VIII. ECONOMIC ACTIVITY AND BUSINESS DEVELOPMENT

A. FINANCE AND CAPITAL STRUCTURE

8. DOCUMENTATION OF FINANCIAL SUITABILITY AND RESPONSIBILITY

Submit as Exhibit VIII. A.8.c. copies of securities analysts' and credit rating agencies' reports for the past three (3) years, if any, covering any Financing Source.

See attached **Penn Analysts Report** for recent analysts report on Penn National Gaming, Inc. (Penn). Penn completed a major corporate reorganization in November 2013 when it completed a plan to separate the majority of its gaming operating assets and real property assets into two publicly traded companies, including an operating entity, Penn, and, through a tax-free Spin-Off of its real estate assets to holders of its common stock, a newly formed publicly traded Real Estate Investment Trust (REIT), called Gaming and Leisure Properties, Inc. (GLPI). Because of this transaction, any pre-spin analyst reports on Penn are no longer relevant.

The most recent credit agencies ratings on Penn National are copied below.

MOODY'S
Rating Action**:**

Moody's assigns Ba2 CFR to Penn National Gaming; stable outlook

Global Credit Research - 07 Oct 2013

New York, October 07, 2013 -- Moody's Investors Service assigned a Ba2 Corporate Family Rating and a Ba2-PD Probability of Default Rating to Penn National Gaming. Moody's also assigned a Ba1 to the company's proposed $1.25 billion senior secured credit facilities, and a B1 to the its proposed $300 million 10-year senior unsecured notes.

Penn National Gaming ("PNG") was formed to facilitate Penn National Gaming, Inc.'s (Ba1 stable) plan to separate its gaming operating assets and real property assets into two publicly traded companies including an operating entity, PNG, and through a tax-free spin-off of its real estate assets to holders of Penn National Gaming common stock, a newly formed, publicly traded real estate investment trust called Gaming and Leisure Properties, Inc. ("GLPI").

PNG will hold the gaming licenses, operate the leased gaming facilities and own and operate the non-REIT qualifying assets, including the Casino Rama casino management contract, the 50% joint venture interest in Hollywood Casino at Kansas Speedway, and seven non-casino racetracks and gaming equipment. It is expected that PNG would pay approximately $450 million per annum to GLPI in rent, which would result in a rent coverage ratio, defined as earnings before interest, taxes, depreciation, amortization and rent expense ("EBITDAR") as a multiple of rent, of about 1.9 times.

New Ratings Assigned:

Corporate Family Rating, at Ba2

Probability of Default Rating, at Ba2-PD

$500 million 5-year senior secured revolver, at Ba1 (LGD 3, 38%)

$500 million 5-year term loan A, at Ba1 (LGD 3, 38%)

$250 million 7-year term loan B, at Ba1 (LGD 3, 38%)

$300 million 10-year senior unsecured notes, at B1 (LGD 6, 90%)

The ratings are subject to completion of the spin-off which is expected to occur on January 1, 2014, and the receipt and review of final documentation. Moody's expects to withdraw Penn National Gaming, Inc.'s ratings when the spin-off occurs given that as part of the transaction, all of Penn National Gaming, Inc.'s debt will be refinanced.

RATINGS RATIONALE:

The Ba2 Corporate Family Rating considers that despite PNG's high leverage -- pro forma lease-adjusted/EBITDAR is about 5.6 times, or 3.0 times on an unadjusted basis -- the company will benefit from its strategic relationship with GLPI in that it will: (1) accommodate an asset light business model; (2) create opportunities to secure management contracts from new assets at GLPI and other gaming operators; and (3) facilitate greater diversification in that it will allow for ownership of assets in jurisdictions with restrictions on ownership of more than one asset. These attributes are expected to result in operating margin, fixed charge coverage, and free cash flow characteristics that are substantially better than regional casino operators that own and operate all of their assets.

Moody's expects that PNG's fixed charge coverage, defined as EBITDAR less maintenance capital expenditures as a multiple of interest and 1/3 lease payments, will be considerable at about 4.0 times over the next few years, a coverage level characteristic of a high 'Ba' issuer, according to Moody's Global Gaming methodology. The projected coverage of PNG's contracted master lease payments to GLPI -- the master lease payment has first priority over PNG's debt service -- is also strong at about 1.9. Additionally, PNG's asset light model is expected to result in significant free cash flow. Free cash flow as a percent of EBITDA is expected to be almost 50% annually.

Key credit concerns include PNG's high pro forma lease-adjusted leverage along with the risk that overall U.S. gaming demand trends nationwide could deteriorate from current levels. Any meaningful reduction of consumer spending on gambling -- a highly discretionary form of entertainment -- prompted by fears of slow economic growth could have a negative impact on PNG's earnings and free cash flow generating ability. Additionally, while PNG's coverage contracted lease payments to GLPI is projected to be strong; the fixed nature of this considerable obligation reduces the company's operating flexibility and in turn, increases its earnings volatility if revenues decline significantly due to an economic downturn or any other reason.

The stable rating outlook reflects Moody's expectation that PNG's free cash flow will be used to repay debt above and beyond scheduled term loan repayment, and achieving lease-adjusted debt/EBITDAR close to 5.0 times by the end of fiscal 2015. The stable rating outlook also considers the long-term nature of the master lease agreement between PNG and GLPI -- the term is 15 years, with four extension options at PNG's option -- and good liquidity profile. In addition to PNG's positive free cash flow profile, the company will have a $500 million revolver available to it of which only $90 million is expected to be drawn at closing.

A higher rating would require the company achieve and maintain lease-adjusted debt/EBITDAR at/or below 3.5 times along with a sustainable improvement in PNG's contracted master lease payments to GLPI to about 2.5 times. Ratings could be lowered if it appears PNG's lease-adjusted debt/EBITDAR will not improve to at/below 3.5 times by the end of fiscal 2015 and/or there is a material drop in the coverage of PNG's contracted master lease payments for any reason.

The Ba1 on PNG's senior secured debt considers its secured position along with the credit support it receives from the senior unsecured debt below it, while assuming 50% utilization of the company's $500 million revolver for Loss Given Default ("LGD") modeling purposes, the standard assumption for a Ba2 issuer. PNG's senior secured credit facilities will be secured by non-REIT eligible assets that it will own on a pro forma basis, all gaming licenses and FF&E for REIT and non-REIT owned assets, and intellectual property rights. The B1 on PNG's senior unsecured debt -- two notches lower than the recommended Corporate Family Rating -- considers the significant amount of senior secured debt ahead of it in the pro forma capital structure.

Moody's does not consider the lease payments from PNG to GLPI as a form of credit support for LGD purposes given that the lease is structured as a master lease. In a master lease, the rejection of one lease requires the rejection of all leases. As a result, the benefit of being able to reject individual leases -- typically considered a form of credit support to more senior funded debt -- is not available to GLPI. PNG creditors are incentivized to maintain the master lease as it is their primary asset.

The principal methodology used in this rating was the Global Gaming Industry Methodology published in December 2009. Other methodologies used include Loss Given Default for Speculative-Grade Non-Financial Companies in the U.S., Canada and EMEA published in June 2009. Please see the Credit Policy page on www.moodys.com for a copy of these methodologies.

REGULATORY DISCLOSURES

For ratings issued on a program, series or category/class of debt, this announcement provides certain regulatory disclosures in relation to each rating of a subsequently issued bond or note of the same series or category/class of debt or pursuant to a program for which the ratings are derived exclusively from existing ratings in accordance with Moody's rating practices. For ratings issued on a support provider, this announcement provides certain regulatory disclosures in relation to the rating action on the support provider and in relation to each particular rating action for securities that derive their credit ratings from the support provider's credit rating. For provisional ratings, this announcement provides certain regulatory disclosures in relation to the provisional rating assigned, and in relation to a definitive rating that may be assigned subsequent to the final issuance of the debt, in each case where the transaction structure and terms have not changed prior to the assignment of the definitive rating in a manner that would have affected the rating. For further information please see the ratings tab on the issuer/entity page for the respective issuer on www.moodys.com.

For any affected securities or rated entities receiving direct credit support from the primary entity(ies) of this rating action, and whose ratings may change as a result of this rating action, the associated regulatory disclosures will be those of the guarantor entity. Exceptions to this approach exist for the following disclosures, if applicable to jurisdiction: Ancillary Services, Disclosure to rated entity, Disclosure from rated entity.

Regulatory disclosures contained in this press release apply to the credit rating and, if applicable, the related rating outlook or rating review.

Please see www.moodys.com for any updates on changes to the lead rating analyst and to the Moody's legal entity that has issued the rating.

Please see the ratings tab on the issuer/entity page on www.moodys.com for additional regulatory disclosures for each credit rating.

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<u>S&P</u>

Press Release: S&P Cuts Penn National Gaming To 'BB-'; Outlook Stable

-- U.S. gaming operator Penn National Gaming Inc. expects to complete the transactions necessary to spin off its real estate assets to Gaming and Leisure Properties Inc. (GLPI), a separate publicly traded REIT, in the fourth quarter of 2013.

-- Penn National and GLPI have commenced the financing transactions necessary to complete the transaction.

-- We are lowering the corporate credit rating on Penn National Gaming to 'BB-' from 'BB'. We are assigning the proposed $1.25 billion senior secured credit facilities a 'BB+' issue-level rating, with a recovery rating of '1', and assigning the proposed $300 million senior notes a 'B+' issue-level rating, with a recovery rating of '5'.

-- The stable rating outlook reflects our expectation that the company will use its positive free operating cash flow beginning in 2014 to gradually reduce funded debt balances.

NEW YORK (Standard & Poor's) Oct. 2, 2013--Standard & Poor's Ratings Services today lowered its corporate credit rating on U.S. gaming operator Penn National Gaming Inc. to 'BB-' from 'BB'. The rating outlook is stable.

At the same time, we assigned the company's proposed $1.25 billion senior secured credit facility (consisting of a $500 million revolver due 2018, a $500 million term loan A due 2018, and a $250 million term loan B due 2020) our 'BB+' issue-level rating (two notches above the corporate credit rating), with a recovery rating of '1', indicating our expectation for very high (90% to 100%) recovery for lenders in the event of a payment default.

In addition, we assigned the company's proposed $300 million senior unsecured notes our 'B+' issue-level rating (one notch lower than the corporate credit rating), with a recovery rating of '5', indicating that lenders can expect modest (10% to 30%) recovery in the event of a payment default.

Penn National will use proceeds from the proposed debt issuances to repay existing debt, to pay fees and expenses associated with the transaction, and for general corporate purposes.

We also affirmed all existing issue-level ratings on the company's debt. We expect the company to use proceeds from the proposed refinancing transactions to repay its existing debt, and we would withdraw our issue-level ratings on the existing debt when it is repaid. In the event the proposed refinancing transactions are not completed and the debt is not repaid, we would lower our issue-level ratings on the existing senior secured credit facilities to 'BB+' and subordinated notes to 'B+', levels that reflect our recovery ratings on the existing debt issuances and are in line with Penn National's current corporate credit rating.

We expect Penn National will complete the planned spin-off of its real estate assets into a gaming-focused REIT (Gaming & Leisure Properties Inc., or GLPI) in the fourth quarter of 2013. Almost all of the approvals required from gaming and racing regulatory agencies have been received, and Penn National's Board of Directors has approved the spin-off. Both Penn National and GLPI are in the process of obtaining the necessary financing to complete the transactions. The downgrade reflects weaker credit measures resulting from a significant increase in debt-like obligations associated with the long-term
master lease, under which Penn National will manage the casino properties it is spinning off to GLPI. The downgrade also reflects a reassessment of our business risk profile, lowering it to "fair" from "satisfactory." We believe that the large fixed rent expense that Penn National will pay to GLPI to manage the properties will reduce the company's operating flexibility,potentially leading to greater volatility of cash flows, particularly in an economic downturn.

RELATED CRITERIA AND RESEARCH

-- Methodology: Management And Governance Credit Factors For Corporate Entities And Insurers, Nov. 13, 2012
-- Methodology: Business Risk/Financial Risk Matrix Expanded, Sept. 18, 2012
-- Liquidity Descriptors For Global Corporate Issuers, Sept. 28, 2011
-- Criteria Guidelines For Recovery Ratings, Aug. 10, 2009
-- 2008 Corporate Criteria: Analytical Methodology, April 15, 2008
-- 2008 Corporate Criteria: Ratios And Adjustments, April 15, 2008

Complete ratings information is available to subscribers of RatingsDirect at www.globalcreditportal.com and at www.spcapitaliq.com. All ratings affected by this rating action can be found on Standard & Poor's public Web site at www.standardandpoors.com. Use the Ratings search box located in the left column.

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