

OHIO CASINO CONTROL COMMISSION

RESOLUTION 2015-42

CONSIDERATION OF ROCK OHIO CAESARS LLC'S REFINANCING PROPOSAL

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(A) authorizes the Commission to complete the functions of licensing, regulating, investigating, and penalizing, among others, casino operators, management companies, and holding companies, to ensure the integrity of casino gaming;

WHEREAS, R.C. 3772.033(D) authorizes the Commission to determine any facts, or any conditions, practices, or other matters, as it considers necessary or proper to aid in the enforcement of R.C. Chapter 3772 or the rules adopted thereunder;

WHEREAS, R.C. 3772.033(M) authorizes the Commission to perform all things it considers necessary to effectuate the intents and purposes of R.C. Chapter 3772 in executing the responsibilities vested in it by this Chapter;

WHEREAS, R.C. 3772.10(A)(1) requires the Commission to consider, among other things, the financial integrity of the persons it regulates, including casino operators, management companies, and holding companies;

WHEREAS, Rock Ohio Caesars LLC, the parent company of and on behalf of its wholly owned subsidiaries—including ROC Finance LLC and the licensed casino operators, Rock Ohio Caesars Cleveland LLC and Rock Ohio Caesars Cincinnati LLC—(collectively, "ROC") approached the Commission with a proposal to refinance its existing Second Priority Senior Secured Notes ("Refinancing Proposal");

WHEREAS, on November 16, 2015, ROC submitted a packet of information related to the Refinancing Proposal and, upon further request, provided updated materials to the Commission on November 18 and 24, 2015;

WHEREAS, as a result of the impact of the Refinancing Proposal on ROC's overall financial footing, the Proposal necessitates formal consideration by the Commission pursuant to its authority under R.C. 3772.03(A), 3772.033(M), and 3772.10(A);

WHEREAS, the Division of Licensing and Investigations reviewed ROC's Refinancing Proposal, including all supporting documentation, and filed a comprehensive, due-diligence report, dated December 9, 2015, captioned *Consideration of Refinancing Proposal* ("Report");

WHEREAS, the Report analyzes the Refinancing Proposal, concludes that it is commercially reasonable, and recommends that the Commission approve the Proposal subject to certain conditions; and

WHEREAS, the Commission has reviewed the Report, heard from ROC, and considered the matter at its public meeting held on December 16, 2015.

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

- (A) ROC shall close, no later than January 31, 2016, all transactions related to the Proposal without any material changes, and shall provide executed copies of all related documents within 10 days of their execution; if the Proposal does not close by January 31, 2016, approval thereof is null and void, unless an extension is approved by the Commission;
- (B) At the time of borrowing, neither the principal amount nor the interest rate shall exceed the figures for either maturity date that ROC provided to the Commission; if either so exceeds at the time of borrowing, approval of the Proposal is null and void;
- (C) ROC's certification that the proceeds obtained in connection with the Proposal will be used by ROC as proposed in its refinancing submission, filed November 16, 2015, and updated November 18 and 24, 2015; any proposed deviation from the certified uses requires ROC to immediately notify the Commission in writing and receive Commission approval before implementation;
- (D) The Proposal documents must provide that the lender, noteholder, and/or secured party agrees that all liens, claims, and interests in favor of the State of Ohio have priority over any lien, claim, or interest in favor of the lender, noteholder, and/or secured party and any of their heirs, executors, affiliates (e.g., entities under common ownership directly or indirectly), administrators, legal representatives, predecessors, successors, and assigns;
- (E) Within 15 days of closing, and periodically thereafter if requested by the Commission, ROC must file with the Commission a list of all of the initial lenders and/or noteholders as applicable;
- (F) Concurrently with submitting any periodic financial reports or compliance certificates as required by the Proposal documents, ROC must provide copies thereof to the Commission;
- (G) ROC must notify the Commission immediately upon the removal or resignation of any administrative agent, indenture trustee, or the like under the Proposal documents;
- (H) ROC must 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;
- (I) ROC must provide the Commission copies of any proposed amendments and agreed upon amendments to the Proposal documents; any material change, as determined by the Commission, to the Proposal documents requires Commission approval;

- (J) ROC must cooperate with the Commission and its employees and agents and must produce any documentation as may be further requested with respect to this Proposal or any modification thereto; and
- (K) ROC must provide, upon approval of this Proposal, quarterly reports regarding ROC's compliance with the payment terms.

BE IT FURTHER RESOLVED, that Resolution 2015-42 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 2015-42 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: December 16, 2015