Council Bluffs	166.8	7%
L'Auberge Baton Rouge	160.5	7%
Belterra Casino Resort	118.8	5%
Boomtown New Orleans	112.7	5%

Historical Financial Performance⁽³⁾

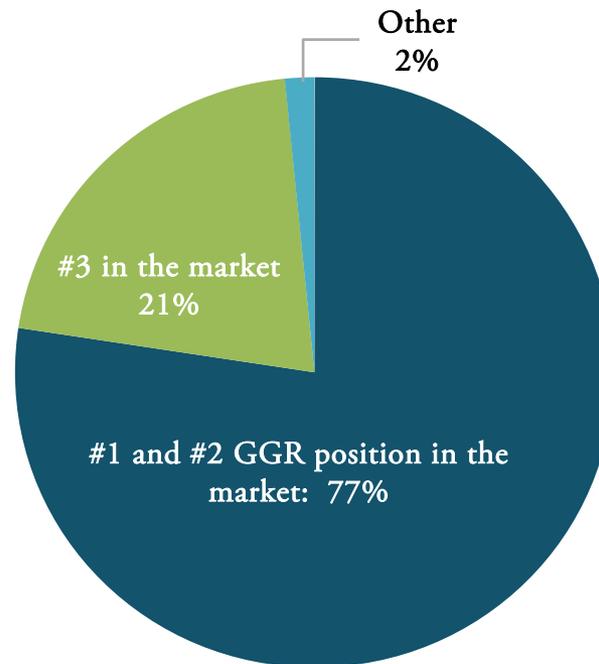


Notes:

- (1) Based upon reported LTM at 6/30/16 Net Revenue of \$2.3 billion. Does not give pro forma effect to the Meadows since transaction is pending regulatory approval.
- (2) Based upon reported LTM 6/30/16 Adj. EBITDAR of \$622.4 million. Does not give pro forma effect to the Meadows since transaction is pending regulatory approval.
- (3) Represents Total Revenue and Adjusted EBITDA as reported by the Pinnacle and Ameristar in 10-K and 10-Q filings (2009-2013 adjusted for Lumiere divestiture).

...with Leading Market Positioning

PNK Properties' EBITDAR Contribution by Market Share^(1,2)



Leading property portfolio within respective regional gaming markets
– 77% of EBITDAR from properties with #1 and #2 market share positions

Note:

(1) Based on LTM at 6/30/2016 Property EBITDAR of \$704 million.

(2) Based on state commission reported gross gaming revenue. Does not give pro forma effect to the Meadows since transaction is pending regulatory approval.

Summary Company Considerations

High Quality, Broad Scale, Diversified Portfolio

Leading Gaming Entertainment Platform

Strong Credit and Liquidity Profile

Proven Operating Track Record With a
History of Steady Growth and Prudent Capital Structure

The Pinnacle Entertainment Family looks forward to welcoming The Meadows and its over 1,200 team members to our family and growing the facility for years to come

