

OHIO CASINO CONTROL COMMISSION

RESOLUTION 2014-12

**CONSIDERATION OF ROCK OHIO CAESARS LLC'S PROPOSED AMENDMENT NO. 1
TO ITS FF&E LOAN AGREEMENT**

WHEREAS, Article XV, Section 6(C)(4) of the Ohio Constitution created the Ohio Casino Control Commission ("Commission") to ensure the integrity of casino gaming by, among other things, licensing and regulating all gaming authorized by Article XV, Section 6(C) of the Ohio Constitution;

WHEREAS, R.C. 3772.03 authorizes the Commission to adopt regulations as are necessary for completing the functions of licensing, regulating, investigating, and penalizing, among others, casino operators, management companies, and holding companies;

WHEREAS, R.C. 3772.03(D)(1) and (27) mandate that the Commission prescribe rules to, among other things, prevent practices detrimental to the public and provide for any other thing necessary and proper for successful and efficient regulation of casino gaming under R.C. Chapter 3772, respectively;

WHEREAS, R.C. 3772.28(C) authorizes the Commission to adopt rules governing its review and approval of proposed debt transactions, which it did through adoption of Ohio Adm. Code Chapter 3772-29;

WHEREAS, Ohio Adm. Code 3772-29-01(H) requires the casino operator to provide the Commission with copies of any amendments or proposed amendments to a previously approved debt transaction, and requires Commission approval of any material change to the debt transaction, as determined by the Commission;

WHEREAS, at the March 19, 2014 Public Meeting, the Commission considered and approved, through adoption of Resolution 2014-06, Rock Ohio Caesars, LLC's—the parent company of Rock Ohio Caesars Cleveland LLC and Rock Ohio Caesars Cincinnati LLC, both of which are licensed casino operators, ("ROC")—debt transaction proposal related to the FF&E Loan Agreement ("Agreement");

WHEREAS, on May 15 and 29, 2014, ROC, in accordance with their duty under Ohio Adm. Code 3772-29-01(H) and Resolution 2014-06, submitted to the Commission a packet of information pertaining to a proposal to amend the Agreement, namely through an executed amendment—proposed Amendment No. 1 to the Agreement ("Amendment");

WHEREAS, after reviewing the Amendment and other supporting documentation contained in ROC's submission, Commission staff determined that the proposed changes are material and require Commission approval;

WHEREAS, Commission Staff analyzed the material changes, including all supporting documentation thereof, and filed a report summarizing them ("Report") including a recommendation to approve the Amendment to the Agreement; and

WHEREAS, the Commission has considered the Report and heard from the Commission staff and ROC representatives at its public meeting on June 18, 2014.

NOW, THEREFORE, BE IT RESOLVED by the Commission that ROC's Amendment to the Agreement is **APPROVED**, subject to the following conditions:

- (A) ROC shall close all transactions related to the Amendment within 15 days of approval thereof without any changes and shall provide executed copies of related documents within 10 days of execution; if ROC fails to close the Amendment within 15 days of approval thereof without any changes, ROC shall obtain approval from the Executive Director for a 15-day extension to close the transaction; failure to close the transaction within the initial 15 days, or within the 15-day extension if approved by the Executive Director, without any changes thereto renders approval thereof null and void;
- (B) ROC shall notify the Commission immediately upon any known event of a breach of a representation, warranty, or covenant, or of a default, acceleration, breach, or similar matter;
- (C) If an event of a default scenario arises that subsequently creates a standoff between the two classes of lenders as to the proper course for remedial action, ROC shall immediately notify the Commission if either class of lenders exercises its right to purchase the other, including the full amount of the buyout;
- (D) ROC shall notify the Commission immediately upon its exercise of the optional prepayment provision under the Amendment, including the principal amount then being prepaid, plus accrued interest, and the applicable prepayment premium incurred as a result;
- (E) ROC shall notify the Commission immediately upon the removal or resignation of any administrative agent, syndication agent, collateral agent, or the like under the Amendment or related Agreement documents; and
- (F) ROC shall cooperate with the Commission and its employees and agents and shall produce any documentation the Commission may further request with respect to this Amendment or any modification thereto.

BE IT FURTHER RESOLVED, that except as otherwise expressly provided herein, Resolution 2014-12 does not in any way supersede, replace, supplant, or nullify the validity and authority imposed by and through previously adopted Resolution 2014-06, governing the Agreement, and the duties imposed thereunder.

BE IT FURTHER RESOLVED, that Resolution 2014-12 does not in any way affect, negate, or otherwise absolve ROC, and any of its holding companies or subsidiaries, from their obligations to comply with R.C. Chapter 3772 and the rules adopted thereunder and all other conditions imposed by the Commission through resolution or otherwise.

BE IT FURTHER RESOLVED, that Resolution 2014-12 does not restrict or limit the Commission's future exercise of authority and discretion with respect to imposing additional conditions or taking further action with respect to ROC, and any of its holding companies or subsidiaries, under R.C. Chapter 3772 and the rules adopted thereunder.

Adopted:

June 18, 2014

