

# CHARLES TOWN RACES & SLOTS

VIA HAND DELIVERY

April 25, 2008

Mr. Leonard C. Hale  
Executive Director  
Charles Town HBPA, Inc.  
P. O. Box 581  
Charles Town, WV 25414

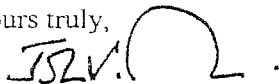
Dear Lenny:

Thank you for your letter of April 22, 2008.

As you have only recently joined the HBPA, you need to be aware that considerable negotiations took place in Spring of 2007 regarding table games. During the legislative session, an agreement was reached between Charles Town Races & Slots ("CTRS") and the HBPA's attorney that the HBPA would support table games in exchange for CTRS scheduling 235 races in 2007, 2008 and 2009. Unfortunately, despite agreement being reached, management of the HBPA sought to continually extract more and more from CTRS in exchange for its support of table games. Ultimately, the HBPA took a neutral stance on table games which we believe contributed, in part, to the failure of the table games referendum. Based upon the initial results at Mountaineer and Wheeling Island, it is projected that your membership lost annually approximately \$7.4 million dollars for its purse fund (\$2.6 million dollars annually from table games and \$4.8 million dollars annually from increased video lottery revenues) as a result, at least in part, of that stance.

While CTRS is most interested in having a harmonious and good working relationship with the HBPA, we are unable to meet with you to discuss anything until the HBPA pledges its support of table games.

Yours truly,



John V. Finamore  
Senior Vice President -- Regional Operations  
Penn National Gaming, Inc.

C: Albert Britton  
General Manager

Dickie Moore  
General Manager -- Racing