

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Quarterly Period Ended September 30, 2020

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number: 001-38372

VICI Properties Inc.

(Exact name of registrant as specified in its charter)

Maryland
(State or other jurisdiction of incorporation or organization)

81-4177147
(I.R.S. Employer Identification No.)

535 Madison Avenue, 20th Floor New York, New York 10022
(Address of Principal Executive Offices) (Zip Code)

Registrant's telephone number, including area code: (646) 949-4631

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Trading Symbol</u>	<u>Name of each exchange on which registered</u>
Common stock, \$0.01 par value	VICI	New York Stock Exchange

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

Large Accelerated Filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of October 28, 2020, the registrant had 536,669,722 shares of its \$0.01 par value common stock outstanding.

VICI PROPERTIES INC.
FORM 10-Q
FOR THE QUARTER ENDED SEPTEMBER 30, 2020
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PART I FINANCIAL INFORMATION**Item 1. Financial Statements**

VICI PROPERTIES INC.
CONSOLIDATED BALANCE SHEETS
(UNAUDITED)
(In thousands, except share and per share data)

	September 30, 2020	December 31, 2019
Assets		
Real estate portfolio:		
Investments in leases - sales-type and direct financing, net	\$ 13,009,966	\$ 10,734,245
Investments in leases - operating	—	1,086,658
Investments in leases - financing receivables, net	2,600,228	—
Investments in loans, net	533,713	—
Land	158,190	94,711
Cash and cash equivalents	144,057	1,101,893
Short-term investments	19,973	59,474
Other assets	385,703	188,638
Total assets	<u>\$ 16,851,830</u>	<u>\$ 13,265,619</u>
Liabilities		
Debt, net	\$ 6,761,832	\$ 4,791,563
Accrued interest	47,106	20,153
Deferred financing liability	73,600	73,600
Deferred revenue	309	70,340
Dividends payable	176,982	137,056
Other liabilities	422,462	123,918
Total liabilities	<u>7,482,291</u>	<u>5,216,630</u>
Commitments and contingent liabilities (Note 11)		
Stockholders' equity		
Common stock, \$0.01 par value, 700,000,000 shares authorized and 536,668,779 and 461,004,742 shares issued and outstanding at September 30, 2020 and December 31, 2019, respectively	5,367	4,610
Preferred stock, \$0.01 par value, 50,000,000 shares authorized and no shares outstanding at September 30, 2020 and December 31, 2019	—	—
Additional paid-in capital	9,361,526	7,817,582
Accumulated other comprehensive loss	(104,258)	(65,078)
Retained earnings	29,338	208,069
Total VICI stockholders' equity	<u>9,291,973</u>	<u>7,965,183</u>
Non-controlling interest	77,566	83,806
Total stockholders' equity	<u>9,369,539</u>	<u>8,048,989</u>
Total liabilities and stockholders' equity	<u>\$ 16,851,830</u>	<u>\$ 13,265,619</u>

Note: As of September 30, 2020, our Investments in leases - sales-type and direct financing, Investments in leases - financing receivables, Investments in loans and Other assets (sales-type sub-leases) are net of \$467.0 million, \$93.0 million, \$3.2 million and \$7.2 million of Allowance for credit losses, respectively. The credit loss standard does not require retrospective application and as such there is no corresponding allowance as of December 31, 2019. Refer to [Note 6 - Allowance for Credit Losses](#) for further details.

See accompanying Notes to Consolidated Financial Statements.

VICI PROPERTIES INC.
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME
(UNAUDITED)
(In thousands, except share and per share data)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
Revenues				
Income from sales-type and direct financing leases	\$ 270,274	\$ 206,001	\$ 718,421	\$ 603,300
Income from operating leases	3,638	10,913	25,464	32,740
Income from lease financing receivables and loans	52,827	—	82,696	—
Other income	7,276	—	8,702	—
Golf operations	5,638	5,599	17,273	21,221
Revenues	<u>339,653</u>	<u>222,513</u>	<u>852,556</u>	<u>657,261</u>
Operating expenses				
General and administrative	8,047	6,717	22,560	19,460
Depreciation	910	1,000	2,990	2,948
Other expenses	7,263	—	8,702	—
Golf operations	4,672	5,423	13,181	14,363
Change in allowance for credit losses	177,052	—	261,080	—
Transaction and acquisition expenses	2,026	993	7,703	4,749
Total operating expenses	<u>199,970</u>	<u>14,133</u>	<u>316,216</u>	<u>41,520</u>
Operating income	139,683	208,380	536,340	615,741
Interest expense	(77,399)	(68,531)	(231,185)	(176,936)
Interest income	214	6,690	6,743	15,861
Loss from extinguishment of debt	—	—	(39,059)	—
Gain upon lease modification	333,352	—	333,352	—
Income before income taxes	395,850	146,539	606,191	454,666
Income tax benefit (expense)	368	(24)	(395)	(1,098)
Net income	396,218	146,515	605,796	453,568
Less: Net loss (income) attributable to non-controlling interest	2,056	(2,080)	(2,132)	(6,235)
Net income attributable to common stockholders	<u>\$ 398,274</u>	<u>\$ 144,435</u>	<u>\$ 603,664</u>	<u>\$ 447,333</u>
Net income per common share				
Basic	\$ 0.75	\$ 0.31	\$ 1.22	\$ 1.05
Diluted	\$ 0.74	\$ 0.31	\$ 1.21	\$ 1.04
Weighted average number of shares of common stock outstanding				
Basic	533,407,916	460,666,295	496,002,850	426,437,889
Diluted	536,180,175	465,771,668	499,982,269	428,366,146
Other comprehensive income				
Net income attributable to common stockholders	\$ 398,274	\$ 144,435	\$ 603,664	\$ 447,333
Unrealized gain (loss) on cash flow hedges	13,007	(7,113)	(39,180)	(54,992)
Comprehensive income attributable to common stockholders	<u>\$ 411,281</u>	<u>\$ 137,322</u>	<u>\$ 564,484</u>	<u>\$ 392,341</u>

See accompanying Notes to Consolidated Financial Statements.

VICI PROPERTIES INC.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(UNAUDITED)
(In thousands, except share and per share data)

	Common Stock	Additional Paid- in Capital	Accumulated Other Comprehensive Loss	Retained (Deficit) Earnings	Total VICI Stockholders' Equity	Non- controlling Interest	Total Stockholders' Equity
Balance as of December 31, 2018	\$ 4,047	\$ 6,648,430	\$ (22,124)	\$ 187,096	\$ 6,817,449	\$ 83,573	\$ 6,901,022
Net income	—	—	—	150,849	150,849	2,077	152,926
Issuance of common stock, net	62	128,203	—	—	128,265	—	128,265
Distributions to non-controlling interest	—	—	—	—	—	(2,031)	(2,031)
Dividends declared (\$0.2875 per common share)	—	—	—	(118,154)	(118,154)	—	(118,154)
Stock-based compensation, net of forfeitures	1	1,050	—	—	1,051	—	1,051
Unrealized loss on cash flow hedges	—	—	(17,191)	—	(17,191)	—	(17,191)
Balance as of March 31, 2019	<u>4,110</u>	<u>6,777,683</u>	<u>(39,315)</u>	<u>219,791</u>	<u>6,962,269</u>	<u>83,619</u>	<u>7,045,888</u>
Net income	—	—	—	152,049	152,049	2,078	154,127
Issuance of common stock, net	500	1,035,780	—	—	1,036,280	—	1,036,280
Distribution to non-controlling interest	—	—	—	—	—	(2,011)	(2,011)
Dividends declared (\$0.2875 per common share)	—	—	—	(132,539)	(132,539)	—	(132,539)
Stock-based compensation, net of forfeitures	—	1,366	—	—	1,366	—	1,366
Unrealized loss on cash flow hedges	—	—	(30,688)	—	(30,688)	—	(30,688)
Balance as of June 30, 2019	<u>4,610</u>	<u>7,814,829</u>	<u>(70,003)</u>	<u>239,301</u>	<u>7,988,737</u>	<u>83,686</u>	<u>8,072,423</u>
Net income	—	—	—	144,435	144,435	2,080	146,515
Issuance of common stock, net	—	—	—	—	—	—	—
Distribution to non-controlling interest	—	—	—	—	—	(2,011)	(2,011)
Dividends declared (\$0.2975 per common share)	—	—	—	(137,149)	(137,149)	—	(137,149)
Stock-based compensation, net of forfeitures	—	1,404	—	—	1,404	—	1,404
Unrealized loss on cash flow hedges	—	—	(7,113)	—	(7,113)	—	(7,113)
Balance as of September 30, 2019	<u>\$ 4,610</u>	<u>\$ 7,816,233</u>	<u>\$ (77,116)</u>	<u>\$ 246,587</u>	<u>\$ 7,990,314</u>	<u>\$ 83,755</u>	<u>\$ 8,074,069</u>

VICI PROPERTIES INC.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (Continued)
(UNAUDITED)
(In thousands, except share and per share data)

	Common Stock	Additional Paid- in Capital	Accumulated Other Comprehensive Loss	Retained (Deficit) Earnings	Total VICI Stockholders' Equity	Non- controlling Interest	Total Stockholders' Equity
Balance as of December 31, 2019	\$ 4,610	\$ 7,817,582	\$ (65,078)	\$ 208,069	\$ 7,965,183	\$ 83,806	\$ 8,048,989
Cumulative effect of adoption of ASC 326	—	—	—	(307,114)	(307,114)	(2,248)	(309,362)
Net loss	—	—	—	(24,012)	(24,012)	1,947	(22,065)
Issuance of common stock, net	75	199,802	—	—	199,877	—	199,877
Distributions to non-controlling interest	—	—	—	—	—	(2,042)	(2,042)
Dividends declared (\$0.2975 per common share)	—	—	—	(139,413)	(139,413)	—	(139,413)
Stock-based compensation, net of forfeitures	1	1,184	—	—	1,185	—	1,185
Unrealized loss on cash flow hedges	—	—	(53,138)	—	(53,138)	—	(53,138)
Balance as of March 31, 2020	<u>4,686</u>	<u>8,018,568</u>	<u>(118,216)</u>	<u>(262,470)</u>	<u>7,642,568</u>	<u>81,463</u>	<u>7,724,031</u>
Net income	—	—	—	229,402	229,402	2,241	231,643
Issuance of common stock, net	650	1,275,974	—	—	1,276,624	—	1,276,624
Distributions to non-controlling interest	—	—	—	—	—	(2,041)	(2,041)
Dividends declared (\$0.2975 per common share)	—	—	—	(158,767)	(158,767)	—	(158,767)
Stock-based compensation, net of forfeitures	1	1,969	—	—	1,970	—	1,970
Unrealized gain on cash flow hedges	—	—	951	—	951	—	951
Balance as of June 30, 2020	<u>5,337</u>	<u>9,296,511</u>	<u>(117,265)</u>	<u>(191,835)</u>	<u>8,992,748</u>	<u>81,663</u>	<u>9,074,411</u>
Net income	—	—	—	398,274	398,274	(2,056)	396,218
Issuance of common stock, net	30	63,002	—	—	63,032	—	63,032
Distributions to non-controlling interest	—	—	—	—	—	(2,041)	(2,041)
Dividends declared (\$0.3300 per common share)	—	—	—	(177,101)	(177,101)	—	(177,101)
Stock-based compensation, net of forfeitures	—	2,013	—	—	2,013	—	2,013
Unrealized gain on cash flow hedges	—	—	13,007	—	13,007	—	13,007
Balance as of September 30, 2020	<u>\$ 5,367</u>	<u>\$ 9,361,526</u>	<u>\$ (104,258)</u>	<u>\$ 29,338</u>	<u>\$ 9,291,973</u>	<u>\$ 77,566</u>	<u>\$ 9,369,539</u>

See accompanying Notes to Consolidated Financial Statements.

VICI PROPERTIES INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)
(In thousands)

	Nine Months Ended September 30,	
	2020	2019
Cash flows from operating activities		
Net income	\$ 605,796	\$ 453,568
Adjustments to reconcile net income to cash flows provided by operating activities:		
Non-cash leasing and financing adjustments	(13,322)	(2,295)
Stock-based compensation	5,375	3,821
Depreciation	2,990	2,948
Amortization of debt issuance costs and original issue discount	15,504	18,180
Change in allowance for credit losses	261,080	—
Loss on extinguishment of debt	39,059	—
Gain upon lease modification	(333,352)	—
Change in operating assets and liabilities:		
Other assets	841	(5,952)
Accrued interest	26,953	9,761
Deferred revenue	(70,031)	(43,355)
Other liabilities	(1,372)	523
Net cash provided by operating activities	539,521	437,199
Cash flows from investing activities		
Investments in leases - sales-type and direct financing	(1,407,260)	(1,530,578)
Investments in leases - financing receivables	(2,682,443)	—
Investments in loans	(535,406)	—
Principal repayments of lease financing receivables	1,496	—
Capitalized transaction costs	(835)	(2,004)
Investments in short-term investments	(19,973)	(440,353)
Maturities of short-term investments	59,474	618,463
Proceeds from sale of real estate	31,125	1,044
Acquisition of property and equipment	(2,527)	(2,429)
Net cash used in investing activities	(4,556,349)	(1,355,857)
Cash flows from financing activities		
Proceeds from offering of common stock, net	1,539,748	1,164,360
Proceeds from February 2020 Senior Unsecured Notes	2,500,000	—
Redemption of Second Lien Notes	(537,538)	—
CPLV CMBS Debt prepayment penalty reimbursement	55,401	—
Repurchase of stock for tax withholding	(206)	—
Debt issuance costs	(57,789)	(7,727)
Distributions to non-controlling interest	(5,444)	(6,053)
Dividends paid	(435,180)	(366,859)
Net cash provided by financing activities	3,058,992	783,721

VICI PROPERTIES INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS (Continued)
(UNAUDITED)
(In thousands)

Net increase in cash, cash equivalents and restricted cash	(957,836)	(134,937)
Cash, cash equivalents and restricted cash, beginning of period	1,101,893	598,447
Cash, cash equivalents and restricted cash, end of period	<u>\$ 144,057</u>	<u>\$ 463,510</u>
Supplemental cash flow information:		
Cash paid for interest	\$ 188,728	\$ 148,992
Cash paid for income taxes	\$ 561	\$ 2,100
Supplemental non-cash investing and financing activity:		
Dividends declared, not paid	\$ 177,101	\$ 137,149
Lease liabilities arising from obtaining right-of-use assets	\$ 282,054	\$ 19,821
Transfer of Investments in leases - operating to Investments in leases - sales-type and direct financing due to modification of the Caesars Lease Agreements in connection with the Eldorado Transaction	\$ 1,086,658	\$ —
Transfer of Investments in leases - operating to Land due to modification of the Caesars Lease Agreements in connection with the Eldorado Transaction	\$ 63,479	\$ —
Increase in Investments in leases - sales-type and direct financing due to Gain upon lease modification in connection with the Eldorado Transaction	\$ 333,352	\$ —
Non-cash change in Investments in leases - financing receivables	\$ 3,362	\$ —
Deferred transaction costs payable	\$ 530	\$ 5,982
Debt issuance costs payable	\$ —	\$ 28,923

See accompanying Notes to Consolidated Financial Statements.

VICI PROPERTIES INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

In these notes, the words “VICI,” the “Company,” “we,” “our,” and “us” refer to VICI Properties Inc. and its subsidiaries, on a consolidated basis, unless otherwise stated or the context requires otherwise.

We refer to (i) our Consolidated Financial Statements as our “Financial Statements,” (ii) our Consolidated Balance Sheets as our “Balance Sheet,” (iii) our Consolidated Statements of Operations and Comprehensive Income as our “Statement of Operations,” and (iv) our Consolidated Statement of Cash Flows as our “Statement of Cash Flows.” References to numbered “Notes” refer to the Notes to our Consolidated Financial Statements.

“2025 Notes” refers to \$750.0 million aggregate principal amount of 3.500% senior unsecured notes due 2025 issued by the Operating Partnership and VICI Note Co. Inc., as Co-Issuer, in February 2020.

“2026 Notes” refers to \$1.25 billion aggregate principal amount of 4.250% senior unsecured notes due 2026 issued by the Operating Partnership and VICI Note Co. Inc., as Co-Issuer, in November 2019.

“2027 Notes” refers to \$750.0 million aggregate principal amount of 3.750% senior unsecured notes due 2027 issued by the Operating Partnership and VICI Note Co. Inc., as Co-Issuer, in February 2020.

“2029 Notes” refers to \$1.0 billion aggregate principal amount of 4.625% senior unsecured notes due 2029 issued by the Operating Partnership and VICI Note Co. Inc., as Co-Issuer, in November 2019.

“2030 Notes” refers to \$1.0 billion aggregate principal amount of 4.125% senior unsecured notes due 2030 issued by the Operating Partnership and VICI Note Co. Inc., as Co-Issuer, in February 2020.

“Caesars” refers to Caesars Entertainment, Inc., a Delaware corporation, formerly Eldorado, following the consummation of the Eldorado/Caesars Merger on July 20, 2020 and Eldorado’s conversion to a Delaware corporation.

“Caesars Forum Convention Center” refers to the Caesars Forum Convention Center in Las Vegas, Nevada, and the approximately 28 acres of land upon which the Caesars Forum Convention Center is built and/or otherwise used in connection with or necessary for the operation of the Caesars Forum Convention Center.

“Caesars Lease Agreements” refer collectively to (i) prior to the consummation of the Eldorado Transaction, the CPLV Lease Agreement, the Non-CPLV Lease Agreement, the Joliet Lease Agreement and the HLV Lease Agreement, and (ii) from and after the consummation of the Eldorado Transaction, the Las Vegas Master Lease Agreement, the Regional Master Lease Agreement and the Joliet Lease Agreement, in each case, unless the context otherwise requires.

“Century Casinos” refers to Century Casinos, Inc., a Delaware corporation, and, as the context requires, its subsidiaries.

“Century Portfolio” refers to the real estate assets associated with the (i) Mountaineer Casino, Racetrack & Resort located in New Cumberland, West Virginia, (ii) Century Casino Caruthersville located in Caruthersville, Missouri and (iii) Century Casino Cape Girardeau located in Cape Girardeau, Missouri, which we purchased on December 6, 2019.

“Century Portfolio Lease Agreement” refers to the lease agreement for the Century Portfolio, as amended from time to time.

“CEOC” refers to Caesars Entertainment Operating Company, Inc., a Delaware corporation, and its subsidiaries, prior to the Formation Date, and following the Formation Date, CEOC, LLC, a Delaware limited liability company and, as the context requires, its subsidiaries. CEOC was a subsidiary of Pre-Merger Caesars, and following the consummation of the Eldorado/Caesars Merger, is a subsidiary of Caesars.

“Co-Issuer” refers to VICI Note Co. Inc., a Delaware corporation.

“CPLV CMBS Debt” refers to \$1.55 billion of asset-level real estate mortgage financing of Caesars Palace Las Vegas, incurred by a subsidiary of the Operating Partnership on October 6, 2017 and repaid in full on November 26, 2019.

“CPLV Lease Agreement” refers to the lease agreement for Caesars Palace Las Vegas, as amended from time to time, which was combined with the HLV Lease Agreement into the Las Vegas Master Lease Agreement upon the consummation of the Eldorado Transaction.

VICI PROPERTIES INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(UNAUDITED)

“Eldorado” refers to Eldorado Resorts, Inc., a Nevada corporation, and, as the context requires, its subsidiaries. Following the consummation of the Eldorado/Caesars Merger on July 20, 2020, Eldorado converted to a Delaware corporation and changed its name to Caesars Entertainment, Inc.

“Eldorado Transaction” refers to a series of transactions between us and Eldorado in connection with the Eldorado/Caesars Merger, including the acquisition of the Harrah’s New Orleans, Harrah’s Atlantic City and Harrah’s Laughlin properties, modifications to the Caesars Lease Agreements, and rights of first refusal.

“Eldorado/Caesars Merger” refers to the merger consummated on July 20, 2020 under an Agreement and Plan of Merger pursuant to which a subsidiary of Eldorado merged with and into Pre-Merger Caesars, with Pre-Merger Caesars surviving as a wholly owned subsidiary of Caesars.

“February 2020 Senior Unsecured Notes” refers collectively to the 2025 Notes, the 2027 Notes and the 2030 Notes.

“Formation Date” refers to October 6, 2017.

“Greektown” refers to the real estate assets associated with the Greektown Casino-Hotel, located in Detroit, Michigan, which we purchased on May 23, 2019.

“Greektown Lease Agreement” refers to the lease agreement for Greektown, as amended from time to time.

“Hard Rock” means Hard Rock International, and, as the context requires, its subsidiary and affiliate entities.

“Hard Rock Cincinnati” refers to the casino-entitled land and real estate and related assets associated with the Hard Rock Cincinnati Casino, located in Cincinnati, Ohio, which we purchased on September 20, 2019 (and previously referred to in certain prior filings as JACK Cincinnati).

“Hard Rock Cincinnati Lease Agreement” refers to the lease agreement for Hard Rock Cincinnati, as amended from time to time.

“HLV Lease Agreement” refers to the lease agreement for the Harrah’s Las Vegas facilities, as amended from time to time, which was combined with the CPLV Lease Agreement into the Las Vegas Master Lease Agreement upon the consummation of the Eldorado Transaction.

“JACK Entertainment” refers to JACK Ohio LLC, and, as the context requires, its subsidiary and affiliate entities.

“JACK Cleveland/Thistledown” refers to the casino-entitled land and real estate and related assets associated with the JACK Cleveland Casino located in Cleveland, Ohio, and the video lottery gaming and pari-mutuel wagering authorized land and real estate and related assets of JACK Thistledown Racino located in North Randall, Ohio, which we purchased on January 24, 2020.

“JACK Cleveland/Thistledown Lease Agreement” refers to the lease agreement for JACK Cleveland/Thistledown, as amended from time to time.

“Joliet Lease Agreement” refers to the lease agreement for the facilities in Joliet, Illinois, as amended from time to time.

“Las Vegas Master Lease Agreement” refers to the lease agreement for Caesars Palace Las Vegas and the Harrah’s Las Vegas facilities, as amended from time to time, from and after the consummation of the Eldorado Transaction.

“Lease Agreements” refer collectively to the Caesars Lease Agreements, the Penn National Lease Agreements, the Hard Rock Cincinnati Lease Agreement, the Century Portfolio Lease Agreement and the JACK Cleveland/Thistledown Lease Agreement, unless the context otherwise requires.

“Margaritaville” refers to the real estate of Margaritaville Resort Casino, located in Bossier City, Louisiana, which we purchased on January 2, 2019.

“Margaritaville Lease Agreement” refers to the lease agreement for Margaritaville, as amended from time to time.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
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“Master Transaction Agreement” or “MTA” refers to the master transaction agreement with Eldorado relating to the Eldorado Transaction.

“Non-CPLV Lease Agreement” refers to the lease agreement for regional properties (other than the facilities in Joliet, Illinois) leased to Pre-Merger Caesars prior to the consummation of the Eldorado Transaction, as amended from time to time, which was replaced by the Regional Master Lease Agreement upon the consummation of the Eldorado Transaction.

“November 2019 Senior Unsecured Notes” refers collectively to the 2026 Notes and the 2029 Notes.

“Operating Partnership” refers to VICI Properties L.P., a Delaware limited partnership and a wholly owned subsidiary of VICI.

“Penn National” refers to Penn National Gaming, Inc., a Pennsylvania Corporation, and, as the context requires, its subsidiaries.

“Penn National Lease Agreements” refer collectively to the Margaritaville Lease Agreement and the Greektown Lease Agreement, unless the context otherwise requires.

“Pre-Merger Caesars” refers to Caesars Entertainment Corporation, a Delaware corporation, and, as the context requires, its subsidiaries. Following the consummation of the Eldorado/Caesars Merger on July 20, 2020, Pre-Merger Caesars became a wholly owned subsidiary of Caesars.

“Regional Master Lease Agreement” refers to the lease agreement for the regional properties (other than the facilities in Joliet, Illinois) leased to Caesars, as amended from time to time, from and after the consummation of the Eldorado Transaction.

“Revolving Credit Facility” refers to the five-year first lien revolving credit facility entered into by VICI PropCo, as amended from time to time.

“Second Lien Notes” refers to \$766.9 million aggregate principal amount of 8.0% second priority senior secured notes due 2023 issued by a subsidiary of the Operating Partnership in October 2017, the remaining \$498.5 million aggregate principal amount outstanding as of December 31, 2019 of which was redeemed in full on February 20, 2020.

“Seminole Hard Rock” means Seminole Hard Rock Entertainment, Inc.

“Term Loan B Facility” refers to the seven-year senior secured first lien term loan B facility entered into by VICI PropCo in December 2017, as amended from time to time.

“VICI Golf” refers to VICI Golf LLC, a Delaware limited liability company that is the owner and operator of our golf segment business.

“VICI PropCo” refers to VICI Properties 1 LLC, a Delaware limited liability company and an indirect wholly owned subsidiary of VICI.

Note 1 — Business and Organization

Business

We are a Maryland corporation that is primarily engaged in the business of owning and acquiring gaming, hospitality and entertainment destinations, subject to long-term triple net leases. As of September 30, 2020, our national, geographically diverse portfolio consisted of 29 market-leading properties (reflecting the acquisitions and dispositions described herein, as well as the removal of Tunica Roadhouse, which has permanently closed), including Caesars Palace Las Vegas and Harrah’s Las Vegas. Our properties are leased to, and our tenants are, subsidiaries of Caesars, Penn National, Hard Rock, Century Casinos and JACK Entertainment. We also own and operate four championship golf courses located near certain of our properties.

We conduct our operations as a real estate investment trust (“REIT”) for U.S. federal income tax purposes. As such, we generally will not be subject to U.S. federal income taxes on our taxable income to the extent that we annually distribute all of our net taxable income to stockholders and maintain our qualification as a REIT. We conduct our real property business through our Operating Partnership and our golf course business through a taxable REIT subsidiary (a “TRS”), VICI Golf.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
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Impact of the COVID-19 Pandemic on our Business

On March 11, 2020, the World Health Organization declared the outbreak of a novel strain of coronavirus (“COVID-19”) a pandemic, and on March 13, 2020, the United States declared a national emergency. Among the broader public health, societal and global impact, the COVID-19 pandemic resulted in state governments and/or regulatory authorities issuing various directives, mandates, orders or similar actions, resulting in the temporary closure of our tenants’ operations at all of our properties. Our golf course business has also been impacted, with all four courses temporarily ceasing operations in March 2020 as a result of the COVID-19 pandemic, although our golf courses were subsequently reopened in early to mid-May 2020 in compliance with applicable regulations and restrictions. As of September 30, 2020, the operations of all of our properties have reopened, subject to operating limitations set forth by the state and local governments and/or regulatory authorities. While all of our tenants’ facilities at our properties have reopened, they have reopened at reduced capacity and subject to additional operating restrictions, and we cannot predict how long they will be required to operate subject to such operating restrictions or whether they will be subject to additional restrictions or forced to reclose in the future.

The full extent to which the COVID-19 pandemic ultimately impacts us and our tenants continues to depend on future developments, which are highly uncertain and cannot be predicted with confidence, including the scope, severity and duration of the pandemic, the actions taken to contain the pandemic or mitigate its impact, and the direct and indirect economic effects of the pandemic and containment measures on our tenants, including the length of time our tenants’ operations at our properties are subject to operating restrictions, including reduced capacity, any requirement for our tenants’ operations to reclose, our tenants’ financial performance and the duration and extent of operating limitations and reduced capacity requirements. We continue to closely monitor the impact of the COVID-19 pandemic on us and our tenants. All of our tenants have fulfilled their rent obligations in full through October 2020 and we continue to engage with our tenants in connection with the ongoing COVID-19 pandemic and its impact on their operations, liquidity and financial performance.

Note 2 — Summary of Significant Accounting Policies

Basis of Presentation

The accompanying consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles (“GAAP”) for interim financial information set forth in the Accounting Standards Codification (“ASC”), as published by the Financial Accounting Standards Board (“FASB”), and with the applicable rules and regulations of the Securities and Exchange Commission (“SEC”). The consolidated financial statements, including the notes thereto, are unaudited and exclude some of the disclosures and information normally required in audited financial statements.

We believe the disclosures made are adequate to prevent the information presented from being misleading. However, the accompanying unaudited consolidated financial statements and related notes should be read in conjunction with the audited financial statements and notes thereto included in our most recent [Annual Report on Form 10-K](#) and as updated from time to time in our other filings with the SEC.

All adjustments (consisting of normal recurring accruals) considered necessary for a fair statement of results for the interim period have been included.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires us to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the Financial Statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from these estimates.

Operating results for the three and nine months ended September 30, 2020 are not necessarily indicative of the results that may be expected for the year ending December 31, 2020.

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Principles of Consolidation and Non-controlling Interest

The accompanying consolidated financial statements include our accounts and the accounts of our Operating Partnership, and the subsidiaries in which we or our Operating Partnership has a controlling interest, which includes a single variable interest entity (“VIE”) where we are the primary beneficiary. All intercompany accounts and transactions have been eliminated in consolidation. We consolidate all subsidiaries in which we have a controlling financial interest and VIEs for which we or one of our consolidated subsidiaries is the primary beneficiary.

We present non-controlling interest and classify such interest as a component of consolidated stockholders’ equity, separate from VICI stockholders’ equity. Our non-controlling interest represents a 20% third-party ownership of Harrah’s Joliet LandCo LLC, the entity that owns the Harrah’s Joliet facility and is the lessor under the related Joliet Lease Agreement.

Cash, Cash Equivalents and Restricted Cash

Cash consists of cash-on-hand and cash-in-bank. Any investments with an original maturity of three months or less from the date of purchase are considered cash equivalents and are stated at the lower of cost or market value. Investments with an original maturity of greater than three months and less than one year from the date of purchase are considered short-term investments and are stated at fair value.

We did not have any restricted cash as of September 30, 2020, following the release of funds held in escrow from the February 2020 Senior Unsecured Notes offering, which were used to consummate the Eldorado Transaction on July 20, 2020. As of September 30, 2019, restricted cash was primarily comprised of funds paid by us into a restricted lender account.

The following table provides a reconciliation of cash, cash equivalents and restricted cash reported on the Balance Sheet to the total of the same such amounts presented in the Statement of Cash Flows.

<i>(In thousands)</i>	September 30, 2020	September 30, 2019
Cash and cash equivalents	\$ 144,057	\$ 431,423
Restricted cash	—	32,087
Total cash, cash equivalents and restricted cash shown in the Statement of Cash Flows	<u>\$ 144,057</u>	<u>\$ 463,510</u>

Short-Term Investments

We generally invest our excess cash in short-term investment grade commercial paper as well as discount notes issued by government-sponsored enterprises including the Federal Home Loan Mortgage Corporation and certain of the Federal Home Loan Banks. These investments generally have original maturities between 91 and 180 days and are accounted for as available for sale securities. The related income is recognized as interest income in our Statement of Operations. We had \$20.0 million and \$59.5 million of short-term investments as of September 30, 2020 and December 31, 2019, respectively.

Investments in Leases - Sales-type and Direct Financing, Net

We account for our investments in leases under ASC 842 “Leases” (“ASC 842”). Upon lease inception or lease modification, we assess lease classification to determine whether the lease should be classified as a direct financing, sales-type or operating lease. As required by ASC 842, we separately assess the land and building components of the property to determine the classification of each component. If the lease component is determined to be a direct financing or sales-type lease, we record a net investment in the lease, which is equal to the sum of the lease receivable and the unguaranteed residual asset, discounted at the rate implicit in the lease. Any difference between the fair value of the asset and the net investment in the lease is considered selling profit or loss and is either recognized upon execution of the lease or deferred and recognized over the life of the lease, depending on the classification of the lease. Since we purchase properties and simultaneously enter into new leases directly with the tenants, the net investment in the lease is generally equal to the purchase price of the asset, and, due to the long term nature of our leases, the land and building components of an investment generally have the same lease classification.

Upon adoption of ASC 842 on January 1, 2019, we made an accounting policy election to use a package of practical expedients that, among other things, allow us to not reassess prior lease classifications or initial direct costs for leases that existed as of the balance sheet date. As such, we did not reassess the classification of our Caesars Lease Agreements, as these leases existed prior to our adoption of ASC 842.

VICI PROPERTIES INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
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Prior to the consummation of the Eldorado Transaction, the Caesars Lease Agreements continued to be accounted for as direct financing leases and were included within Investments in leases - sales-type and direct financing, net on the Balance Sheet, with the exception of the land component of Caesars Palace Las Vegas, which was determined to be an operating lease and was included in Investments in leases - operating on the Balance Sheet. The income recognition for our direct financing leases recognized under ASC 840 "Leases" ("ASC 840") was consistent with the income recognition for our sales-type lease under ASC 842.

Upon the consummation of the Eldorado Transaction on July 20, 2020, we modified the CPLV Lease Agreement, HLV Lease Agreement, Non-CPLV Lease Agreement and Joliet Lease Agreement, which included amending certain of the lease terms, and combining the CPLV Lease Agreement and HLV Lease Agreement into the Las Vegas Master Lease Agreement and replacing the Non-CPLV Lease Agreement with the Regional Master Lease Agreement. Upon modification, we reassessed the lease classification of the Las Vegas Master Lease Agreement, Regional Master Lease Agreement and Joliet Lease Agreement and determined the leases meet the definition of a sales-type lease, including the land component of Caesars Palace Las Vegas. Accordingly, we reclassified the land component of Caesars Palace Las Vegas from Investments in leases - operating to Investments in leases - sales-type and direct financing. Further, as a result of the reclassifications of the Caesars Lease Agreements from direct financing and operating leases to sales-type leases we recorded the investments at their estimated fair values as of the modification date and recognized a net gain equal to the difference in fair value of the assets and their carrying values immediately prior to the modification. Such gain is recognized in our Statement of Operations as Gain upon lease modification. Subsequent to the consummation of the Eldorado Transaction, we no longer have any leases classified as operating or direct financing and, as such, there is no longer any income recorded through Investments in leases - operating. Refer to [Note 4 - Property Transactions](#) for further discussion surrounding the lease modifications.

We have determined that the land and building components of the Margaritaville Lease Agreement, the Greektown Lease Agreement, the Hard Rock Cincinnati Lease Agreement and the Century Portfolio Lease Agreement meet the definition of a sales-type lease under ASC 842.

Investments in Leases - Financing Receivables, Net

In accordance with ASC 842, for transactions in which we enter into a contract to acquire an asset and lease it back to the seller under a sales-type lease (i.e., a sale leaseback transaction), control of the asset is not considered to have transferred to us. As a result, we do not recognize the underlying asset but instead recognize a financial asset in accordance with ASC 310 "Receivables" ("ASC 310"). The accounting for the financing receivable under ASC 310 is materially consistent with the accounting for our investments in leases - sales-type under ASC 842. We determined that the land and building components of the JACK Cleveland/Thistledown Lease Agreement meet the definition of a sales-type lease and, since we purchased and leased the assets back to the seller under a sale leaseback transaction, control is not considered to have transferred to us under GAAP. Accordingly, the JACK Cleveland/Thistledown Lease Agreement is accounted for as Investments in leases - financing receivables on our Balance Sheet, net of allowance for credit losses, in accordance with ASC 310.

Upon the consummation of the Eldorado Transaction on July 20, 2020, and reassessment of the classification of the Caesars Lease Agreements, as described above, we determined that the MTA Properties Acquisitions (as defined in [Note 4 - Property Transactions](#)) meet the definition of a separate contract under ASC 842. In accordance with this guidance, we are required to separately assess the lease classification apart from the other assets in the Regional Master Lease Agreement. We determined that the land and building components of the MTA Properties (as defined in [Note 4 - Property Transactions](#)) meet the definition of a sales-type lease and, since we purchased and leased the assets back to Caesars, control is not considered to have transferred to us under GAAP. Accordingly, the MTA Properties are accounted for as Investments in leases - financing receivables on our Balance Sheet, net of allowance for credit losses, in accordance with ASC 310.

Lease Term

We assess the noncancelable lease term under ASC 842, which includes any reasonably assured renewal periods. All of our Lease Agreements provide for an initial term, with multiple tenant renewal options. We have individually assessed all of our Lease Agreements and concluded that the lease term includes all of the periods covered by extension options as it is reasonably certain our tenants will renew the Lease Agreements. We believe our tenants are economically compelled to renew the Lease Agreements due to the importance of our real estate to the operation of their business, the significant capital they have invested in our properties and the lack of suitable replacement assets.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
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Investments in Loans, net

Investments in loans are held-for-investment and are carried at historical cost, net of unamortized loan origination costs and fees and allowances for credit losses. Income is recognized on an effective interest basis at a constant rate of return over the life of the related loan.

Income from Leases and Lease Financing Receivables

We recognize the related income from our direct financing leases, sales-type leases and lease financing receivables on an effective interest basis at a constant rate of return over the terms of the applicable leases. As a result, the cash payments accounted for under direct financing leases, sales-type leases and lease financing receivables will not equal income from our Lease Agreements. Rather, a portion of the cash rent we receive is recorded as Income from sales-type and direct financing leases or Income from lease financing receivables and loans, as applicable, in our Statement of Operations and a portion is recorded as a change to Investments in leases - sales-type and direct financing, net or Investments in leases - financing receivables, net, as applicable.

Under ASC 840, we determined that the land component of Caesars Palace Las Vegas was greater than 25% of the overall fair value of the combined land and building components. At lease inception, the land was determined to be an operating lease and we recorded the related income on a straight-line basis over the lease term. The amount of annual minimum lease payments attributable to the land element after deducting executory costs, including any profit thereon, was determined by applying the lessee's incremental borrowing rate to the value of the land. Revenue from this lease was recorded as Income from operating leases in our Statement of Operations. Upon the consummation of the Eldorado Transaction on July 20, 2020, the land component of Caesars Palace Las Vegas was reassessed for lease classification and determined to be a sales-type lease. Accordingly, subsequent to July 20, 2020, the income is recognized as Income from sales-type leases.

Initial direct costs incurred in connection with entering into investments classified as direct financing or sales-type leases are included in the balance of the net investment in lease. Such amounts will be recognized as a reduction to Income from investments in leases over the life of the lease using the effective interest method. Costs that would have been incurred regardless of whether the lease was signed, such as legal fees and certain other third-party fees, are expensed as incurred to Transaction and acquisition expenses in our Statement of Operations. In connection with the reassessment of the lease classification and mark to fair value of the Caesars Lease Agreements, any initial direct costs capitalized prior to the Eldorado Transaction were written off as part of the gain upon lease modification.

Loan origination fees and costs incurred in connection with entering into investments classified as lease financing receivables are included in the balance of the net investment and such amounts will be recognized as a reduction to Income from investments in loans and lease financing receivables over the life of the lease using the effective interest method.

Allowance for Credit Losses

On January 1, 2020, we adopted ASC 326 "Credit Losses" ("ASC 326"), which requires that we measure and record current expected credit losses ("CECL") for the majority of our investments, the scope of which includes our Investments in leases - sales-type and direct financing, Investments in leases - financing receivables and Investments in loans.

We have elected to use a discounted cash flow model to estimate the Allowance for credit losses, or CECL allowance. This model requires us to develop cash flows which project estimated credit losses over the life of the lease or loan and discount these cash flows at the asset's effective interest rate. We then record a CECL allowance equal to the difference between the amortized cost basis of the asset and the present value of the expected cash flows.

Expected losses within our cash flows are determined by estimating the probability of default ("PD") and loss given default ("LGD") of our tenants and their parent guarantors over the life of each individual lease or financial asset. We have engaged a nationally recognized data analytics firm to assist us with estimating both the PD and LGD of our tenants and their parent guarantors. The PD and LGD are estimated during a reasonable and supportable period for which we believe we are able to estimate future economic conditions (the "R&S Period") and a long-term period for which we revert to long-term historical averages (the "Long-term Period"). The PD and LGD estimates for the R&S Period are developed using the current financial condition of the tenant and applied to a projection of economic conditions over a two-year term. The PD and LGD for the Long-term Period are estimated using the average historical default rates and historical loss rates, respectively, of public companies over the past 35 years that have similar credit profiles or characteristics to our tenants and their parent guarantors. We were unable to use our historical data to estimate losses as we have no loss history to date.

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The CECL allowance is recorded as a reduction to our net Investments in leases - direct financing and sales type, Investments in leases - financing receivables and Investments in loans on our Balance Sheet. We are required to update our CECL allowance on a quarterly basis with the resulting change being recorded in the Statement of Operations for the relevant period. Finally, each time we make a new investment in an asset subject to ASC 326, we are required to record an initial CECL allowance for such asset, which will result in a non-cash charge to the Statement of Operations for the relevant period.

We are required to estimate a CECL allowance related to contractual commitments to extend credit, such as future funding commitments under a revolving credit facility. The CECL allowance related to these future commitments is recorded as a component of Other liabilities on our Balance Sheet.

Charge-offs are deducted from the allowance in the period in which they are deemed uncollectible. Recoveries previously written off are recorded when received. There were no charge-offs or recoveries for the three and nine months ended September 30, 2020.

Refer to [Note 6 - Allowance for Credit Losses](#) for further information.

Impairment

We assess our investments in land and property and equipment used in operations for impairment under ASC 360 “Property, Plant and Equipment” (“ASC 360”) on a quarterly basis or whenever certain events or changes in circumstances indicate a possible impairment of the carrying value of the asset. Events or circumstances that may occur include changes in management’s intended holding period or potential sale to a third party, significant changes in real estate market conditions or tenant financial difficulties resulting in non-payment of the lease.

Impairments are measured as the amount by which the current book value of the asset exceeds the estimated fair value of the asset. With respect to estimated expected future cash flows for determining whether an asset is impaired, assets are grouped at the lowest level of identifiable cash flows.

Other income and Other expenses

Other income primarily represents sub-lease income related to certain ground and use leases, the cost of which is passed to our tenants through the Lease Agreements, which require the tenants to pay all costs associated with such ground and use leases and provides for their direct payment to the landlord. This income and the related expense are recorded on a gross basis in our Statement of Operations as required under GAAP as we are the primary obligor under the ground and use leases.

We previously recorded the sub-lease income as a component of General and administrative expenses on a net basis with the sub-lease expense. Beginning with the three months ended March 31, 2020, we re-classified these amounts to be presented gross in Other income with an offsetting amount in Other expenses within the Statement of Operations. For the three and nine months ended September 30, 2019, such amounts, included net in General and administrative expenses, were \$0.8 million and \$2.1 million, respectively.

Fair Value Measurements

We measure the fair value of financial instruments based on assumptions that market participants would use in pricing the asset or liability. As a basis for considering market participant assumptions in fair value measurements, a fair value hierarchy distinguishes between market participant assumptions based on market data obtained from sources independent of the reporting entity and the reporting entity’s own assumptions about market participant assumptions. In accordance with the fair value hierarchy, Level 1 assets/liabilities are valued based on quoted prices for identical instruments in active markets, Level 2 assets/liabilities are valued based on quoted prices in active markets for similar instruments, on quoted prices in less active or inactive markets or on other “observable” market inputs, and Level 3 assets/liabilities are valued based significantly on “unobservable” market inputs.

Refer to [Note 10 - Fair Value](#) for further information.

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Derivative Financial Instruments

We record our derivative financial instruments as either Other assets or Other liabilities on our Balance Sheet at fair value.

The accounting for changes in the fair value of derivatives depends on the intended use of the derivative, whether we elected to designate a derivative in a hedging relationship and apply hedge accounting and whether the hedging relationship has satisfied the criteria necessary to apply hedge accounting. Derivatives designated and qualifying as a hedge of the exposure to variability in expected future cash flows are considered cash flow hedges. We formally document our hedge relationships and designation at the contract's inception. This documentation includes the identification of the hedging instruments and the hedged items, its risk management objectives, strategy for undertaking the hedge transaction and our evaluation of the effectiveness of its hedged transaction.

On a quarterly basis, we also assess whether the derivative we designated in each hedging relationship is expected to be, and has been, highly effective in offsetting changes in the value or cash flows of the hedged items. If it is determined that a derivative is not highly effective at hedging the designated exposure, hedge accounting is discontinued and the changes in fair value of the instrument are included in net income prospectively. If the hedge relationship is terminated, then the value of the derivative is recorded in Accumulated other comprehensive income and recognized in earnings when the cash flows that were hedged affect earnings. Changes in the fair value of our derivative instruments that qualify as hedges are reported as a component of Accumulated other comprehensive loss on our consolidated financial statements.

We use derivative instruments to mitigate the effects of interest rate volatility inherent in our variable rate debt, which could unfavorably impact our future earnings and forecasted cash flows. We do not use derivative instruments for speculative or trading purposes.

Concentrations of Credit Risk

Pre-Merger Caesars was the guarantor of all the lease payment obligations of the tenants under the respective leases of the properties that it leases from us, with the exception of Harrah's Las Vegas, which was guaranteed by a subsidiary of Pre-Merger Caesars. In connection with the consummation of the Eldorado Transaction, Caesars replaced Pre-Merger Caesars as guarantor of all of the Caesars Lease Agreements. Revenue from the Caesars Lease Agreements represented 85% and 83% of our lease revenues for the three and nine months ended September 30, 2020, respectively, and 93% and 95% of our lease revenues for the three and nine months ended September 30, 2019, respectively. Additionally, our properties on the Las Vegas Strip generated approximately 31% and 27% of our lease revenue for the three and nine months ended September 30, 2020, respectively, and 33% and 34% of our lease revenue for the three and nine months ended September 30, 2019, respectively. Other than having a single tenant from which we derive and will continue to derive a substantial portion of our revenue and our concentration in the Las Vegas market, we do not believe there are any other significant concentrations of credit risk.

Note 3 — Recently Issued Accounting Pronouncements

Accounting Pronouncements Recently Adopted

Accounting Standard Update ("ASU") No. 2016-13 - Financial Instruments-Credit Losses (Topic 326) - June 2016 (as amended through February 2020):

This amended guidance changes how entities measure credit losses for most financial assets and certain other instruments, including sales-type and direct financing leases, that are not measured at fair value through net income. The guidance replaces the current "incurred loss" model with an "expected loss" approach, which will generally result in earlier recognition of allowance for credit losses.

As a result of the guidance, we are required to estimate and record non-cash credit losses related to our Investments in leases - sales-type and direct financing, Investments in lease - financing receivables and loans and expand our credit quality disclosures. The new standard did not materially impact any of our other financial assets or instruments that we currently have on our Balance Sheet.

We adopted the guidance on January 1, 2020 using the modified retrospective approach method of adoption. Under this method we recorded a cumulative-effect adjustment to our opening Balance Sheet as a reduction in our Investments in leases - sales-type and direct financing and a corresponding charge to retained (deficit) earnings. Such amount was determined by applying our methodology for estimating allowances for credit losses to our existing Investments in leases - sales-type and direct financing as of January 1, 2020, which resulted in a \$309.4 million cumulative adjustment, representing a 2.88% credit allowance upon adoption. Periods prior to the adoption date that are presented for comparative purposes are not adjusted.

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Each time we enter into a new direct financing or sales-type lease, lease financing receivable or loan, we will be required to estimate a credit allowance which will result in a non-cash charge to the Statement of Operations and a corresponding reduction in our net investment in the asset. Finally, each reporting period we are required to update the estimated allowance for any estimated changes in the credit loss, with the resulting change being recorded on the Statement of Operations and a corresponding change in our net investment in the asset.

Refer to [Note 6 - Allowance for Credit Losses](#) for further information.

Accounting Pronouncements Not Yet Adopted

ASU No. 2020-04 - Reference Rate Reform (Topic 848) - March 2020: This amended guidance contains practical expedients for reference rate reform related activities that impact debt, leases, derivatives and other contracts. Specifically, the amendment provides accounting expedients related to probability and the assessments of effectiveness for future LIBOR-indexed cash flows to assume that the index upon which future hedged transactions will be based matches the index on the corresponding derivatives. The guidance is optional and may be elected over time as reference rate reform activities occur. We have elected to apply the hedge accounting expedients related to probability and the assessments of effectiveness for future LIBOR-indexed cash flows to assume that the index upon which future hedged transactions will be based matches the index on the corresponding derivatives. Application of these expedients preserves the presentation of derivatives consistent with past presentation. We continue to evaluate the impact of the guidance and may apply other elections, as and when applicable, as additional changes in the market occur.

Note 4 — Property Transactions

2020 Transactions

Our significant activities in 2020, in reverse chronological order, are as follows:

Sale of Harrah's Reno

On September 30, 2020, we and Caesars closed on the previously announced transaction to sell Harrah's Reno to a third party at a purchase price of \$41.5 million. Pursuant to the agreement, we received \$31.1 million of the proceeds of the sale and Caesars received \$10.4 million of the proceeds. We did not recognize any gain or loss on the sale of Harrah's Reno as the asset was sold at its carrying amount. The annual rent payments under the Regional Master Lease Agreement remain unchanged following completion of the disposition.

Caesars Forum Convention Center Mortgage Loan

On September 18, 2020, in accordance with a non-binding letter of intent (the "LOI") entered into on June 15, 2020, we entered into a mortgage loan agreement with a subsidiary of Caesars (the "Forum Convention Center Borrower") pursuant to which we loaned \$400.0 million to the Forum Convention Center Borrower for a term of five years, with such loan secured by, among other things, a first priority fee mortgage on the Caesars Forum Convention Center (the "Forum Convention Center Mortgage Loan").

The interest rate on the Forum Convention Center Mortgage Loan is initially 7.7% per annum, with annual interest payments subject to 2.0% annual escalation (resulting in year two annual interest of \$31.4 million based on a year two interest rate of 7.854%), with interest paid monthly in cash in arrears. Except as provided below, no prepayments are permitted during the first two years of the term of the Forum Convention Center Mortgage Loan. During the third and fourth years of the term of the Forum Convention Center Mortgage Loan, the Forum Convention Center Borrower may prepay the Forum Convention Center Mortgage Loan, in each case in full but not in part, at 102% of par in year three and 101% of par in year four. During the fifth year of the term of the Forum Convention Center Mortgage Loan, the Forum Convention Center Borrower may prepay the Forum Convention Center Mortgage Loan in full but not in part at par. However, the Forum Convention Center Mortgage Loan may be prepaid at any time at par, without penalty or make-whole, in connection with our acquisition of the Caesars Forum Convention Center and an OpCo sale and conversion to an OpCo/PropCo structure, subject to our consent, which may be withheld in our sole discretion.

The Forum Convention Center Mortgage Loan is secured by a first priority mortgage on the Caesars Forum Convention Center, as well as a first priority lien on the equity interests in the Forum Convention Center Borrower, a first priority security interest in all of the Forum Convention Center Borrower's interest in furniture, fixtures and equipment used, owned or related to the

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operation of the Caesars Forum Convention Center, and a first priority assignment of the Forum Convention Center Borrower's interest in leases and rents, including a collateral assignment of the Forum Convention Center Borrower's interest in the lease on the Caesars Forum Convention Center pursuant to which the Forum Convention Center Borrower leases the Caesars Forum Convention Center to another subsidiary of Caesars (the "Caesars Tenant"), which lease is fully subordinate to the Forum Convention Center Mortgage Loan. In addition, if the Forum Convention Center Borrower defaults on the Forum Convention Center Mortgage Loan and we take title to the Caesars Forum Convention Center, we may, at our option under certain circumstances, keep the lease with the Caesars Tenant in effect (which lease is guaranteed by Caesars and has an initial annual rent of \$33.9 million, subject to annual increases equal to the greater of 2% and the annual consumer price index increase).

In addition, in connection with the consummation of the Forum Convention Center Mortgage Loan, we and Caesars waived the conditionality of the consummation of such loan transaction on the consummation of the potential acquisition of approximately 23 acres of land in the vicinity of, or adjacent to, The LINQ Hotel & Casino, Bally's Las Vegas, Paris Las Vegas and Planet Hollywood gaming facilities (the "Las Vegas Land") as initially contemplated by the LOI. While the parties may evaluate the potential transaction involving the Las Vegas Land in the future, the parties are not actively pursuing consummation of the transaction at this time and we are under no obligation to purchase the Las Vegas Land, and, as such, there can be no assurances that the Las Vegas Land acquisition will close on the contemplated terms or at all.

Amended and Restated Convention Center Put-Call Agreement

On September 18, 2020, concurrent with the entry into the Forum Convention Center Mortgage Loan and in accordance with the LOI, we and a subsidiary of Caesars amended and restated the Amended and Restated Put-Call Right Agreement entered into on July 20, 2020 in connection with the consummation of the Eldorado Transaction (as further amended, the "A&R Convention Center Put-Call Agreement") related to the Caesars Forum Convention Center. The A&R Convention Center Put-Call Agreement provides for (i) a call right in our favor, which, if exercised, would result in the sale by Caesars to us and simultaneous leaseback by us to Caesars of the Caesars Forum Convention Center (the "Convention Center Call Right"), at a price equal to 13.0x the initial annual rent for Caesars Forum Convention Center as proposed by Caesars (which shall be between \$25.0 million and \$35.0 million), exercisable by us from September 18, 2025 (the scheduled maturity date of the Forum Convention Center Mortgage Loan) until December 31, 2026, (ii) a put right in favor of Caesars, which, if exercised, would result in the sale by Caesars to us and simultaneous leaseback by us to Caesars of the Caesars Forum Convention Center (the "Convention Center Put Right") at a price equal to 13.0x the initial annual rent for the Caesars Forum Convention Center as proposed by Caesars (which shall be between \$25.0 million and \$35.0 million), exercisable by Caesars between January 1, 2024 and December 31, 2024, and (iii) if there is an event of default under the Forum Convention Center Mortgage Loan, the Convention Center Put Right will not be exercisable and we, at our option, may accelerate the Convention Center Call Right so that it is exercisable from the date of such event of default until December 31, 2026 (in addition to any other remedies available to us in connection with such event of default).

The A&R Convention Center Put-Call Agreement also provides for, if Caesars exercises the Convention Center Put Right and, among other things, the sale of the Caesars Forum Convention Center to us does not close for certain reasons more particularly described in the A&R Convention Center Put-Call Agreement, a repurchase right in favor of Caesars, which, if exercised, would result in the sale of the Harrah's Las Vegas property by us to Caesars (the "HLV Repurchase Right"), exercisable by Caesars during a one-year period commencing on the date upon which the closing under the Convention Center Put Right transaction does not occur and ending on the day immediately preceding the one-year anniversary thereof for a price equal to 13.0x the rent of the Harrah's Las Vegas property for the most recently ended annual period for which Caesars' financial statements are available as of Caesars' election to exercise the HLV Repurchase Right.

Sale of Louisiana Downs

On September 3, 2020, we and Caesars entered into definitive agreements to sell Harrah's Louisiana Downs Casino for \$22.0 million to Rubico Acquisition Corp. We are entitled to receive \$5.5 million of the proceeds from the sale and Caesars is entitled to \$16.5 million of the proceeds. The annual rent payments under the Regional Master Lease Agreement will remain unchanged following completion of the disposition, which we anticipate will close by early 2021 and remains subject to regulatory approval and customary closing conditions.

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Chelsea Piers Mortgage Loan

On August 31, 2020, we entered into an \$80.0 million mortgage loan agreement (the “Chelsea Piers Mortgage Loan”) with Chelsea Piers New York (“Chelsea Piers”) secured by the Chelsea Piers complex in New York City, pursuant to which we provided (i) an initial term loan of \$65.0 million and (ii) a \$15.0 million delayed draw term loan at the borrowers’ election (which remained undrawn as of September 30, 2020), subject to certain conditions. The Chelsea Piers Mortgage Loan bears interest at a rate of 7.0% per annum, with a term of 7 years.

Consummation of the Eldorado Transaction

On July 20, 2020, concurrent with the consummation of the Eldorado/Caesars Merger, we consummated the Eldorado Transaction contemplated by the MTA and the MTA Property Purchase Agreements (as defined below). We funded the Eldorado Transaction with a combination of cash on hand, the proceeds from the physical settlement of the June 2019 Forward Sale Agreements on June 2, 2020, as described in [Note 12 - Stockholders’ Equity](#), and the proceeds from our February 2020 Senior Unsecured Notes offering previously held in escrow. Any references to Caesars in the subsequent transaction discussion refer to the combined Eldorado/Caesars subsequent to the consummation of the Eldorado/Caesars Merger.

The closing of the Eldorado Transaction includes the consummation of the transactions contemplated by the following agreements:

- ***Acquisition of the MTA Properties.*** We acquired all of the land and real estate assets associated with Harrah’s New Orleans, Harrah’s Laughlin and Harrah’s Atlantic City (collectively, the “MTA Properties”) for an aggregate purchase price of \$1,823.5 million (the “MTA Properties Acquisitions”). The Regional Master Lease Agreement was amended to, among other things, include each such property, with initial aggregate total annual rent payable to us increased by \$154.0 million to \$621.7 million, and to extend the initial term to July 2035 and to adjust certain minimum capital expenditure requirements and other related terms and conditions as a result of the MTA Properties being included in the Regional Master Lease Agreement as further described in “—Lease Amendments and Terminations” below. We completed the MTA Properties Acquisitions pursuant to the following agreements: (i) a Purchase and Sale Agreement (the “Harrah’s New Orleans Purchase Agreement”) pursuant to which we agreed to acquire, and Eldorado agreed to cause to be sold, all of the fee and leasehold interests in the land and real property improvements associated with Harrah’s New Orleans in New Orleans, Louisiana (“Harrah’s New Orleans”) for a cash purchase price of \$789.5 million, (ii) a Purchase and Sale Agreement (the “Harrah’s Atlantic City Purchase Agreement”) pursuant to which we agreed to acquire, and Eldorado agreed to cause to be sold, all of the land and real property improvements associated with Harrah’s Resort Atlantic City and Harrah’s Atlantic City Waterfront Conference Center in Atlantic City, New Jersey for a cash purchase price of \$599.3 million; and (iii) a Purchase and Sale Agreement (the “Harrah’s Laughlin Purchase Agreement” and, collectively with the Harrah’s New Orleans Purchase Agreement and the Harrah’s Atlantic City Purchase Agreement, the “MTA Property Purchase Agreements”) pursuant to which we agreed to acquire, and Eldorado agreed to cause to be sold, all of the equity interests in a newly formed entity that acquired the land and real property improvements associated with Harrah’s Laughlin Hotel & Casino in Laughlin, Nevada for a cash purchase price of \$434.8 million. Each of our call options on the MTA Properties terminated upon the closing of the MTA Properties Acquisitions.

On July 20, 2020, in connection with the completion of the purchase of Harrah’s New Orleans, the tenant’s leasehold interest in that certain Second Amended and Restated Lease Agreement (the “HNO Ground Lease”) dated as of April 3, 2020, by and among Jazz Casino Company, L.L.C., a Louisiana limited liability company (“JCC”), New Orleans Building Corporation (“NOBC”) and the City of New Orleans, was assigned by JCC to us. The HNO Ground Lease sets forth the terms and conditions pursuant to which we lease from NOBC a portion of the land upon which Harrah’s New Orleans is located. Simultaneous with entering into the assignment of the HNO Ground Lease, we subleased our interest in the HNO Ground Lease to Caesars in accordance with the terms and conditions of the Regional Master Lease Agreement.

Pursuant to the Regional Master Lease Agreement, Caesars is required to perform our obligations as tenant under the HNO Ground Lease, which include the obligation to construct a new hotel intended to be located on the ground-leased premises and to expend at least \$325.0 million in connection with the construction of such hotel. The HNO Ground Lease contains certain rights in our favor should Caesars fail to perform our obligations thereunder, including providing us with additional cure periods to cure defaults. If we are unable to cure a Caesars default during any such additional cure period, then, subject to certain conditions more particularly set forth in the HNO Ground Lease, we

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will have a further additional period (up to 12-24 months) to seek to terminate Caesars as tenant and to enter into a replacement sublease with a new operator with respect to the leased premises. If we fail to cure such default at the end of such additional cure period, NOBC would have the right to exercise remedies, including termination of the HNO Ground Lease, in which case we would no longer have any right, title or interest to the leased premises or the improvements located thereon.

- *Creation of Las Vegas Master Lease.* In consideration of a payment by us to (i) the tenant under the CPLV Lease Agreement of \$1,189.9 million (the “CPLV Lease Amendment Payment”) and (ii) the tenant under the HLV Lease Agreement of \$213.8 million (the “HLV Lease Amendment Payment”), upon the consummation of the Eldorado Transaction, (a) the CPLV Lease Agreement was amended to (A) combine the CPLV Lease Agreement and the HLV Lease Agreement into a single Las Vegas Master Lease Agreement, (B) increase the annual rent payable to us thereunder associated with Caesars Palace Las Vegas by \$83.5 million (the “CPLV Additional Rent Acquisition”), (C) increase the annual rent previously payable to us with respect to the Harrah’s Las Vegas property by \$15.0 million (the “HLV Additional Rent Acquisition”) under the Las Vegas Master Lease Agreement and (D) to provide for the amended terms described below, and (b) the HLV Lease Agreement and the related lease guaranty were terminated. As a result of such amendments, the Harrah’s Las Vegas property is also now subject to the higher rent escalator under the Las Vegas Master Lease Agreement.
- *Lease Amendments and Terminations.* Each of the Caesars Lease Agreements was amended to, among other things, (i) remove the rent coverage floors, which coverage floors served to reduce the rent escalators under such leases in the event that the “EBITDAR to Rent Ratio” (as defined in the applicable Caesars Lease Agreements) coverage was below the stated floor and (ii) extend the term of each such lease by such additional period of time as necessary to ensure that each lease will have a full 15-year initial lease term following the consummation of the Eldorado Transaction. The Regional Master Lease Agreement was also amended to, among other things: (a) permit the tenant under the Regional Master Lease Agreement to cause facilities subject to the Regional Master Lease Agreement that in the aggregate represent up to five percent of the aggregate EBITDAR of (A) all of the facilities under such Regional Master Lease Agreement and (B) the Harrah’s Joliet facility, for the 2018 fiscal year (defined as the “2018 EBITDAR Pool” in the Regional Master Lease Agreement, without giving effect to any increase in the 2018 EBITDAR Pool as a result of a facility being added to the Regional Master Lease Agreement) to be sold (whereby the tenant and landlord under the Regional Master Lease Agreement would sell the operations and real estate, respectively, with respect to such facility), provided, among other things, that (1) we and Caesars mutually agree to the split of proceeds from such sales, (2) such sales do not result in any impairment(s)/asset write down(s) by us, (3) rent under the Regional Master Lease Agreement remains unchanged following such sale and (4) the sale does not result in us recognizing certain taxable gain; (b) restrict the ability of the tenant thereunder to transfer and sell the operating business of Harrah’s New Orleans and Harrah’s Atlantic City to replacement tenants without our consent and remove such restrictions with respect to Horseshoe Southern Indiana (in connection with the restrictions applying to Harrah’s New Orleans) and Horseshoe Bossier City (in connection with the restrictions applying to Harrah’s Atlantic City), provided that the tenant under the Regional Master Lease Agreement may only sell such properties if certain terms and conditions are met, including that replacement tenants meet certain criteria provided in the Regional Master Lease Agreement; and (c) require that the tenant under the Regional Master Lease Agreement complete and pay for all capital improvements and other payments, costs and expenses related to the extension of the existing operating license with respect to Harrah’s New Orleans, including, without limitation, any such payments, costs and expenses required to be made to the City of New Orleans, the State of Louisiana or any other governmental body or agency.

Caesars has executed new guaranties with respect to the Las Vegas Master Lease Agreement (the “Las Vegas Lease Guaranty”), the Regional Master Lease Agreement (the “Regional Lease Guaranty”) and the Joliet Lease Agreement (the “Joliet Lease Guaranty” and, together with the Las Vegas Lease Guaranty and the Regional Lease Guaranty, the “Caesars Guaranties”), guaranteeing the prompt and complete payment and performance in full of: (i) all monetary obligations of the tenants under the Caesars Lease Agreements, including all rent and other sums payable by the tenants under the Caesars Lease Agreements and any obligation to pay monetary damages in connection with any breach and to pay any indemnification obligations of the tenants under the Caesars Lease Agreements; and (ii) the performance when due of all other covenants, agreements and requirements to be performed and satisfied by the tenants under the Caesars Lease Agreements.

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In connection with entering into the amendments to the Caesars Lease Agreements and the Caesars Guaranties described above, we and Caesars terminated the Management and Lease Support Agreements, dated as of October 6, 2017, with respect to each of the Caesars Lease Agreements, pursuant to which, among other things, Pre-Merger Caesars previously guaranteed the tenants' monetary obligations under the Caesars Lease Agreements and the Guaranty of Lease dated as of December 22, 2017 pursuant to which, among other things, a subsidiary of Pre-Merger Caesars guaranteed the tenant's obligations under the HLV Lease Agreement.

- *Centaur Properties Put-Call Agreement.* Prior to the consummation of the Eldorado Transaction, we were party to a right of first refusal agreement with affiliates of Pre-Merger Caesars with respect to two gaming facilities in Indiana - Harrah's Hoosier Park and Indiana Grand (together, the "Centaur Properties"). Upon the consummation of the Eldorado Transaction, the Second Amended and Restated Right of First Refusal Agreement between us and Pre-Merger Caesars terminated in accordance with its terms, which included the right of first refusal that we had with respect to the Centaur Properties, and we entered into a Put-Call Right Agreement with Caesars (the "Centaur Put-Call Agreement"), whereby (i) we have the right to acquire all of the land and real estate assets associated with the Centaur Properties at a price equal to 13.0x the initial annual rent of each facility (determined as provided below), and to simultaneously lease back each such property to a subsidiary of Caesars for initial annual rent equal to the property's trailing four quarters EBITDA at the time of acquisition divided by 1.3 (i.e., the initial annual rent will be set at 1.3x rent coverage) and (ii) Caesars will have the right to require us to acquire the Centaur Properties at a price equal to 12.5x the initial annual rent of each facility, and to simultaneously lease back each such Centaur Property to a subsidiary of Caesars for initial annual rent equal to the property's trailing four quarters EBITDA at the time of acquisition divided by 1.3 (i.e., the initial annual rent will be set at 1.3x rent coverage). Either party will be able to trigger its respective put or call, as applicable, beginning on January 1, 2022 and ending on December 31, 2024. The Centaur Put-Call Agreement provides that the leaseback of the Centaur Properties will be implemented through the addition of the Centaur Properties to the Regional Master Lease Agreement.
- *Amended and Restated Caesars Forum Convention Center Put-Call Agreement.* Upon the consummation of the Eldorado Transaction, we entered into an A&R Put-Call Right Agreement with Caesars amending and restating that certain put-call agreement related to the Caesars Forum Convention Center. In connection with the consummation of the Forum Convention Center Mortgage Loan on September 18, 2020, we further amended the agreement as described above in "—Amended and Restated Convention Center Put-Call Agreement".
- *Las Vegas Strip Assets ROFR.* Upon the consummation of the Eldorado Transaction, we entered into a right of first refusal agreement with Caesars (the "Las Vegas Strip ROFR Agreement") pursuant to which we have the first right, with respect to the first two Las Vegas Strip assets described below that Caesars proposes to sell, whether pursuant to a sale leaseback or a WholeCo sale, to a third party, to acquire any such asset (it being understood that we will have the opportunity to find an operating company should Caesars elect to pursue a WholeCo sale). The Las Vegas Strip assets subject to the Las Vegas Strip ROFR Agreement are the land and real estate assets associated (i) with respect to the first such asset subject to the Las Vegas Strip ROFR Agreement, the Flamingo Las Vegas, Paris Las Vegas, Planet Hollywood and Bally's Las Vegas gaming facilities, and (ii) with respect to the second asset subject to the Las Vegas Strip ROFR Agreement, the foregoing assets plus The LINQ gaming facility. If we enter into a sale leaseback transaction with Caesars on any of these facilities, the leaseback may be implemented through the addition of such properties to the Las Vegas Master Lease Agreement.
- *Horseshoe Baltimore ROFR.* Upon the consummation of the Eldorado Transaction, we entered into a right of first refusal agreement with Caesars pursuant to which we have the first right to enter into a sale leaseback transaction with respect to the land and real estate assets associated with the Horseshoe Baltimore gaming facility (subject to any consent required from Caesars' joint venture partners with respect to this asset).
- *CPLV CMBS Refinancing.* We were obligated to cause the CPLV CMBS Debt to be repaid in full prior to the consummation of the Eldorado/Caesars Merger. In November 2019, we repaid the CPLV CMBS Debt in full resulting in a prepayment penalty of \$110.8 million, of which \$55.4 million was reimbursed by Caesars upon the consummation of the Eldorado Transaction in accordance with the MTA as follows: \$31.0 million was paid to us in cash, \$20.5 million was credited to us as a reduction in the CPLV Lease Amendment Payment and \$3.9 million was credited to us as a reduction in the HLV Lease Amendment Payment.
- *Eldorado Bridge Facilities.* On June 24, 2019, in connection with the Eldorado Transaction, VICI PropCo entered into a commitment letter (the "Commitment Letter") with Deutsche Bank Securities Inc. and Deutsche Bank AG

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Cayman Islands Branch (collectively, the “Bridge Lender”), pursuant to which and subject to the terms and conditions set forth therein, the Bridge Lender agreed to provide (i) a 364-day first lien secured bridge facility of up to \$3.3 billion in the aggregate (the “Eldorado Senior Bridge Facility”) and (ii) a 364-day second lien secured bridge facility of up to \$1.5 billion in the aggregate (the “Eldorado Junior Bridge Facility,” and, together with the Eldorado Senior Bridge Facility, the “Bridge Facilities”), for the purpose of providing a portion of the financing necessary to fund the Eldorado Transaction. The commitments under the Bridge Facilities were fully terminated at our election in June 2020.

JACK Lease Agreement Amendment and Amended and Restated ROV Loan

On July 16, 2020, we and JACK Entertainment entered into an amendment to the JACK Cleveland/Thistledown Lease Agreement (the “JACK Lease Agreement Amendment”), pursuant to which, among other things, we agreed to fund \$18.0 million for the construction of a new gaming patio amenity at JACK Thistledown Racino, which will be leased by JACK Entertainment pursuant to the JACK Lease Agreement Amendment. In connection with the construction of the gaming patio, commencing on April 1, 2022, rent under the JACK Cleveland/Thistledown Lease Agreement (as amended by the JACK Lease Agreement Amendment) will be increased by an incremental \$1.8 million. The JACK Lease Agreement Amendment also provides for relief with respect to certain existing covenants through March 31, 2022, adds an additional five years to the initial lease term, with the tenant under the JACK Cleveland/Thistledown Lease Agreement having three (rather than four) five-year renewal options as a result of such extension of the initial lease term, and provides for rent escalation to begin in 2022 rather than 2021. The JACK Lease Agreement Amendment does not provide for a reduction or deferral of the tenant’s rent obligations. The tenant’s obligations under the JACK Lease Agreement Amendment are guaranteed by Rock Ohio Ventures LLC (“Rock Ohio Ventures”). Pursuant to the Jack Lease Agreement Amendment, the relief provided thereunder is conditioned upon (i) the tenant’s timely payment of rent obligations under the JACK Cleveland/Thistledown Lease Agreement and (ii) no tenant event of default occurring under the JACK Cleveland/Thistledown Lease Agreement during the compliance period set forth in the JACK Lease Agreement Amendment.

Simultaneously with entry into the JACK Lease Agreement Amendment, we and affiliates of Rock Ohio Ventures entered into an amendment and restatement of our existing \$50.0 million term loan agreement with such affiliates of Rock Ohio Ventures (the “Amended and Restated ROV Loan”), pursuant to which, among other things, we increased our existing term loan to \$70.0 million (the “ROV Term Loan”) which bears interest at a rate of 9.0% per annum (which interest, at the option of JACK Entertainment, may be paid-in-kind through April 30, 2021 with any paid-in-kind interest required to be paid in cash in eleven equal monthly installments ending March 31, 2022), and added a \$25.0 million revolving credit facility (the “ROV Credit Facility”), which bears interest at a rate of LIBOR plus 2.75% per annum. A commitment fee of 0.50% per annum calculated on the unused portion of the ROV Credit Facility is payable quarterly. The Amended and Restated ROV Loan, which includes the ROV Term Loan and ROV Credit Facility, matures in January 2025 which maturity date may be extended at the borrower’s election for up to two additional years if certain conditions are satisfied. In connection with the amendment and restatement, we received additional collateral, including an additional land parcel in proximity to JACK Cleveland so that the loan is now secured by a first priority lien on substantially all gaming and non-gaming real and personal property of JACK Entertainment, including the furniture, fixtures and equipment associated with the properties. The amendment and restatement also provides the obligors with relief with respect to certain existing financial covenants through March 31, 2022.

Omnibus Capex Amendment to Caesars Leases

On June 1, 2020, we entered into an Omnibus Amendment to Leases (the “Omnibus Amendment”) with Pre-Merger Caesars. Pursuant to the Omnibus Amendment, Caesars has been granted certain relief with respect to a portion of their capital expenditure obligations under the Caesars Lease Agreements conditioned upon (i) funding by Caesars of certain minimum capital expenditures in fiscal year 2020 (which represent a reduction of the minimum capital expenditure amounts currently set forth in the Caesars Lease Agreements), (ii) timely payment of Caesars’ rent obligations under the Caesars Lease Agreements during the compliance period set forth in the Omnibus Amendment, and (iii) no tenant event of default occurring under any of the Caesars Lease Agreements during the compliance period set forth in the Omnibus Amendment. Caesars will receive credit for certain deemed capital expenditure amounts, which credit may be used to satisfy certain of their capital expenditure obligations in the 2020, 2021 and 2022 fiscal years, provided that the foregoing conditions are satisfied. If Caesars fails to satisfy any of the foregoing conditions, Caesars will be required to satisfy the capital expenditure obligations set forth in the

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Caesars Lease Agreements or, in certain cases, to deposit amounts in respect thereof into a capital expenditure reserve in accordance with the Omnibus Amendment.

Subsequent to September 30, 2020, on October 27, 2020, we and Caesars entered into an Amended and Restated Omnibus Amendment to Leases, which provides for a proportionate adjustment to certain relief previously granted under the Omnibus Amendment with respect to a portion of the capital expenditure obligations of Caesars under the Caesars Lease Agreements in order to account for the addition of the MTA Properties to the Regional Master Lease Agreement pursuant to the MTA Properties Acquisitions on July 20, 2020.

Sale of Bally's Atlantic City

On April 24, 2020, we and Caesars entered into definitive agreements to sell the Bally's Atlantic City Hotel & Casino for \$25.0 million to a subsidiary of Twin River Worldwide Holdings, Inc. We are entitled to receive approximately \$19.0 million of the proceeds from the sale and Caesars is entitled to approximately \$6.0 million of the proceeds. The annual rent payments under the Regional Master Lease Agreement will remain unchanged following completion of the disposition, which we anticipate will close by the end of the year and remains subject to regulatory approval and customary closing conditions.

Closing of Purchase of JACK Cleveland/Thistledown

On January 24, 2020, we completed the previously announced transaction to acquire the casino-entitled land and real estate and related assets of the JACK Cleveland Casino ("JACK Cleveland"), located in Cleveland, Ohio and the JACK Thistledown Racino ("JACK Thistledown") located in North Randall, Ohio (the "JACK Cleveland/Thistledown Acquisition") from JACK Entertainment, for approximately \$843.3 million. Simultaneous with the closing of the JACK Cleveland/Thistledown Acquisition, we entered into a master triple-net lease agreement for JACK Cleveland and JACK Thistledown with a subsidiary of JACK Entertainment. The lease has an initial total annual rent of \$65.9 million and an initial term of 15 years, with four five-year tenant renewal options. The tenant's obligations under the lease are guaranteed by Rock Ohio Ventures. Additionally, we made a \$50.0 million loan (the "ROV Loan") to affiliates of Rock Ohio Ventures secured by, among other things, certain non-gaming real estate assets owned by such affiliates and guaranteed by Rock Ohio Ventures. The terms of the JACK Cleveland/Thistledown Lease Agreement and the ROV Loan were subsequently amended on July 16, 2020 as described above under "— JACK Lease Agreement Amendment and Amended and Restated ROV Loan." We determined that the land and building components of the JACK Cleveland/Thistledown Lease Agreement meet the definition of a sales-type lease and, since we purchased and leased the assets back to the seller under a sale leaseback transaction, control is not considered to have transferred to us under GAAP. Accordingly, the JACK Cleveland/Thistledown Lease Agreement is accounted for as Investments in leases - financing receivables on our Balance Sheet, net of allowance for credit losses in accordance with ASC 310.

2019 Transactions

Our significant activities in 2019, in reverse chronological order, are as follows:

Closing of Purchase of Century Portfolio

On December 6, 2019, we completed the previously announced transaction to acquire the Century Portfolio, comprised of the land and real estate assets of (i) Mountaineer Casino, Racetrack & Resort located in New Cumberland, West Virginia, (ii) Lady Luck Casino Caruthersville located in Caruthersville, Missouri, and (iii) Isle Casino Cape Girardeau located in Cape Girardeau, Missouri from affiliates of Eldorado, for approximately \$277.8 million, and a subsidiary of Century Casinos acquired the operating assets of the Century Portfolio for approximately \$107.2 million (together, the "Century Portfolio Acquisition"). Simultaneous with the closing of the Century Portfolio Acquisition, we entered into a master triple-net lease agreement for the Century Portfolio with a subsidiary of Century Casinos. The Century Portfolio Lease Agreement has an aggregate initial total annual rent of \$25.0 million and an initial term of 15 years, with four five-year tenant renewal options. The tenants' obligations under the Century Portfolio Lease Agreement are guaranteed by Century Casinos. We determined that the land and building components of the Century Portfolio Lease Agreement meet the definition of a sales-type lease and have recorded the corresponding asset, including related transaction and acquisition expenses, in Investments in leases - sales-type and direct financing on our Balance Sheet.

Closing of Purchase of Hard Rock Cincinnati

On September 20, 2019, we completed the previously announced transaction to acquire the casino-entitled land and real estate

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and related assets of Hard Rock Cincinnati, located in Cincinnati, Ohio from affiliates of JACK Entertainment LLC, for approximately \$558.3 million, and a subsidiary of Hard Rock acquired the operating assets of the Hard Rock Cincinnati Casino for \$186.5 million (together, the “Hard Rock Cincinnati Acquisition”). Simultaneous with the closing of the Hard Rock Cincinnati Acquisition, we entered into a triple-net lease agreement for Hard Rock Cincinnati with a subsidiary of Hard Rock. The Hard Rock Cincinnati Lease Agreement has an initial total annual rent of \$42.8 million and an initial term of 15 years, with four five-year tenant renewal options. The tenant’s obligations under the Hard Rock Cincinnati Lease Agreement are guaranteed by Seminole Hard Rock. We determined that the land and building components of the Hard Rock Cincinnati Lease Agreement meet the definition of a sales-type lease and have recorded the corresponding asset, including related acquisition and transaction costs, in Investments in leases - sales-type and direct financing on our Balance Sheet.

Closing of Purchase of Greektown

On May 23, 2019, we completed the previously announced transaction to acquire from affiliates of JACK Entertainment LLC all of the land and real estate assets associated with Greektown, for \$700.0 million in cash, and an affiliate of Penn National acquired the operating assets of Greektown for \$300.0 million in cash (together, the “Greektown Acquisition”). Simultaneous with the closing of the Greektown Acquisition, we entered into a triple-net lease agreement for Greektown with a subsidiary of Penn National. The Greektown Lease Agreement has an initial total annual rent of \$55.6 million and an initial term of 15 years, with four five-year tenant renewal options. The tenant’s obligations under the Greektown Lease Agreement are guaranteed by Penn National and certain of its subsidiaries. We determined that the land and building components of the Greektown Lease Agreement meet the definition of a sales-type lease and have recorded the corresponding asset, including related acquisition and transaction costs, in Investments in leases - sales-type and direct financing on our Balance Sheet.

Closing of Purchase of Margaritaville

On January 2, 2019, we completed the previously announced transaction to acquire the land and real estate assets of Margaritaville for \$261.1 million. Penn National acquired the operating assets of Margaritaville for \$114.9 million. Simultaneous with the closing of this transaction, we entered into a triple-net lease agreement with a subsidiary of Penn National. The Margaritaville Lease Agreement has an initial annual rent of \$23.2 million and an initial term of 15 years, with four five-year tenant renewal options. The tenant’s obligations under the Margaritaville Lease Agreement are guaranteed by Penn National and certain of its subsidiaries. We determined that the land and building components of the Margaritaville Lease Agreement meet the definition of a sales-type lease and have recorded the corresponding asset, including related acquisition and transaction costs, in Investments in leases - sales-type and direct financing on our Balance Sheet.

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Note 5 — Real Estate Portfolio

As of September 30, 2020, our real estate portfolio consisted of the following:

- Investments in leases - sales-type, representing our investment in 24 casino assets leased on a triple net basis to our tenants, Caesars, Penn National, Hard Rock and Century Casinos, under eight separate lease agreements;
- Investments in leases - financing receivables, representing our investment in five casino assets leased on a triple net basis to our tenants, Caesars and JACK Entertainment;
- Investments in loans, representing our investment in the Amended and Restated ROV Loan, Chelsea Piers Mortgage Loan and Forum Convention Center Mortgage Loan; and
- Land, representing our investment in certain underdeveloped or undeveloped land adjacent to the Las Vegas strip and non-operating, vacant land parcels contained in the Regional Master Lease Agreement.

The following is a summary of the balances of our real estate portfolio as of September 30, 2020 and December 31, 2019:

<i>(In thousands)</i>	September 30, 2020	December 31, 2019
Minimum lease payments receivable under sales-type and direct financing leases ⁽¹⁾	\$ 45,772,304	\$ 31,460,712
Estimated residual values of leased property (not guaranteed)	3,366,990	2,525,469
Gross investment in sales-type and direct financing leases	49,139,294	33,986,181
Unamortized initial direct costs	23,931	42,819
Less: Unearned income	(35,686,256)	(23,294,755)
Less: Allowance for credit losses	(467,003)	—
Investments in leases - sales-type and direct financing, net	13,009,966	10,734,245
Investments in leases - operating ⁽²⁾	—	1,086,658
Investments in leases - financing receivables, net	2,600,228	—
Total investments in leases, net	15,610,194	11,820,903
Investments in loans, net	533,713	—
Land	158,190	94,711
Total Real estate portfolio	<u>\$ 16,302,097</u>	<u>\$ 11,915,614</u>

⁽¹⁾ Minimum lease payments do not include contingent rent, as discussed below, that may be received under the Lease Agreements.

⁽²⁾ Upon modification of the Caesars Lease Agreements, we reassessed the lease classification of the Las Vegas Master Lease Agreement, Regional Master Lease Agreement (excluding the MTA Properties) and Joliet Lease Agreement and determined that the leases meet the definition of a sales-type lease, including the land component of Caesars Palace Las Vegas. Accordingly, we reclassified the land component of Caesars Palace Las Vegas from Investments in leases - operating to Investments in leases - sales-type.

VICI PROPERTIES INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
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Lease Portfolio

The following table details the components of our income from direct financing, sales-type and operating leases and lease financing receivables:

<i>(In thousands)</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
Income from sales-type and direct financing leases, excluding contingent rent ⁽¹⁾	\$ 270,188	\$ 206,001	\$ 718,192	\$ 603,300
Income from operating leases ⁽²⁾	3,638	10,913	25,464	32,740
Income from lease financing receivables ^{(1) (3)}	49,799	—	77,743	—
Total revenue, excluding contingent rent	323,625	216,914	821,399	636,040
Contingent rent ⁽¹⁾	86	—	229	—
Total lease revenue	323,711	216,914	821,628	636,040
Non-cash adjustment ⁽⁴⁾	(18,942)	2,494	(11,879)	(2,295)
Total contractual lease revenue	\$ 304,769	\$ 219,408	\$ 809,749	\$ 633,745

⁽¹⁾ At lease inception (or upon modification), we determine the minimum lease payments under ASC 842 (or ASC 840), which exclude amounts determined to be contingent rent. Contingent rent is generally amounts in excess of specified floors or the variable rent portion of our leases. The minimum lease payments are recognized on an effective interest basis at a constant rate of return over the life of the lease and the contingent rent portion of the lease payments are recognized as earned, both in accordance with ASC 842. As of September 30, 2020, we have only recognized contingent rent on our Margaritaville Lease Agreement in relation to the variable rent portion of the lease. Refer to the Lease Provisions section below for information regarding contingent rent on each lease.

⁽²⁾ Represents the portion of land separately classified and accounted for under the operating lease model associated with our investment in Caesars Palace Las Vegas and certain operating land parcels contained in the Regional Master Lease Agreement. Upon the consummation of the Eldorado Transaction on July 20, 2020, the land component of Caesars Palace Las Vegas and certain operating land parcels were reassessed for lease classification and were determined to be a sales-type lease. Accordingly, subsequent to July 20, 2020, such income is recognized as Income from sales-type leases.

⁽³⁾ Represents the MTA Properties and the JACK Cleveland/Thistledown Lease Agreement, both of which were sale leaseback transactions. In accordance with ASC 842, since the lease agreements were determined to meet the definition of a sales-type lease and control of the asset is not considered to have been transferred to us, such lease agreements are accounted for as financings under ASC 310.

⁽⁴⁾ Amounts represent the non-cash adjustment to the minimum lease payments from direct financing leases, sales-type leases and lease financing receivables in order to recognize income on an effective interest basis at a constant rate of return over the term of the leases.

At September 30, 2020, minimum lease payments owed to us for each of the five succeeding years under sales-type leases and our leases accounted for as financing receivables, are as follows:

<i>(In thousands)</i>	Minimum Lease Payments ^{(1) (2)}		
	Investments in Leases		
	Sales-Type	Financing Receivables	Total
2020 (remaining)	\$ 265,274	\$ 55,355	\$ 320,629
2021	1,062,556	222,581	1,285,137
2022	1,076,130	225,667	1,301,797
2023	1,094,986	229,516	1,324,502
2024	1,112,905	233,578	1,346,483
2025	1,127,023	235,980	1,363,003
Thereafter	40,033,430	8,185,952	48,219,382
Total	\$ 45,772,304	\$ 9,388,629	\$ 55,160,933
Weighted Average Lease Term ⁽²⁾	34.7	34.7	34.7

⁽¹⁾ Minimum lease payments do not include contingent rent, as discussed below, that may be received under the Lease Agreements.

⁽²⁾ The minimum lease payments and weighted average remaining lease term assumes the exercise of all tenant renewal options, consistent with our conclusions under ASC 842 and ASC 310. Upon the consummation of the Eldorado Transaction, the lease term was extended by approximately three years and, as such, the weighted average lease term has increased accordingly.

VICI PROPERTIES INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
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Lease Provisions

Caesars Lease Agreements - Overview

The following is a summary of the material lease provisions of our Caesars Lease Agreements (both prior and subsequent to the modifications that occurred on July 20, 2020 as a result of the consummation of the Eldorado Transaction):

(\$ In thousands)	Non-CPLV Lease Agreement and Joliet Lease Agreement	Regional Master Lease Agreement and Joliet Lease Agreement	CPLV Lease Agreement	HLV Lease Agreement	Las Vegas Master Lease Agreement
	Prior to Amendment	As Amended	Prior to Amendment	Prior to Amendment	As Amended
Lease Provision ⁽¹⁾					
Initial Term ⁽²⁾	15 years	18 years	15 years	15 years	18 years
Initial Term maturity ⁽²⁾	10/31/2032	7/31/2035	10/31/2032	12/31/2032	7/31/2035
Renewal Terms	Four, five-year terms	Four, five-year terms	Four, five-year terms	Four, five-year terms	Four, five-year terms
Current annual rent ⁽³⁾	\$508,534	\$662,534	\$207,745	\$89,157	\$395,401
Escalator ⁽⁴⁾	Lease years 2-5 - 1.5% Lease years 6-15 - Consumer price index ("CPI") subject to 2% floor	Lease years 2-5 - 1.5% Lease years 6-end of term - CPI subject to 2.0% floor	> 2% / Change in CPI	Lease years 2-5 - 1% Lease years 6-15 - > 2% floor / change in CPI	> 2% / change in CPI
EBITDAR to Rent Ratio floor ⁽⁵⁾	1.2x commencing lease year 8	None	1.7x commencing lease year 8	1.6x commencing lease year 6	None
Variable Rent adjustment	Year 8: 70% base rent / 30% variable rent Year 11: 80% base rent / 20% variable rent	Year 8: 70% base rent / 30% variable rent Years 11 & 16: 80% base rent / 20% variable rent	Years 8 & 11: 80% base rent / 20% variable rent	Year 8 & 11: 80% base rent / 20% variable rent	Years 8, 11 & 16: 80% base rent / 20% variable rent
Variable Rent adjustment calculation ⁽⁶⁾	<u>4% of revenue increase/decrease:</u> Year 8: Avg. of years 5-7 less avg. of years 0-2 Year 11: Avg. of years 8-10 less avg. of years 5-7	<u>4% of revenue increase/decrease:</u> Year 8: Avg. of years 5-7 less avg. of years 0-2 Year 11: Avg. of years 8-10 less avg. of years 5-7 Year 16: Avg. of years 13-15 less avg. of years 8-10	<u>4% of revenue increase/decrease:</u> Year 8: Avg. of years 5-7 less avg. of years 0-2 Year 11: Avg. of years 8-10 less avg. of years 5-7	<u>4% of revenue increase/decrease:</u> Year 8: Avg. of years 5-7 less avg. of years 0-2 Year 11: Avg. of years 8-10 less avg. of years 5-7	<u>4% of revenue increase/decrease:</u> Year 8: Avg. of years 5-7 less avg. of years 0-2 Year 11: Avg. of years 8-10 less avg. of years 5-7 Year 16: Avg. of years 13-15 less avg. of years 8-10

(1) All capitalized terms used without definition herein have the meanings detailed in the applicable Caesars Lease Agreements.

(2) Upon the consummation of the Eldorado Transaction, the Caesars Lease Agreements were extended such that each lease has a full 15-year initial term.

(3) Prior to amendment, with respect to the Non-CPLV Lease Agreement, Joliet Lease Agreement and CPLV Lease Agreement, the amount represents the annual base rent payable for the then current lease year, which was the period from November 1, 2019 through October 31, 2020. In relation to the HLV Lease Agreement, prior to its termination and the inclusion of the Harrah's Las Vegas and Caesars Palace Las Vegas assets in the Las Vegas Master Lease Agreement, the amount represents annual base rent payable for the then current lease year, which was the period from January 1, 2020 through December 31, 2020. Subsequent to the consummation of the Eldorado Transaction and the amendments in connection therewith, (i) with respect to the Regional Master Lease Agreement, the amounts represent the current annual base rent payable for the current lease year, inclusive of the additional rent associated with the MTA Properties and (ii) with respect to the Las Vegas Master Lease Agreement, the amounts represent the current annual base rent payable for the current lease year, inclusive of the CPLV Additional Rent Acquisition and HLV Additional Rent Acquisition.

(4) Any amounts representing rents in excess of the CPI floors specified above are considered contingent rent in accordance with GAAP. No such rent has been recognized for the three months ended September 30, 2020 and 2019.

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(5) The coverage floors, which coverage floors would have served to reduce the rent escalators under the Caesars Lease Agreements in the event that the “EBITDAR to Rent Ratio” coverage was below the stated floor, were removed upon execution of the amendments to the Caesars Lease Agreements upon the consummation of the Eldorado Transaction.

(6) Variable Rent is not subject to the Escalator.

Penn National Lease Agreements - Overview

The following is a summary of the material lease provisions of our Penn National Lease Agreements:

(\$ In thousands) Lease Provision	Margaritaville Lease Agreement	Greektown Lease Agreement
Initial term	15 years	15 years
Initial term maturity	1/31/2034	5/23/2034
Renewal terms	Four, five-year terms	Four, five-year terms
Current annual rent ⁽¹⁾	\$23,544	\$55,556
Escalation commencement ⁽²⁾	Lease year two	Lease year four
Escalation	2% of Building base rent, subject to the net revenue to rent ratio floor	2% of Building base rent, subject to the net revenue to rent ratio floor
Performance to rent ratio floor ⁽²⁾	6.1x net revenue commencing lease year two	Net revenue ratio to be mutually agreed upon prior to the commencement of lease year four
Percentage rent ⁽³⁾	\$3,000 (fixed for lease year one and two)	\$6,384 (fixed for lease year one and two)
Percentage rent reset	Lease year three and each and every other lease year thereafter	Lease year three and each and every other lease year thereafter
Percentage rent multiplier	The product of (i) 4% and (ii) the excess (if any) of (a) the average annual net revenue of a trailing two-year period preceding such reset year over (b) a threshold amount (defined as 50% of LTM net revenues prior to acquisition)	The product of (i) 4% and (ii) the excess (if any) of (a) the average annual net revenue of a trailing two-year period preceding such reset year over (b) a threshold amount (defined as 50% of LTM net revenues prior to acquisition)

(1) In relation to the Margaritaville Lease Agreement, the amount represents current annual base rent payable for the current lease year, which is the period from February 1, 2020 through January 31, 2021. In relation to the Greektown Lease Agreement, the amount represents current annual base rent payable for the current lease year, which is the period from June 1, 2020 through May 31, 2021.

(2) In the event that the net revenue to rent ratio coverage, as applicable, is below the stated floor, the escalation will be reduced to such amount to achieve the stated net revenue to rent ratio coverage, as applicable, provided that the amount shall never result in a decrease to the prior year’s rent. In relation to the Greektown Lease Agreement, in May 2020, the lease was adjusted to remove the escalation for lease years 2 and 3 and to provide for a net revenue to rent ratio coverage floor to be mutually agreed upon by both parties prior to the commencement of lease year four.

(3) Percentage rent is subject to the percentage rent multiplier. After the percentage rent reset in lease year three, any amounts related to percentage rent are considered contingent rent in accordance with GAAP. During the three and nine months ended September 30, 2020, we recognized approximately \$0.1 million and \$0.2 million, respectively, in contingent rent in relation to the Margaritaville Lease Agreement escalation. No such rent has been recognized for the three and nine months ended September 30, 2019. In relation to the Greektown Lease Agreement, no such rent has been recognized for the three and nine months ended September 30, 2020 and 2019.

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Hard Rock Cincinnati Lease Agreement - Overview

The following is a summary of the material lease provisions of our Hard Rock Cincinnati Lease Agreement:

(\$ In thousands)

Lease Provision	Term
Initial term	15 years
Initial term maturity	9/30/2034
Renewal terms	Four, five-year terms
Current base rent ⁽¹⁾	\$43,391
Escalator commencement	Lease year two
Escalator ⁽²⁾	Lease years 2-4 - 1.5% Lease years 5-15 - The greater of 2% or the change in CPI unless the change in CPI is less than 0.5%, in which case there is no escalation in rent for such lease year
Variable rent commencement/reset	Lease year 8
Variable rent split ⁽³⁾	80% base rent and 20% variable rent
Variable rent percentage ⁽³⁾	4%

⁽¹⁾ The amount represents the current annual base rent payable for the current lease year, which is the period from October 1, 2020 through September 30, 2021.

⁽²⁾ Any amounts representing rents in excess of the CPI floors specified above are considered contingent rent in accordance with GAAP. No such rent has been recognized for the three and nine months ended September 30, 2020 and 2019.

⁽³⁾ Variable rent is not subject to the escalator and is calculated as an increase or decrease of the average of net revenues for lease years 5 through 7 compared to the average net revenue for lease years 1 through 3, multiplied by the Variable rent percentage.

Century Portfolio Lease Agreement - Overview

The following is a summary of the material lease provisions of our Century Portfolio Lease Agreement:

(\$ In thousands)

Lease Provision	Term
Initial term	15 years
Initial term maturity	12/31/2034
Renewal terms	Four, five-year terms
Current annual rent ⁽¹⁾	\$25,000
Escalator commencement	Lease year two
Escalator ⁽²⁾	Lease years 2-3 - 1.0% Lease years 4-15 - The greater of 1.25% or the change in CPI
Net revenue to rent ratio floor	7.5x commencing lease year six - if the coverage ratio is below the stated amount the escalator will be reduced to 0.75%
Variable rent commencement/reset	Lease year 8 and 11
Variable rent split ⁽³⁾	80% Base Rent and 20% Variable Rent
Variable rent percentage ⁽³⁾	4%

⁽¹⁾ The amount represents the current annual base rent payable for the current lease year, which is the period from December 6, 2019 through December 31, 2020.

⁽²⁾ Any amounts representing rents in excess of the CPI floors specified above are considered contingent rent in accordance with GAAP. No such rent has been recognized for the three and nine months ended September 30, 2020 and 2019.

⁽³⁾ Variable rent is not subject to the escalator and is calculated for lease year 8 as an increase or decrease of the average of net revenues for lease years 5 through 7 compared to the average net revenue for lease years 1 through 3 and for lease year 11 as an increase or decrease of the average of net revenues for lease years 8 through 10 compared to the average net revenue for lease years 5 through 7, in each case multiplied by the Variable rent percentage.

VICI PROPERTIES INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
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JACK Cleveland/Thistledown Lease Agreement - Overview

The following is a summary of the material lease provisions of our JACK Cleveland/Thistledown Lease Agreement, as amended on July 16, 2020:

(\$ In thousands)

Lease Provision	Term
Initial term	20 years
Initial term maturity	1/31/2040
Renewal terms	Three, five-year terms
Current annual rent ⁽¹⁾	\$65,880
Escalator commencement	Lease year three
Escalator ⁽²⁾	Lease years 3-4 - 1.0% Lease years 5-7 - 1.5% Lease years 8-15 - The greater of 1.5% or the change in CPI capped at 2.5%
Net revenue to rent ratio floor	4.9x in any lease year (commencing in lease year 6) - if the coverage ratio is below the stated amount, there is no escalation in rent for such lease year
Variable rent commencement/reset	Lease year 8, 11 and 16
Variable rent split ⁽³⁾	80% Base Rent and 20% Variable Rent
Variable rent percentage ⁽³⁾	4%

⁽¹⁾ The amount represents the current annual base rent payable for the current lease year, which is the period from January 24, 2020 through January 31, 2021.

⁽²⁾ Any amounts representing rents in excess of the CPI floors specified above are considered contingent rent in accordance with GAAP. No such rent has been recognized for the three and nine months ended September 30, 2020 and 2019.

⁽³⁾ Variable rent is not subject to the escalator and is calculated (i) for lease year 8 as an increase or decrease of the average of net revenues for lease years 5 through 7 compared to the average net revenue for lease years 1 through 3, (ii) for lease year 11 as an increase or decrease of the average of net revenues for lease years 8 through 10 compared to the average net revenue for lease years 5 through 7, and (iii) for lease year 16 as an increase or decrease of the average of net revenues for lease years 13 through 15 compared to the average net revenue for lease years 8 through 10, in each case multiplied by the Variable rent percentage.

Capital Expenditure Requirements

We manage our residual asset risk through protective covenants in our Lease Agreements, which require the tenant to, among other things, hold specific insurance coverage, engage in ongoing maintenance of the property and invest in capital improvements. With respect to the capital improvements, the Lease Agreements specify certain minimum amounts that our tenants must spend on capital expenditures that constitute installation, restoration and repair or other improvements of items with respect to the leased properties.

The following table summarizes the capital expenditure requirements of the respective tenants under the Caesars Lease Agreements, as amended following (i) the consummation of the Eldorado Transaction, which amendments increased the existing capital expenditure requirements in proportion to the overall increase in the tenant's net revenue arising from the MTA Properties and (ii) the sale of Harrah's Reno:

Provision	Regional Master Lease Agreement and Joliet Lease Agreement	Las Vegas Master Lease Agreement
Yearly minimum expenditure	1% of net revenues ⁽¹⁾	1% of net revenues for CPLV (commencing in 2022 with respect to HLV) ⁽¹⁾
Rolling three-year minimum ⁽²⁾	\$328 million	\$84 million
Initial minimum capital expenditure	N/A	\$171 million (2017 - 2021) (with respect solely to HLV)

⁽¹⁾ The lease agreements require a \$119.3 million floor on annual capital expenditures for CPLV, Joliet and the Regional Master Lease Agreement properties in the aggregate. Additionally, annual building & improvement capital improvements must be equal to or greater than 1% of prior year net revenues.

⁽²⁾ CEOC is required to spend \$421.9 million on capital expenditures (excluding gaming equipment) over a rolling three-year period, with \$327.8 million allocated to the regional assets, \$84.0 million allocated to Caesars Palace Las Vegas and the remaining balance of \$10.1 million to facilities covered by any Formation Lease Agreement in such proportion as CEOC may elect. Additionally, CEOC is required to expend a minimum of \$590.3 million on capital expenditures (including gaming equipment) across certain of its affiliates and other assets, together with the \$421.9 million requirement.

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In connection with the ongoing COVID-19 pandemic and its impact on operations and financial performance, we agreed with Caesars, to provide limited relief with respect to a portion of their capital expenditure obligations under the Las Vegas Master Lease Agreement, the Regional Master Lease Agreement and the Joliet Lease Agreement (which relief was subsequently adjusted on October 27, 2020 to provide for a proportionate adjustment to account for the addition of the MTA Properties to the Regional Master Lease Agreement). This relief is conditioned upon (i) expenditures by Caesars of certain minimum capital expenditures, (ii) timely payment of Caesars' rent obligations under the Caesars Lease Agreements and (iii) no event of default occurring under any of the Caesars Lease Agreements during the applicable compliance period. If Caesars fails to satisfy any of the foregoing conditions, Caesars will be required to satisfy the capital expenditure obligations currently set forth in the Las Vegas Master Lease Agreement, the Regional Master Lease Agreement and the Joliet Lease Agreement.

The following table summarizes the capital expenditure requirements of the respective tenants under the Penn National Lease Agreements, Hard Rock Cincinnati Lease Agreement, Century Portfolio Lease Agreement and JACK Cleveland/Thistledown Lease Agreement:

Provision	Penn National Lease Agreements	Hard Rock Cincinnati Lease Agreement	Century Portfolio Lease Agreement	JACK Cleveland/Thistledown Lease Agreement
Yearly minimum expenditure	1% of net revenues based on rolling four-year basis	1% of net revenues	1% of net gaming revenues ⁽¹⁾	Initial minimum of \$30 million ⁽²⁾ Thereafter - 1% of net revenues on a rolling three-year basis

⁽¹⁾ Minimum of 1% of net gaming revenue on a rolling three-year basis for each individual facility and 1% of net gaming revenues per fiscal year for the facilities collectively. In May 2020, in connection with the ongoing COVID-19 pandemic and its impact on operations and financial performance, we agreed to waive Century's capital expenditure requirements for 2020 and defer to not later than December 31, 2021 certain other expenditures contemplated in connection with the underwriting of the acquired casino properties, conditioned upon (i) Century's timely payment of rent obligations under the Century Portfolio Lease Agreement during the compliance period set forth in the amendment and (ii) no tenant event of default occurring under the Century Portfolio Lease Agreement during the compliance period set forth in the amendment. If Century fails to satisfy any of the foregoing conditions, Century will be required to satisfy the capital expenditure obligations set forth in the Century Portfolio Lease Agreement or, in certain cases, to deposit amounts in respect thereof into a capital expenditure reserve for expenditure in accordance with the amendment.

⁽²⁾ Initial minimum required to be spent from the period commencing April 1, 2019 through December 31, 2022, which includes \$18.0 million to be advanced by us and expended by JACK Entertainment for the construction of the new gaming patio amenity at JACK Thistledown Racino.

Loan Portfolio

The following is a summary of our investments in loans as of September 30, 2020:

(\$ In thousands)

Investment Name	Loan Type	Principal Balance	Carrying Value ⁽¹⁾	Future Funding Commitments ⁽²⁾	Interest Rate ⁽³⁾	Final Maturity ⁽⁴⁾
Forum Convention Center Mortgage Loan	Senior Secured	\$ 400,000	\$ 399,173	\$ —	7.7 %	9/18/2025
Chelsea Piers Mortgage Loan	Senior Secured	65,000	64,949	15,000	7.0 %	8/31/2027
Amended and Restated ROV Loan						
ROV Term Loan	Senior Secured	70,000	69,591	—	9.0 %	1/24/2027
ROV Credit Facility	Senior Secured	—	—	25,000	L + 2.75%	1/24/2027
Total		\$ 535,000	\$ 533,713	\$ 40,000	7.8 %	

⁽¹⁾ Carrying value is net of unamortized loan origination costs and allowance for credit losses.

⁽²⁾ Our future funding commitments are subject to our borrowers' compliance with the financial covenants and other applicable provisions of each respective loan agreement.

⁽³⁾ Represents current interest rate per annum. The interest rate of the Forum Convention Center Mortgage Loan is subject to 2.0% annual escalation (resulting in a year two interest rate of 7.854%).

⁽⁴⁾ Final maturity assumes all extension options are exercised; however, our loans may be repaid, subject to certain conditions, prior to such date.

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Note 6 — Allowance for Credit Losses

Adoption of ASC 326

On January 1, 2020, we adopted ASC 326 and, as a result, we are required to estimate and record non-cash credit losses related to our historical and any future investments in sales-type and direct financing leases, lease financing receivables and loans. Upon adoption, we recorded a \$309.4 million cumulative adjustment, representing a 2.88% CECL allowance. Such amount was recorded as a cumulative-effect adjustment to our opening balance sheet with a reduction in our Investments in leases - sales-type and direct financing and a corresponding charge to retained (deficit) earnings. Periods prior to the adoption date that are presented for comparative purposes are not adjusted or disclosed.

Allowance for Credit Losses

During the three months ended September 30, 2020, we recognized a \$177.1 million increase in our allowance for credit losses primarily driven by the increase in investment balances subject to CECL related to the consummation of the Eldorado Transaction. Specifically, the current quarter increase was primarily attributable to (i) the increase in investment balances resulting from the Eldorado Transaction, which includes (A) an initial CECL allowance on our \$1.8 billion investment in the MTA Properties, (B) an additional CECL allowance on our aggregate \$1.4 billion increased investment in the Las Vegas Master Lease Agreement as a result of the CPLV Additional Rent Acquisition and HLV Additional Rent Acquisition and (C) an additional CECL allowance on the \$333.4 million increased balance of our existing Caesars Lease Agreements as a result of the mark to fair value in connection with the reassessment of lease classification, (ii) an increase in the R&S Period PD of Caesars as a result of the Eldorado/Caesars Merger and (iii) an initial CECL allowance on our \$400.0 million investment in the Forum Convention Center Mortgage Loan. This increase was partially offset by a decrease in the R&S Period PD of our other tenants and their parent guarantors as a result of an improvement in their economic outlook due to the reopening of a majority of their gaming operations and relative performance of such operations during the third quarter of 2020.

During the nine months ended September 30, 2020, we recognized a \$261.1 million increase in our allowance for credit losses. The increase in the CECL allowance was primarily driven by (i) the Eldorado Transaction, Eldorado/Caesars Merger and Forum Convention Center Mortgage Loan as described above, (ii) an increase in the Long-term Period PD of our tenants due to downgrades on certain of the credit ratings of our tenants' senior secured debt and (iii) a \$22.2 million increase related to our initial investment in JACK Cleveland/Thistledown and the ROV Loan in January 2020.

The credit loss standard does not require retrospective application and as such there is no corresponding charge for the three and nine months ended September 30, 2019.

As of September 30, 2020 and December 31, 2019, and since our Formation Date, all of our Lease Agreements and loan investments are current in payment of their obligations to us and no investments are on non-accrual status. Additionally, to the best of our knowledge, none of our tenants were in contravention of any of the Lease Agreements.

The following tables detail the allowance for credit losses included as a component in our Investments in leases - sales-type and direct financing, Investments in leases - financing receivables and Investments in loans as of September 30, 2020 and January 1, 2020, the date of adoption:

<i>(In thousands)</i>	September 30, 2020				Allowance as a % of Amortized Cost
	Amortized Cost	Allowance	Net Investment		
Investments in leases - sales-type and direct financing	\$ 13,476,969	\$ (467,003)	\$ 13,009,966		3.47 %
Investments in leases - financing receivables	2,693,257	(93,029)	2,600,228		3.45 %
Investments in loans	536,874	(3,161)	533,713		0.59 %
Other assets - sales-type sub-leases	284,558	(7,249)	277,309		2.55 %
Totals	\$ 16,991,658	\$ (570,442)	\$ 16,421,216		3.36 %

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<i>(In thousands)</i>	January 1, 2020			
	Amortized Cost	Allowance	Net Investment	Allowance as a % of Amortized Cost
Investments in leases - sales-type and direct financing	\$ 10,734,245	\$ (309,362)	\$ 10,424,883	2.88 %
Investments in leases - financing receivables	—	—	—	— %
Investments in loans	—	—	—	— %
Totals	<u>\$ 10,734,245</u>	<u>\$ (309,362)</u>	<u>\$ 10,424,883</u>	<u>2.88 %</u>

The following chart reflects the roll-forward of the allowance for credit losses on our real estate portfolio for the nine months ended September 30, 2020:

<i>(In thousands)</i>	Nine Months Ended September 30, 2020
Beginning Balance December 31, 2019	\$ —
Initial allowance upon adoption	309,362
Initial allowance from current period investments	228,919
Current period change in credit allowance	32,161
Charge-offs	—
Recoveries	—
Ending Balance September 30, 2020	<u>\$ 570,442</u>

Credit Quality Indicators

We assess the credit quality of our investments through the credit ratings of the senior secured debt of the guarantors of our leases, as we believe that our Lease Agreements have a similar credit profile to a senior secured debt instrument. The credit quality indicators are reviewed by us on a quarterly basis as of quarter-end. In instances where the guarantor of one of our Lease Agreements does not have senior secured debt with a credit rating, we use either a comparable proxy company or the overall corporate credit rating, as applicable. We also use this credit rating to determine the Long-term Period PD when estimating credit losses for each investment.

The following tables detail the amortized cost basis of our investments by the credit quality indicator we assigned to each lease or loan guarantor as of September 30, 2020 and January 1, 2020, the date of adoption:

<i>(In thousands)</i>	September 30, 2020						
	Ba2	Ba3	B1	B2	B3	N/A ⁽¹⁾	Total
Investments in leases - direct financing, sales-type and financing receivable, Investments in loans and Other assets	\$ —	\$ —	\$ 15,724,024	\$ 921,511	\$ 281,123	\$ 65,000	\$ 16,991,658

<i>(In thousands)</i>	January 1, 2020						
	Ba2	Ba3	B1	B2	B3	N/A ⁽¹⁾	Total
Investments in leases - direct financing, sales-type and financing receivable, Investments in loans	\$ 1,527,776	\$ —	\$ 8,926,229	\$ 280,240	\$ —	\$ —	\$ 10,734,245

(1) We estimate the CECL allowance for the Chelsea Piers Mortgage Loan using a traditional commercial real estate model based on standardized credit metrics to estimate potential losses.

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Note 7 — Other Assets and Other Liabilities
Other Assets

The following table details the components of our other assets as of September 30, 2020 and December 31, 2019:

<i>(In thousands)</i>	September 30, 2020	December 31, 2019
Sales-type sub-leases	\$ 277,308	\$ 8,688
Property and equipment used in operations, net	69,704	70,406
Right of use assets	17,671	17,738
Debt financing costs	9,542	14,575
Tenant receivables	4,106	—
Deferred acquisition costs	2,391	11,134
Other receivables	1,233	60,111
Prepaid expenses	1,217	3,252
Interest receivable	33	1,626
Other	2,498	1,108
Total other assets	<u>\$ 385,703</u>	<u>\$ 188,638</u>

Property and equipment used in operations, included within other assets, is primarily attributable to the land, building and improvements of our golf operations and consists of the following as of September 30, 2020 and December 31, 2019:

<i>(In thousands)</i>	September 30, 2020	December 31, 2019
Land and land improvements	\$ 59,115	\$ 59,346
Buildings and improvements	14,697	14,805
Furniture and equipment	6,779	4,523
Total property and equipment used in operations	80,591	78,674
Less: accumulated depreciation	(10,887)	(8,268)
Total property and equipment used in operations, net	<u>\$ 69,704</u>	<u>\$ 70,406</u>

<i>(In thousands)</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
Depreciation expense	\$ 910	\$ 1,000	\$ 2,990	\$ 2,948

Other Liabilities

The following table details the components of our other liabilities as of September 30, 2020 and December 31, 2019:

<i>(In thousands)</i>	September 30, 2020	December 31, 2019
Finance sub-lease liabilities	\$ 284,558	\$ 8,688
Derivative liability	104,258	65,078
Lease liabilities	17,671	17,738
Other accrued expenses	6,457	21,023
Accrued payroll and other compensation	5,730	7,369
Deferred income taxes	3,464	3,382
Accounts payable	324	640
Total other liabilities	<u>\$ 422,462</u>	<u>\$ 123,918</u>

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Note 8— Debt

The following tables detail our debt obligations as of September 30, 2020 and December 31, 2019:

(\$ In thousands)

Description of Debt	September 30, 2020			
	Final Maturity	Interest Rate	Face Value	Carrying Value ⁽¹⁾
VICI PropCo Senior Secured Credit Facilities				
Revolving Credit Facility ⁽²⁾	2024	L + 2.00%	\$ —	\$ —
Term Loan B Facility ⁽³⁾	2024	L + 1.75%	2,100,000	2,079,760
Senior Unsecured Notes ⁽⁴⁾				
2025 Notes	2025	3.500%	750,000	739,749
2026 Notes	2026	4.250%	1,250,000	1,232,405
2027 Notes	2027	3.750%	750,000	739,316
2029 Notes	2029	4.625%	1,000,000	985,330
2030 Notes	2030	4.125%	1,000,000	985,272
Total Debt			\$ 6,850,000	\$ 6,761,832

(\$ In thousands)

Description of Debt	December 31, 2019			
	Final Maturity	Interest Rate	Face Value	Carrying Value ⁽¹⁾
VICI PropCo Senior Secured Credit Facilities				
Revolving Credit Facility ⁽²⁾	2024	L + 2.00%	\$ —	\$ —
Term Loan B Facility ⁽³⁾	2024	L + 2.00%	2,100,000	2,076,962
Second Lien Notes ⁽⁵⁾	2023	8.00%	498,480	498,480
Senior Unsecured Notes ⁽⁴⁾				
2026 Notes	2026	4.250%	1,250,000	1,231,227
2029 Notes	2029	4.625%	1,000,000	984,894
Total Debt			\$ 4,848,480	\$ 4,791,563

(1) Carrying value is net of unamortized original issue discount and unamortized debt issuance costs incurred in conjunction with debt.

(2) Interest on any outstanding balance is payable monthly. On May 15, 2019, we amended our Revolving Credit Facility to, among other things, increase borrowing capacity by \$600.0 million to a total of \$1.0 billion and extend the maturity date to May 2024. After giving effect to the amendments executed on May 15, 2019, borrowings under the Revolving Credit Facility will bear interest at a rate based on a leverage-based pricing grid with a range of 1.75% to 2.00% over LIBOR, or between 0.75% and 1.00% over the base rate depending on our total net debt to adjusted total assets ratio. Additionally, after giving effect to the amendments executed on May 15, 2019, the commitment fee under the Revolving Credit Facility is calculated on a leverage-based pricing grid with a range of 0.375% to 0.5%, in each case depending on our total net debt to adjusted total assets ratio. For the three and nine months ended September 30, 2020, the commitment fee was 0.375%.

(3) Interest on any outstanding balance is payable monthly. In connection with the repricing of the Term Loan B Facility in January 2020, the interest rate was decreased to LIBOR plus 1.75%. As of September 30, 2020 and December 31, 2019, we had six interest rate swap agreements outstanding with third-party financial institutions having an aggregate notional amount of \$2.0 billion at a blended LIBOR rate of 2.7173%.

(4) Interest is payable semi-annually.

(5) The Second Lien Notes were redeemed in full on February 20, 2020 with a portion of the proceeds from the February 2020 Senior Unsecured Notes offering.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
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The following table is a schedule of future minimum payments of our debt obligations as of September 30, 2020:

<i>(In thousands)</i>	Future Minimum Payments
2020 (remaining)	\$ —
2021	—
2022	10,000
2023	22,000
2024	2,068,000
2025	750,000
Thereafter	4,000,000
Total minimum repayments	<u>\$ 6,850,000</u>

Senior Unsecured Notes

On November 26, 2019, the Operating Partnership and the Co-Issuer (together with the Operating Partnership, the “Issuers”), wholly owned subsidiaries of the Company issued (i) \$1,250.0 million in aggregate principal amount of 2026 Notes under an indenture dated as of November 26, 2019 (the “2026 Notes Indenture”), among the Issuers, the subsidiary guarantors party thereto and UMB Bank, National Association, as trustee (the “Trustee”), and (ii) \$1,000.0 million in aggregate principal amount of 2029 Notes under an indenture dated as of November 26, 2019 (the “2029 Notes Indenture” and, together with the 2026 Notes Indenture, the “2019 Senior Unsecured Notes Indentures”), among the Issuers, the subsidiary guarantors party thereto and the Trustee. We used a portion of the net proceeds of the offering to repay in full the CPLV CMBS Debt, and pay certain fees and expenses including the net prepayment penalty of \$55.4 million. On January 24, 2020, the remaining net proceeds were used to pay for a portion of the purchase price of the JACK Cleveland/Thistledown Acquisition. The 2026 Notes will mature on December 1, 2026, and the 2029 Notes will mature on December 1, 2029. Interest on the 2026 Notes will accrue at a rate of 4.250% per annum, and interest on the 2029 Notes will accrue at a rate of 4.625% per annum.

On February 5, 2020, the Issuers issued (i) \$750.0 million in aggregate principal amount of 2025 Notes under an indenture dated as of February 5, 2020 (the “2025 Notes Indenture”), among the Issuers, the subsidiary guarantors party thereto and the Trustee, (ii) \$750.0 million in aggregate principal amount of 2027 Notes under an indenture dated as of February 5, 2020 (the “2027 Notes Indenture”), among the Issuers, the subsidiary guarantors party thereto and the Trustee and (iii) \$1.0 billion in aggregate principal amount of 2030 Notes under an indenture dated as of February 5, 2020 (the “2030 Notes Indenture” and, together with the 2025 Notes Indenture and the 2027 Notes Indenture, the “2020 Senior Unsecured Notes Indentures”), among the Issuers, the subsidiary guarantors party thereto and the Trustee. The 2020 Senior Unsecured Notes Indentures, together with the 2019 Senior Unsecured Notes Indentures, are referred to as the “Senior Unsecured Notes Indentures”. We placed \$2.0 billion of the net proceeds of the February 2020 Senior Unsecured Notes offering into escrow pending the consummation of the Eldorado Transaction (which was subsequently released from escrow and used to fund a portion of the purchase price of the Eldorado Transaction on July 20, 2020), and used the remaining net proceeds from the 2025 Notes, together with cash on hand, to redeem in full the outstanding \$498.5 million in aggregate principal amount of the Second Lien Notes plus the Second Lien Notes Applicable Premium (as defined in the Second Lien Notes indenture), for a total redemption cost of approximately \$537.5 million. The 2025 Notes will mature on February 15, 2025, the 2027 Notes will mature on February 15, 2027 and the 2030 Notes will mature on August 15, 2030. Interest on the 2025 Notes accrues at a rate of 3.500% per annum, interest on the 2027 Notes accrues at a rate of 3.750% per annum and interest on the 2030 Notes accrues at a rate of 4.125% per annum.

The November 2019 Senior Unsecured Notes and the February 2020 Senior Unsecured Notes (together, the “Senior Unsecured Notes”) were sold in the United States only to accredited investors pursuant to an exemption from the Securities Act of 1933, as amended (the “Securities Act”), and subsequently resold to persons reasonably believed to be qualified institutional buyers pursuant to Rule 144A under the Securities Act and to non-U.S. persons in accordance with Regulation S under the Securities Act.

Interest on the November 2019 Senior Unsecured Notes is payable semi-annually in cash in arrears on June 1 and December 1 of each year, commencing on June 1, 2020. Interest on the February 2020 Senior Unsecured Notes is payable semi-annually in cash in arrears on February 15 and August 15 of each year, commencing on August 15, 2020. The Senior Unsecured Notes are fully and unconditionally guaranteed, jointly and severally, on a senior unsecured basis by each existing and future direct and

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indirect wholly owned material domestic subsidiary of the Operating Partnership that incurs or guarantees certain bank indebtedness or any other material capital market indebtedness, other than certain excluded subsidiaries and the Co-Issuer.

The Operating Partnership and its subsidiaries represent our “Real Property Business” segment, with the “Golf Course Business” segment corresponding to the portion of our business operated through entities that are not direct or indirect subsidiaries of the Operating Partnership or obligors of the Senior Unsecured Notes. Refer to [“Note 15 - Segment Information”](#) for more information about our segments.

The Issuers may redeem the 2025 Notes at any time prior to February 15, 2022, in whole or in part, at a redemption price equal to 100% of the accrued principal amount thereof plus unpaid interest, if any, to the redemption date plus a make-whole premium. The Issuers may redeem the 2025 Notes, in whole or in part, at any time on or after February 15, 2022, at a redemption price of (i) 101.750% of the principal amount should such redemption occur before February 15, 2023, (ii) 100.875% of the principal amount should such redemption occur before February 15, 2024 and (iii) 100% of the principal amount should such redemption occur on or after February 15, 2024, in each case plus accrued and unpaid interest, if any, to, but excluding, the redemption date. The Issuers may redeem the 2026 Notes at any time prior to December 1, 2022, in whole or in part, at a redemption price equal to 100% of the accrued principal amount thereof plus unpaid interest, if any, to the redemption date plus a make-whole premium. The Issuers may redeem the 2026 Notes, in whole or in part, at any time on or after December 1, 2022 at the redemption price of (i) 102.125% of the principal amount should such redemption occur before December 1, 2023, (ii) 101.063% of the principal amount should such redemption occur before December 1, 2024 and (iii) 100% of the principal amount should such redemption occur on or after December 1, 2024, in each case plus accrued and unpaid interest, if any, to, but excluding, the redemption date. The Issuers may redeem the 2027 Notes at any time prior to February 15, 2023, in whole or in part, at a redemption price equal to 100% of the accrued principal amount thereof plus unpaid interest, if any, to the redemption date plus a make-whole premium. The Issuers may redeem the 2027 Notes, in whole or in part, at any time on or after February 15, 2023, at a redemption price of (i) 101.875% of the principal amount should such redemption occur before February 15, 2024, (ii) 100.938% of the principal amount should such redemption occur before February 15, 2025 and (iii) 100% of the principal amount should such redemption occur on or after February 15, 2025, in each case plus accrued and unpaid interest, if any, to, but excluding, the redemption date. The Issuers may redeem the 2029 Notes at any time prior to December 1, 2024, in whole or in part, at a redemption price equal to 100% of the accrued principal amount thereof plus unpaid interest, if any, to the redemption date plus a make-whole premium. The Issuers may redeem the 2029 Notes, in whole or in part, at any time on or after December 1, 2024 at the redemption price of (i) 102.313% of the principal amount should such redemption occur before December 1, 2025, (ii) 101.541% of the principal amount should such redemption occur before December 1, 2026, (iii) 100.771% of the principal amount should such redemption occur before December 1, 2027 and (iv) 100% of the principal amount should such redemption occur on or after December 1, 2027, in each case plus accrued and unpaid interest, if any, to, but excluding, the redemption date. The Issuers may redeem the 2030 Notes at any time prior to February 15, 2025, in whole or in part, at a redemption price equal to 100% of the accrued principal amount thereof plus unpaid interest, if any, to the redemption date plus a make-whole premium. The Issuers may redeem the 2030 Notes, in whole or in part, at any time on or after February 15, 2025, at a redemption price of (i) 102.063% of the principal amount should such redemption occur before February 15, 2026, (ii) 101.375% of the principal amount should such redemption occur before February 15, 2027, (iii) 100.688% of the principal amount should such redemption occur before February 15, 2028 and (iv) 100% of the principal amount should such redemption occur on or after February 15, 2028, in each case plus accrued and unpaid interest, if any, to, but excluding, the redemption date.

In addition, before December 1, 2022, the Issuers may redeem up to 40% of the November 2019 Senior Unsecured Notes with the net cash proceeds from certain equity offerings (i) at a redemption price of 104.250% of the principal amount redeemed in the case of the 2026 Notes and (ii) at a redemption price of 104.625% of the principal amount redeemed in the case of the 2029 Notes. However, the Issuers may only make such redemptions if at least 60% of the aggregate principal amount of the series of November 2019 Senior Unsecured Notes issued under the applicable 2019 Senior Unsecured Notes Indenture remains outstanding after the occurrence of such redemption. Before February 15, 2022, the Issuers may redeem up to 40% of the 2025 Notes with the net cash proceeds from certain equity offerings at a redemption price of 103.500% of the principal amount redeemed. Before February 15, 2023, the Issuers may redeem up to 40% of each of the 2027 Notes and the 2030 Notes, as applicable, with the net cash proceeds from certain equity offerings (i) at a redemption price of 103.750% of the principal amount redeemed in the case of the 2027 Notes and (ii) at a redemption price of 104.125% of the principal amount redeemed in the case of the 2030 Notes. However, the Issuers may only make such redemptions if at least 60% of the aggregate principal amount of the series of February 2020 Senior Unsecured Notes issued under the applicable February 2020 Senior Unsecured Notes Indenture remains outstanding after the occurrence of such redemption.

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The 2027 Notes, the 2030 Notes and the portion of the 2025 Notes in excess of the amount applied to redeem the Second Lien Notes were previously subject to special mandatory redemption in accordance with the terms of the applicable Indentures, which terms were satisfied in connection with the closing of the transactions pursuant to the MTA (other than the MTA Properties Acquisitions). As such, the 2027 Notes, the 2030 Notes and the 2025 Notes are no longer subject to a special mandatory redemption.

The Senior Unsecured Notes Indentures contain covenants that limit the Issuers' and their restricted subsidiaries' ability to, among other things: (i) incur additional debt; (ii) pay dividends on or make other distributions in respect of their capital stock or make other restricted payments; (iii) make certain investments; (iv) sell certain assets; (v) create or permit to exist dividend and/or payment restrictions affecting their restricted subsidiaries; (vi) create liens on certain assets to secure debt; (vii) consolidate, merge, sell or otherwise dispose of all or substantially all of their assets; (viii) enter into certain transactions with their affiliates; and (ix) designate their subsidiaries as unrestricted subsidiaries. These covenants are subject to a number of exceptions and qualifications, including the ability to declare or pay any cash dividend or make any cash distribution to VICI to the extent necessary for VICI to fund a dividend or distribution by VICI that it believes is necessary to maintain its status as a REIT or to avoid payment of any tax for any calendar year that could be avoided by reason of such distribution, and the ability to make certain restricted payments not to exceed 95% of our cumulative Funds From Operations (as defined in the Senior Unsecured Notes Indentures), plus the aggregate net proceeds from (i) the sale of certain equity interests in, (ii) capital contributions to, and (iii) certain convertible indebtedness of the Operating Partnership. As of September 30, 2020, the restricted net assets of the Operating Partnership were approximately \$7.8 billion.

Senior Secured Credit Facilities

In December 2017, VICI PropCo entered into a credit agreement (the "Credit Agreement") comprised of a \$2.2 billion Term Loan B Facility and a \$400.0 million Revolving Credit Facility (the Term Loan B Facility and the Revolving Credit Facility, as amended as discussed below, are referred to together as the "Senior Secured Credit Facilities"). The Senior Secured Credit Facilities initially bore interest at LIBOR plus 2.25%. Upon our initial public offering, on February 5, 2018, the interest rate was reduced to LIBOR plus 2.00%, as contemplated by the Credit Agreement.

On May 15, 2019, VICI PropCo, entered into Amendment No. 2 ("Amendment No. 2") to the Credit Agreement, pursuant to which certain lenders agreed to provide VICI PropCo with incremental revolving credit commitments and availability under the revolving credit facility in the aggregate principal amount of \$600.0 million on the same terms as VICI PropCo's current revolving credit facility under the Revolving Credit Facility. After giving effect to Amendment No. 2, the Credit Agreement, provided total borrowing capacity pursuant to the revolving credit commitments in the aggregate principal amount of \$1.0 billion.

On May 15, 2019, immediately after giving effect to Amendment No. 2, VICI PropCo entered into Amendment No. 3 ("Amendment No. 3", together with Amendment No. 2, the "Amendments") to the Credit Agreement, which amended and restated the Credit Agreement in its entirety as of May 15, 2019 (the "Amended and Restated Credit Agreement") to, among other things, (i) refinance the Revolving Credit Facility in whole with a new class of revolving commitments, (ii) extend the maturity date to May 15, 2024, which represents an extension of the December 22, 2022 maturity date of the Revolving Credit Facility, (iii) provide that borrowings under the Revolving Credit Facility will bear interest at a rate based on a leverage-based pricing grid with a range of between 1.75% to 2.00% over LIBOR, or between 0.75% and 1.00% over the base rate, in each case depending on our total net debt to adjusted total assets ratio, (iv) provide that the commitment fee payable under the Revolving Credit Facility will bear interest at a rate based on a leverage-based pricing grid with a range of between 0.375% to 0.50% depending on our total net debt to adjusted total assets ratio, (v) amend the existing springing financial covenant, which previously required VICI PropCo to maintain a total net debt to adjusted asset ratio of not more than 0.75 to 1.00 if there was 30% utilization of the Revolving Credit Facility, to require that, only with respect to the Revolving Credit Facility commencing with the first full fiscal quarter ending after the effectiveness of Amendment No. 3, VICI PropCo maintain a maximum total net debt to adjusted asset ratio of not more than 0.65 to 1.00 as of the last day of any fiscal quarter (or, during any fiscal quarter in which certain permitted acquisitions were consummated and the three consecutive fiscal quarters thereafter, not more than 0.70 to 1.00), and (vi) include a new financial covenant only with respect to the Revolving Credit Facility, requiring VICI PropCo to maintain, commencing with the first full fiscal quarter after the effectiveness of Amendment No. 3, an interest coverage ratio (defined as EBITDA to interest charges) of not less than 2.00 to 1.00 as of the last day of any fiscal quarter. The Revolving Credit Facility is available to be used for working capital purposes, capital expenditures, permitted acquisitions, permitted investments, permitted restricted payments and for other lawful corporate purposes. The Amended and Restated Credit

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Agreement provides for capacity to add incremental loans in an aggregate amount of: (x) \$1.2 billion to be used solely to finance certain acquisitions; plus (y) an unlimited amount, subject to VICI Propco not exceeding certain leverage ratios.

On January 24, 2020, VICI PropCo entered into Amendment No. 1 to the Amended and Restated Credit Agreement, which, among other things, reduced the interest rate on the Term Loan B Facility from LIBOR plus 2.00% to LIBOR plus 1.75%.

The Amended and Restated Credit Agreement provides that, in the event the LIBOR Rate is no longer in effect, a comparable or successor rate approved by the Administrative Agent under such facility shall be utilized, provided that such approved rate shall be applied in a manner consistent with market practice.

The Amended and Restated Credit Agreement contains customary covenants that are consistent with those set forth in the Credit Agreement (except as to the financial covenants described above), which, among other things, limit the ability of VICI PropCo and its restricted subsidiaries to: (i) incur additional indebtedness; (ii) merge with a third party or engage in other fundamental changes; (iii) make restricted payments; (iv) enter into, create, incur or assume any liens; (v) make certain sales and other dispositions of assets; (vi) enter into certain transactions with affiliates; (vii) make certain payments on certain other indebtedness; (viii) make certain investments; and (ix) incur restrictions on the ability of restricted subsidiaries to make certain distributions, loans or transfers of assets to VICI PropCo or any restricted subsidiary. These covenants are subject to a number of exceptions and qualifications, including, with respect to the restricted payments covenant, the ability to make unlimited restricted payments to maintain our REIT status and to avoid the payment of federal or state income or excise tax, the ability to make restricted payments in an amount not to exceed 95% of our Funds from Operations (as defined in the Amended and Restated Credit Agreement) subject to no event of default under the Amended and Restated Credit Agreement and pro forma compliance with the financial covenant pursuant to the Amended and Restated Credit Agreement, and the ability to make additional restricted payments in an aggregate amount not to exceed the greater of 0.6% of Adjusted Total Assets or \$30.0 million. We are also subject to the financial covenants under the Revolving Credit Facility, as previously described above.

The Senior Secured Credit Facilities are secured by a first priority lien on substantially all of VICI PropCo's and its existing and subsequently acquired wholly owned material domestic restricted subsidiaries' material assets, including mortgages on their respective real estate, subject to customary exclusions. None of VICI nor certain subsidiaries of VICI PropCo, including CPLV Borrower, are subject to the covenants of the Amended and Restated Credit Agreement or are guarantors of the Senior Secured Credit Facilities. The Term Loan B Facility may be voluntarily prepaid at VICI PropCo's option, in whole or in part, at any time, and is subject to mandatory prepayment in the event of receipt by VICI PropCo or any of its restricted subsidiaries of the proceeds from the occurrence of certain events, including asset sales, casualty events and issuance of certain indebtedness.

In February 2018, we completed an initial public offering resulting in net proceeds of approximately \$1.3 billion. We used a portion of those proceeds to pay down the \$300.0 million outstanding on the Revolving Credit Facility and to repay \$100.0 million of the principal amount outstanding on the Term Loan B Facility. Under the Amended and Restated Credit Agreement, the Term Loan B Facility is subject to amortization of 1.0% of principal per annum payable in equal quarterly installments on the last business day of each calendar quarter. However, as a result of prepaying \$100.0 million of the Term Loan B Facility in February 2018 the next principal payment due on the Term Loan B Facility is September 2022.

Refer to [Note 9 - Derivatives](#) for a discussion of our interest rate swap agreements related to the Term Loan B Facility.

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Bridge Facilities

On June 24, 2019, in connection with the Eldorado Transaction, VICI PropCo entered into the Commitment Letter with the Bridge Lender, pursuant to which and subject to the terms and conditions set forth therein, the Bridge Lender agreed to provide (i) a 364-day first lien secured bridge facility of up to \$3.3 billion in the aggregate and (ii) a 364-day second lien secured bridge facility of up to \$1.5 billion in the aggregate, for the purpose of providing a portion of the financing necessary to fund the consideration to be paid pursuant to the terms of the Eldorado Transaction documents and related fees and expenses. The Bridge Facilities were subject to a tiered commitment fee based on the period the commitment is outstanding and a structuring fee. The commitment fee was equal to, with respect to any commitments that are terminated prior to July 22, 2019, 0.25% of such commitments, with respect to any commitments that are outstanding on July 22, 2019 and are terminated prior to June 24, 2020, 0.50% of such commitments, with respect to any commitments that are outstanding on June 24, 2020 and are terminated prior to September 24, 2020, 0.75% of such commitments, and with respect to any commitments that are outstanding on September 24, 2020, 1.00% of such commitments. The structuring fee was equal to 0.10% of the total aggregate commitments at the date of the Commitment Letter and is payable as such commitments are terminated. For the nine months ended September 30, 2020, we have recognized \$3.1 million of fees related to the Bridge Facilities in Interest expense on our Statement of Operations. No such amount was recognized for the three months ended September 30, 2020 as the Bridge Facilities were terminated in June 2020.

Following the November 2019 Senior Unsecured Notes offering, the commitments under the Bridge Facilities were reduced by \$1.6 billion, to \$3.2 billion. Following the February 2020 Senior Unsecured Notes offering, we placed \$2.0 billion of the net proceeds of the offering into escrow pending the consummation of the Eldorado Transaction and the commitments under the Bridge Facilities were further reduced by \$2.0 billion to \$1.2 billion. The commitments under the Bridge Facilities were fully terminated at our election in June 2020.

Second Lien Notes

The Second Lien Notes were issued on October 6, 2017, pursuant to an indenture by and among VICI PropCo and its wholly owned subsidiary, VICI FC Inc., the subsidiary guarantors party thereto, and UMB Bank National Association, as trustee. On February 20, 2020 we used a portion of the proceeds from the issuance of the 2025 Notes, together with cash on hand, to redeem in full the Second Lien Notes at a redemption price of 100% of the principal amount of the Second Lien Notes then outstanding plus the Second Lien Notes Applicable Premium, for a total redemption cost of \$537.5 million. In connection with the full redemption, we recognized a loss on extinguishment of debt of \$39.1 million.

Financial Covenants

As described above, our debt obligations are subject to certain customary financial and protective covenants that restrict the Operating Partnership, VICI PropCo and its subsidiaries' ability to incur additional debt, sell certain asset and restrict certain payments, among other things. These covenants are subject to a number of exceptions and qualifications, including the ability to make restricted payments to maintain our REIT status. At September 30, 2020, we are in compliance with all financial covenants under our debt obligations.

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Note 9 — Derivatives

On April 24, 2018, we entered into four interest rate swap agreements with third-party financial institutions having an aggregate notional amount of \$1.5 billion. On January 3, 2019, we entered into two additional interest rate swap agreements with third-party financial institutions having an aggregate notional amount of \$500.0 million. The interest rate swap transactions are designated as cash flow hedges that effectively fix the LIBOR component of the interest rate on a portion of the outstanding debt under the Term Loan B Facility at 2.8297% and 2.3802%, respectively. Subsequent to the effectiveness and for the duration of the interest rate swap transactions, we are only subject to interest rate risk on \$100.0 million of variable rate debt.

The following tables detail our outstanding interest rate derivatives that were designated as cash flow hedges of interest rate risk as of September 30, 2020 and December 31, 2019:

(\$ In thousands)

Instrument	September 30, 2020				
	Number of Instruments	Fixed Rate	Notional	Index	Maturity
Interest Rate Swaps	4	2.8297%	\$ 1,500,000	USD LIBOR	April 22, 2023
Interest Rate Swaps	2	2.3802%	\$ 500,000	USD LIBOR	January 22, 2021

(\$ In thousands)

Instrument	December 31, 2019				
	Number of Instruments	Fixed Rate	Notional	Index	Maturity
Interest Rate Swaps	4	2.8297%	\$ 1,500,000	USD LIBOR	April 22, 2023
Interest Rate Swaps	2	2.3802%	\$ 500,000	USD LIBOR	January 22, 2021

As of September 30, 2020 and December 31, 2019, the interest rate swaps are in net unrealized loss positions and are recorded within Other liabilities. The following table presents the effect of our derivative financial instruments on our Statement of Operations:

(In thousands)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
Unrealized gain (loss) recorded in other comprehensive income	\$ 13,007	\$ (7,113)	\$ (39,180)	\$ (54,992)
Interest recorded in interest expense	\$ 12,970	\$ 2,386	\$ 29,664	\$ 4,816

Note 10 — Fair Value

The following tables summarize our assets and liabilities measured at fair value on a recurring basis as of September 30, 2020 and December 31, 2019:

(In thousands)

	September 30, 2020			
	Carrying Amount	Fair Value		
		Level 1	Level 2	Level 3
Financial assets:				
Short-term investments ⁽¹⁾	\$ 19,973	\$ —	\$ 19,973	\$ —
Financial liabilities:				
Derivative instruments - interest rate swaps ⁽²⁾	\$ 104,258	\$ —	\$ 104,258	\$ —

VICI PROPERTIES INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(UNAUDITED)

<i>(In thousands)</i>	December 31, 2019			
	Carrying Amount	Fair Value		
		Level 1	Level 2	Level 3
Financial assets:				
Short-term investments ⁽¹⁾	\$ 59,474	\$ —	\$ 59,474	\$ —
Financial liabilities:				
Derivative instruments - interest rate swaps ⁽²⁾	\$ 65,078	\$ —	\$ 65,078	\$ —

(1) The carrying value of these investment is equal to their fair value due to the short-term nature of the investments as well as their credit quality.

(2) The fair values of our interest rate swap derivative instruments were estimated using advice from a third-party derivative specialist, based on contractual cash flows and observable inputs comprising interest rate curves and credit spreads, which are Level 2 measurements as defined under ASC 820.

The estimated fair values of our financial instruments as of September 30, 2020 and December 31, 2019 for which fair value is only disclosed are as follows:

<i>(In thousands)</i>	September 30, 2020		December 31, 2019	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	Financial assets:			
Investments in leases - financing receivables ⁽¹⁾	\$ 2,600,228	\$ 2,666,800	\$ —	\$ —
Investments in loans ⁽¹⁾	533,713	536,521	—	—
Cash and cash equivalents	144,057	144,057	1,101,893	1,101,893
Financial liabilities:				
Debt ⁽²⁾				
Revolving Credit Facility	\$ —	\$ —	\$ —	\$ —
Term Loan B Facility	2,079,760	2,023,875	2,076,962	2,110,500
Second Lien Notes	—	—	498,480	538,358
2025 Notes	739,749	745,313	—	—
2026 Notes	1,232,405	1,257,813	1,231,227	1,287,500
2027 Notes	739,316	737,813	—	—
2029 Notes	985,330	1,017,500	984,894	1,045,000
2030 Notes	985,272	988,750	—	—

(1) These investments represent the (i) JACK Cleveland/Thistledown Lease Agreement and the MTA Properties, and (ii) the Amended and Restated ROV Loan, the Chelsea Piers Mortgage Loan and the Forum Convention Center Mortgage Loan, all of which were made during the nine months ended September 30, 2020. Given the proximity of the date of our investment to the date of the financial statements, we determined that the fair value materially approximates the purchase price of the acquisition of these financial assets.

(2) The fair value of our debt instruments was estimated using quoted prices for identical or similar liabilities in markets that are not active and, as such, these fair value measurements are considered Level 2 of the fair value hierarchy.

Gain Upon Lease Modification in Connection with the Eldorado Transaction

On July 20, 2020, in connection with the Eldorado Transaction and as required under ASC 842, we reassessed the lease classification of the Las Vegas Master Lease Agreement, Regional Master Lease Agreement and Joliet Lease Agreement and determined the leases meet the definition of a sales-type lease, including the land component of Caesars Palace Las Vegas. As a result of the reclassifications of the Caesars Lease Agreements from direct financing and operating leases to sales-type leases, we recorded the investments at their estimated fair values as of the modification date and recognized a net gain equal to the difference in fair value of the asset and its carrying value immediately prior to the modification.

VICI PROPERTIES INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(UNAUDITED)

We valued the real estate portfolio using a rent multiple taking into consideration a variety of factors, including (i) asset quality and location, (ii) property and lease-level cash flows and (iii) supply and demand dynamics of each property's respective market. With respect to certain assets for which we have signed sale agreements that will be removed from the Regional Master Lease Agreement upon consummation of such transactions, which includes Bally's Atlantic City and Louisiana Downs, these assets were recorded at fair value using the contract price less costs to sell.

In the current quarter, as a result of the re-measurement of the Caesars Lease Agreements to fair value, we recognized a \$333.4 million gain upon lease modification in our Statement of Operations.

The following table summarizes our assets measured at fair value on a non-recurring basis in relation to the gain upon modification of the Caesars Lease Agreements as of the modification date during the three months ended September 30, 2020:

<i>(In thousands)</i>	July 20, 2020			
	Carrying Amount	Fair Value		
		Level 1	Level 2	Level 3
Financial assets:				
Investments in sales-type leases - Caesars Lease Agreements ⁽¹⁾	\$ 10,228,465	\$ —	\$ —	\$ 10,228,465
Investments in sales-type leases - assets subject to sales agreements ⁽²⁾	\$ 24,266	\$ —	\$ 24,266	\$ —

(1) The fair value measurement of the Caesars Lease Agreements excludes the MTA Properties Acquisitions, HLV Additional Rent Acquisition and CPLV Additional Rent Acquisition as these transactions occurred in connection with the Eldorado Transaction and the investments are measured at historical cost.

(2) Represents the Bally's Atlantic City and Louisiana Downs assets, which are each currently subject to sales agreements. The fair value of these investments is based on the contract price and represents a Level 2 measurement as defined in ASC 820.

The following table summarizes the significant unobservable inputs used in non-recurring Level 3 fair value measurements:

<i>(In thousands)</i>	Asset Type	Fair Value ⁽¹⁾	Valuation Technique	Significant Assumptions	
				Range	Weighted Average ⁽²⁾
	Investment in sales-type lease - Casinos	\$ 10,228,465	Rent Multiple	9.75x - 15.50x	13.0x

(1) The fair value measurement of the Caesars Lease Agreements excludes the MTA Properties Acquisitions, HLV Additional Rent Acquisition and CPLV Additional Rent Acquisition as these transactions occurred in connection with the Eldorado Transaction and the investments are measured at historical cost.

(2) Weighted by relative fair value.

Note 11 — Commitments and Contingent Liabilities

Litigation

In the ordinary course of business, from time to time, we may be subject to legal claims and administrative proceedings. As of September 30, 2020, we are not subject to any litigation that we believe could have, individually or in the aggregate, a material adverse effect on our business, financial condition or results of operations, liquidity or cash flows.

Operating Lease Commitments

We are liable under various operating leases for: (i) land at the Cascata golf course, which expires in 2038 and (ii) offices in New Orleans, LA and New York, NY, which expire in 2021 and 2030, respectively. The weighted average remaining lease term as of September 30, 2020 under our operating leases was 15.6 years. Our Cascata ground lease has three 10-year extension options. The rent of such options would be the in-place rent at the time of renewal.

VICI PROPERTIES INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(UNAUDITED)

Total rental expense, included in golf operations and general and administrative expenses in our Statement of Operations and contractual rent expense under these agreements were as follows:

<i>(In thousands)</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
Rent expense	\$ 503	\$ 421	\$ 1,506	\$ 1,200
Contractual rent	\$ 465	\$ 318	\$ 1,133	\$ 953

On May 10, 2019 we entered into a lease agreement for new office space in New York, NY for our corporate headquarters. The lease has a 10-year term, with one 5-year extension option and requires a fixed annual rent of \$0.9 million. We determined the lease was an operating lease and the discount rate for the lease was determined to be 5.3% based on the yield of our current secured borrowings, adjusted to match borrowings of similar terms.

On January 1, 2019, upon adoption of ASC 842, we recorded an \$11.1 million right of use asset and a corresponding lease liability within Other assets and Other liabilities, respectively, on our Balance Sheet, related to the ground lease of the land at the Cascata Golf Course. The discount rate for the lease was determined to be 5.5% and was based on the yield of our current secured borrowings, adjusted to match borrowings of similar terms.

As of September 30, 2020, we have a \$17.7 million right of use asset and corresponding lease liability recorded in Other assets and Other liabilities, respectively, on our Balance Sheet related to our operating lease commitments for which we are the lessee.

The future minimum lease commitments relating to the base lease rent portion of noncancelable operating leases at September 30, 2020 are as follows:

<i>(In thousands)</i>	Lease Commitments	
2020 (remaining)	\$	467
2021		1,851
2022		1,808
2023		1,827
2024		1,847
2025		1,908
Thereafter		19,074
Total minimum lease commitments	\$	28,782
Discounting factor		11,111
Lease liability	\$	17,671

Finance Lease Commitments

Certain of our acquisitions necessitate that we assume, as the lessee, ground and use leases, the cost of which is passed to our tenants through the Lease Agreements, which require the tenants to pay all costs associated with such ground and use leases and provide for their direct payment to the landlord.

We have determined we are the primary obligor of certain of such ground and use leases and, accordingly, have presented these leases on a gross basis on our Balance Sheet and Statement of Operations. Further, we assessed the classification of the sub-lease to our tenant through the Lease Agreements, and our obligation as primary obligor of the ground and use leases and determined that they meet the definition of a sales-type lease and finance lease, respectively. The following table details the balance and location in our Balance Sheet of the ground and use leases as of September 30, 2020 and December 31, 2019, which is primarily comprised of the HNO Ground Lease:

<i>(In thousands)</i>	September 30, 2020		December 31, 2019	
Others assets (sales-type sub-lease)	\$	277,308	\$	8,688
Other liabilities (finance sub-lease liability)		284,558		8,688

VICI PROPERTIES INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(UNAUDITED)

Total rental income and rental expense, included in Other income and Other expenses, respectively, in our Statement of Operations and contractual rent expense under these agreements were as follows:

<i>(In thousands)</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
Rental income and expense ⁽¹⁾	\$ 5,699	\$ 139	\$ 5,976	\$ 271
Contractual rent	\$ 11,838	\$ 154	\$ 12,146	\$ 298

⁽¹⁾ For the three and nine months ended September 30, 2020, these amounts are presented gross in Other income with an offsetting amount in Other expenses within the Statement of Operations. For the three and nine months ended September 30, 2019, we recorded such amounts as a component of General and administrative expenses on a net basis as these charges were not material to the Statement of Operations.

The future minimum lease commitments relating to the ground and use leases at September 30, 2020 are as follows:

<i>(In thousands)</i>	Lease Commitments
2020 (remaining)	\$ 5,838
2021	26,350
2022	26,350
2023	23,350
2024	23,350
2025	23,350
Thereafter	765,079
Total minimum lease commitments	\$ 893,666
Discounting factor	609,108
Finance sub-lease liability	\$ 284,558

The discount rate for the ground and use leases was determined based on the yield of our current secured borrowings, adjusted to match borrowings of similar terms and are between 6% and 8%. The weighted average remaining lease term as of September 30, 2020 under our finance leases was 38.0 years.

Note 12 — Stockholders' Equity

Stock

Authorized

We have the authority to issue 750,000,000 shares of stock, consisting of 700,000,000 shares of Common Stock, \$0.01 par value per share and 50,000,000 shares of Preferred Stock, \$0.01 par value per share.

June 2020 Offering

On June 17, 2020, we completed a primary follow-on offering of 29,900,000 shares of common stock (inclusive of 3,900,000 shares sold pursuant to the exercise in full of the underwriters' option to purchase additional common stock) at a public offering price of \$22.15 per share for an aggregate offering value of \$662.3 million, all of which are subject to a forward sale agreement (the "June 2020 Forward Sale Agreement"), which initially required settlement by September 17, 2020. On September 16, 2020, we amended the June 2020 Forward Sale Agreement to extend the maturity date from September 17, 2020 to June 17, 2021. We did not initially receive any proceeds from the sale of the shares of common stock in the offering, which were sold to the underwriters by the forward purchaser or its affiliates. We determined that the June 2020 Forward Sale Agreement meets the criteria for equity classification and is therefore exempt from derivative accounting. We recorded the June 2020 Forward Sale Agreement at fair value at inception, which we determined to be zero. Subsequent changes to fair value are not required under equity classification.

On September 28, 2020, we partially settled the June 2020 Forward Sale Agreement by delivering 3,000,000 shares of our common stock to the forward purchaser, in exchange for total net proceeds of approximately \$63.0 million, which was

VICI PROPERTIES INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(UNAUDITED)

calculated based on the net forward sale price on the settlement date of \$21.04 per share. The physical settlement of the June 2020 Forward Sale Agreement is calculated based on the initial forward sale price per share of \$21.37, as adjusted for a floating interest rate factor and other fixed amounts based on the passage of time, as specified in the June 2020 Forward Sale Agreement.

We expect to settle the remaining 26,900,000 shares under the June 2020 Forward Sale Agreement entirely by the physical delivery of shares of our common stock in exchange for cash proceeds, although we may elect cash settlement or net share settlement for all or a portion of our remaining obligations under the June 2020 Forward Sale Agreement. As of September 30, 2020, the forward share price was \$20.71 and would result in us receiving approximately \$557.0 million in cash proceeds if we were to physically settle the remaining shares under the June 2020 Forward Sale Agreement. Alternatively, if we were to net cash settle the remaining shares under the June 2020 Forward Sale Agreement, it would result in a cash outflow of \$71.6 million or, if we were to net share settle the remaining shares under the June 2020 Forward Sale Agreement, it would result in us delivering approximately 3.1 million shares.

Further, the remaining shares of common stock issuable upon settlement of the June 2020 Forward Sale Agreement will be reflected in our diluted earnings per share calculations using the treasury stock method. Under this method, the number of shares of our common stock used in calculating diluted earnings per share is deemed to be increased by the excess, if any, of the number of shares of common stock that would be issued upon full physical settlement of the remaining shares under the June 2020 Forward Sale Agreement over the number of shares of common stock that could be purchased by us in the market (based on the average market price during the period) using the proceeds receivable upon physical settlement of the remaining shares (based on the adjusted forward sales price at the end of the reporting period). If and when we physically settle the remaining shares under the June 2020 Forward Sale Agreement, the delivery of shares of our common stock will result in an increase in the number of shares of common stock outstanding and dilution to our earnings per share. We intend to use the net proceeds upon settlement of the remaining shares under the June 2020 Forward Sale Agreement for general corporate purposes, which may include future transactions, the acquisition and improvement of properties, capital expenditures, working capital and the repayment of indebtedness.

June 2019 Offering

On June 28, 2019, we completed a primary follow-on offering of (i) 50,000,000 shares of common stock (including 15,000,000 shares sold pursuant to the exercise in full of the underwriters' option to purchase additional common stock) at an offering price of \$21.50 per share for an aggregate offering value of \$1.1 billion, resulting in net proceeds, after the deduction of the underwriting discount and expenses, of \$1.0 billion and (ii) 65,000,000 shares of common stock that were subject to forward sale agreements to be settled by September 26, 2020 (collectively the "June 2019 Forward Sale Agreements"). We did not initially receive any proceeds from the sale of the shares of common stock subject to the June 2019 Forward Sale Agreements that were sold by the forward purchasers or their respective affiliates. We determined that the June 2019 Forward Sale Agreements meet the criteria for equity classification and are therefore exempt from derivative accounting. We recorded the June 2019 Forward Sale Agreements at fair value at inception, which we determined to be zero. Subsequent changes to fair value were not required under equity classification.

On June 2, 2020, we physically settled the June 2019 Forward Sale Agreements in full by delivering 65,000,000 shares of our common stock to the forward purchasers, in exchange for total net proceeds of approximately \$1.3 billion. The physical settlement of the June 2019 Forward Sale Agreements was calculated based on the forward sale price of \$19.64 per share. The proceeds were used to consummate the Eldorado Transaction.

At-the-Market Offering Program

We have entered into an equity distribution agreement, as amended (the "ATM Agreement"), pursuant to which we may sell, from time to time, up to an aggregate sales price of \$750.0 million of our common stock (the "ATM Program"). Sales of common stock, if any, made pursuant to the ATM Agreement may be sold in negotiated transactions or transactions that are deemed to be "at the market" offerings, as defined in Rule 415 of the Securities Act. Actual sales under the ATM Program will depend on a variety of factors including market conditions, the trading price of our common stock, our capital needs, and our determination of the appropriate sources of funding to meet such needs. During the nine months ended September 30, 2020, we sold a total of 7,500,000 shares under the ATM Program for net proceeds of \$200.0 million. During the year ended December 31, 2019, we sold a total of 6,107,633 shares under the ATM Program for net proceeds of \$128.3 million. We have no obligation to sell the remaining shares available for sale under the ATM Program.

VICI PROPERTIES INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(UNAUDITED)

The following table details the issuance of outstanding shares of common stock, including restricted common stock:

Common Stock Outstanding	Nine Months Ended September 30,	
	2020	2019
Beginning Balance January 1, ⁽¹⁾	461,004,742	404,729,616
Issuance of common stock in primary follow-on offerings	—	50,000,000
Issuance of common stock upon physical settlement of forward sale agreements ⁽¹⁾	68,000,000	—
Issuance of common stock under the at-the-market offering program	7,500,000	6,107,633
Issuance of restricted and unrestricted common stock under the stock incentive program, net of forfeitures ⁽²⁾	164,037	168,496
Ending Balance September 30,	536,668,779	461,005,745

(1) Excludes the 26,900,000 remaining shares subject to the June 2020 Forward Sale Agreement as such shares are not yet settled.

(2) The nine months ended September 30, 2020 and 2019 excludes 239,437 share units and 157,512 share units, respectively, issued under the performance-based stock incentive program.

Dividends

Dividends declared (on a per share basis) during the nine months ended September 30, 2020 and 2019 were as follows:

Nine Months Ended September 30, 2020				
Declaration Date	Record Date	Payment Date	Period	Dividend
March 12, 2020	March 31, 2020	April 9, 2020	January 1, 2020 - March 31, 2020	\$ 0.2975
June 11, 2020	June 30, 2020	July 10, 2020	April 1, 2020 - June 30, 2020	\$ 0.2975
September 10, 2020	September 30, 2020	October 8, 2020	July 1, 2020 - September 30, 2020	\$ 0.3300

Nine Months Ended September 30, 2019				
Declaration Date	Record Date	Payment Date	Period	Dividend
March 14, 2019	March 29, 2019	April 11, 2019	January 1, 2019 - March 31, 2019	\$ 0.2875
June 13, 2019	June 28, 2019	July 12, 2019	April 1, 2019 - June 30, 2019	\$ 0.2875
September 12, 2019	September 27, 2019	October 10, 2019	July 1, 2019 - September 30, 2019	\$ 0.2975

Note 13 — Earnings Per Share

Basic earnings per share is computed by dividing net income attributable to common stockholders by the weighted-average number of shares of common stock outstanding during the period, excluding net income attributable to participating securities (unvested restricted stock awards). Diluted earnings per share reflects the additional dilution for all potentially dilutive securities such as stock options, unvested restricted shares, unvested performance-based restricted shares and the shares to be issued by us upon settlement of the remaining shares under the June 2020 Forward Sale Agreement. The shares issuable upon settlement of the remaining shares under the June 2020 Forward Sale Agreement, as described in [Note 12 - Stockholders' Equity](#), are reflected in the diluted earnings per share calculations using the treasury stock method. Under this method, the number of shares of our common stock used in calculating diluted earnings per share is deemed to be increased by the excess, if any, of the number of shares of common stock that would be issued upon full physical settlement of the remaining shares under the June 2020 Forward Sale Agreement over the number of shares of common stock that could be purchased by us in the market (based on the average market price during the period) using the proceeds receivable upon full physical settlement (based on the adjusted forward sales price at the end of the reporting period). If and when we physically or net share settle the remaining shares under the June 2020 Forward Sale Agreement, the delivery of shares of common stock would result in an increase in the number of shares outstanding and dilution to earnings per share.

VICI PROPERTIES INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(UNAUDITED)

The following tables reconcile the weighted-average shares of common stock outstanding used in the calculation of basic earnings per share to the weighted-average shares of common stock outstanding used in the calculation of diluted earnings per share:

<i>(In thousands)</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
Determination of shares:				
Weighted-average shares of common stock outstanding	533,408	460,666	496,003	426,438
Assumed conversion of restricted stock ⁽¹⁾	501	370	323	263
Assumed settlement of forward sale agreements	2,271	4,735	3,656	1,665
Diluted weighted-average shares of common stock outstanding	536,180	465,772	499,982	428,366

(1) For the three and nine months ended September 30, 2020, certain unvested restricted shares and unvested performance-based restricted shares were excluded from the computation of diluted EPS because the effect of doing so was anti-dilutive.

<i>(In thousands, except per share data)</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
Basic:				
Net income attributable to common stockholders	\$ 398,274	\$ 144,435	\$ 603,664	\$ 447,333
Weighted-average shares of common stock outstanding	533,408	460,666	496,003	426,438
Basic EPS	\$ 0.75	\$ 0.31	\$ 1.22	\$ 1.05
Diluted:				
Net income attributable to common stockholders	\$ 398,274	\$ 144,435	\$ 603,664	\$ 447,333
Diluted weighted-average shares of common stock outstanding	536,180	465,772	499,982	428,366
Diluted EPS	\$ 0.74	\$ 0.31	\$ 1.21	\$ 1.04

Note 14 — Stock-Based Compensation

The 2017 Stock Incentive Plan (the “Plan”) is designed to provide long-term equity-based compensation to our directors and employees. It is administered by the Compensation Committee of the Board of Directors. Awards under the Plan may be granted with respect to an aggregate of 12,750,000 shares of common stock and may be issued in the form of: (a) incentive stock options, (b) non-qualified stock options, (c) stock appreciation rights, (d) dividend equivalent rights, (e) restricted stock, (f) restricted stock units or (g) unrestricted stock. In addition, the Plan limits the total number of shares of common stock with respect to which awards may be granted to any employee or director during any one calendar year. At September 30, 2020, 11,477,422 shares of common stock remained available for issuance by us as equity awards under the Plan.

The following table details the stock-based compensation expense recorded as General and administrative expense in the Statement of Operations:

<i>(In thousands)</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
Stock-based compensation expense	\$ 2,013	\$ 1,404	\$ 5,375	\$ 3,821

VICI PROPERTIES INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(UNAUDITED)

The following table details the activity of our time-based restricted stock and performance-based restricted stock units:

<i>(In thousands, except per share data)</i>	Nine Months Ended September 30, 2020		Nine Months Ended September 30, 2019	
	Shares	Weighted Average Grant Date Fair Value	Shares	Weighted Average Grant Date Fair Value
Outstanding at beginning of period	601	\$ 21.16	398	\$ 19.60
Granted	422	21.49	338	22.03
Vested	(116)	21.08	(94)	19.44
Forfeited	(25)	21.21	(12)	20.78
Canceled	—	—	—	—
Outstanding at end of period	882	\$ 21.32	630	\$ 20.90

As of September 30, 2020, there was \$11.5 million of unrecognized compensation cost related to non-vested stock-based compensation arrangements under the Plan. This cost is expected to be recognized over a weighted average period of 1.8 years.

Note 15 — Segment Information

Our real property business and our golf course business represent two reportable segments. The real property business segment consists of leased real property and loan investments and represents the substantial majority of our business. The golf course business segment consists of four golf courses, with each being operating segments that are aggregated into one reportable segment.

The results of each reportable segment presented below are consistent with the way our management assesses these results and allocates resources. The following table presents certain information with respect to our segments:

<i>(In thousands)</i>	Three Months Ended September 30, 2020			Three Months Ended September 30, 2019		
	Real Property Business	Golf Course Business	VICI Consolidated	Real Property Business	Golf Course Business	VICI Consolidated
Revenues	\$ 334,015	\$ 5,638	\$ 339,653	\$ 216,914	\$ 5,599	\$ 222,513
Operating income	139,596	87	139,683	209,202	(822)	208,380
Interest expense	(77,399)	—	(77,399)	(68,531)	—	(68,531)
Gain upon lease modification	333,352	—	333,352	—	—	—
Income (loss) before income taxes	395,763	87	395,850	147,275	(736)	146,539
Income tax benefit (expense)	386	(18)	368	(187)	163	(24)
Net income (loss)	396,149	69	396,218	147,088	(573)	146,515
Depreciation	31	879	910	3	997	1,000
Total assets	\$ 16,761,134	\$ 90,696	\$ 16,851,830	\$ 12,481,892	\$ 99,574	\$ 12,581,466
Total liabilities	\$ 7,465,576	\$ 16,715	\$ 7,482,291	\$ 4,491,307	\$ 16,090	\$ 4,507,397

VICI PROPERTIES INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
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<i>(In thousands)</i>	Nine Months Ended September 30, 2020			Nine Months Ended September 30, 2019		
	Real Property Business	Golf Course Business	VICI Consolidated	Real Property Business	Golf Course Business	VICI Consolidated
Revenues	\$ 835,283	\$ 17,273	\$ 852,556	\$ 636,040	\$ 21,221	\$ 657,261
Operating income	535,151	1,189	536,340	611,824	3,917	615,741
Interest expense	(231,185)	—	(231,185)	(176,936)	—	(176,936)
Gain upon lease modification	333,352	—	333,352	—	—	—
Loss on extinguishment of debt	(39,059)	—	(39,059)	—	—	—
Income before income taxes	604,985	1,206	606,191	450,552	4,114	454,666
Income tax expense	(128)	(267)	(395)	(187)	(911)	(1,098)
Net income	604,857	939	605,796	450,365	3,203	453,568
Depreciation	85	2,905	2,990	8	2,940	2,948
Total assets	\$ 16,761,134	\$ 90,696	\$ 16,851,830	\$ 12,481,892	\$ 99,574	\$ 12,581,466
Total liabilities	\$ 7,465,576	\$ 16,715	\$ 7,482,291	\$ 4,491,307	\$ 16,090	\$ 4,507,397

Note 16 — Subsequent Events

We have evaluated subsequent events and, except for the Amended and Restated Omnibus Amendment on October 27, 2020 (as described in [Note 4 - Property Transactions](#)) and the payment of dividends on October 8, 2020 (as described in [Note 12 - Stockholders' Equity](#)), there were no other events relative to the Financial Statements that require additional disclosure.

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis of the financial position and operating results of VICI Properties Inc. for the three and nine months ended September 30, 2020 should be read in conjunction with the Consolidated Financial Statements and related notes thereto and other financial information contained elsewhere in this Quarterly Report on Form 10-Q and the audited consolidated financial statements and related notes for the year ended December 31, 2019, which were included in our [Annual Report on Form 10-K for the year ended December 31, 2019](#). All defined terms included herein have the same meaning as those set forth in the [Notes to the Consolidated Financial Statements](#) contained within this Quarterly Report on Form 10-Q.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements in this Quarterly Report on Form 10-Q, including statements such as “anticipate,” “believe,” “estimate,” “expect,” “intend,” “plan,” “project,” “target,” “can,” “could,” “may,” “should,” “will,” “would” or similar expressions, constitute “forward-looking statements” within the meaning of the federal securities law. Forward-looking statements are based on our current plans, expectations and projections about future events. We caution you therefore against relying on any of these forward-looking statements. They give our expectations about the future and are not guarantees. These statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance and achievements to materially differ from any future results, performance and achievements expressed in or implied by such forward-looking statements.

Currently, one of the most significant factors that could cause actual outcomes to differ materially from our forward-looking statements is the impact of the COVID-19 pandemic on the financial condition, results of operations, cash flows and performance of the Company and its tenants. The extent to which the COVID-19 pandemic impacts the Company, its tenants and its pending transactions, will largely depend on future developments that are highly uncertain and cannot be predicted with confidence, including the impact of the actions taken to contain the pandemic or mitigate its impact, and the direct and indirect economic effects of the pandemic and containment measures on our tenants, including various state governments and/or regulatory authorities issuing directives, mandates, orders or similar actions restricting freedom of movement and business operations, such as travel restrictions, border closures, business closures, limitations on public gatherings, quarantines and “shelter-at-home” orders that resulted in the temporary closure of our tenants’ operations at our properties, the ability of the Company’s tenants to successfully operate their businesses following the reopening of their respective facilities, including the costs of complying with regulatory requirements necessary to keep the facilities open, including compliance with restrictions and reduced capacity requirements, the need to close any of the facilities after reopening as a result of the COVID-19 pandemic, and the effects of the negotiated capital expenditure reductions and other amendments to the Lease Agreements that the Company agreed to with certain of its tenants in response to the COVID-19 pandemic. Each of the foregoing could have a material adverse effect on our tenants’ ability to satisfy their obligations under their leases with us, including their continued ability to pay rent in a timely manner, or at all, and/or to fund capital expenditures or make other payments required under their leases. In addition, changes and instability in global, national and regional economic activity and financial markets as a result of the COVID-19 pandemic have negatively impacted consumer discretionary spending and travel and may continue to do so, which could have a material adverse effect on our tenants’ businesses. Investors are cautioned to interpret many of the risks identified under the section entitled “Risk Factors” in our [Annual Report on Form 10-K for the year ended December 31, 2019](#), our Quarterly Reports on Form 10-Q and Current Reports on Form 8-K as being heightened as a result of the ongoing and numerous adverse impacts of the COVID-19 pandemic.

The forward-looking statements included herein are based upon our current expectations, plans, estimates, assumptions and beliefs that involve numerous risks and uncertainties. Assumptions relating to the foregoing involve judgments with respect to, among other things, future economic, competitive and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond our control. Although we believe that the expectations reflected in such forward-looking statements are based on reasonable assumptions, our actual results, performance and achievements could differ materially from those set forth in the forward-looking statements and may be affected by a variety of risks and other factors, including, among others: the impact of changes in general economic conditions, including low consumer confidence, unemployment levels and depressed real estate prices resulting from the severity and duration of any downturn in the U.S. or global economy (including stemming from the COVID-19 pandemic and changes in economic conditions as a result of the COVID-19 pandemic); our dependence on subsidiaries of Caesars, Penn National, Hard Rock, Century Casinos and JACK Entertainment as tenants of our properties and Caesars, Penn National, Seminole Hard Rock, Century Casinos and Rock Ohio Ventures LLC or certain of their respective subsidiaries as guarantors of the lease payments and the negative consequences any material adverse effect on their respective businesses could have on us; our borrowers’ ability to repay their

outstanding loan obligations to us; our dependence on the gaming industry; our ability to pursue our business and growth strategies may be limited by our substantial debt service requirements and by the requirement that we distribute 90% of our REIT taxable income in order to qualify for taxation as a REIT and that we distribute 100% of our REIT taxable income in order to avoid current entity-level U.S. Federal income taxes; the impact of extensive regulation from gaming and other regulatory authorities; the ability of our tenants to obtain and maintain regulatory approvals in connection with the operation of our properties; the possibility that our tenants may choose not to renew the Lease Agreements following the initial or subsequent terms of the leases; restrictions on our ability to sell our properties subject to the Lease Agreements; Caesars', Penn National's, Hard Rock's, Century Casinos' and JACK Entertainment's historical results may not be a reliable indicator of their future results; our substantial amount of indebtedness and ability to service, refinance and otherwise fulfill our obligations under such indebtedness; limits on our operational and financial flexibility imposed by our debt agreements; our historical financial information may not be reliable indicators of our future results of operations, financial condition and cash flows; the possibility that our pending transactions may not be completed or that completion may be unduly delayed; the possibility that we identify significant environmental, tax, legal or other issues that materially and adversely impact the value of assets acquired or secured as collateral (or other benefits we expect to receive) in any of our pending or recently completed transactions; the effects of our recently completed and pending transactions on us, including the future impact on our financial condition, financial and operating results, cash flows, strategy and plans; the possibility our separation from CEOC fails to qualify as a tax-free spin-off, which could subject us to significant tax liabilities; the impact of changes to the U.S. Federal income tax laws; the possibility of foreclosure on our properties if we are unable to meet required debt service payments; the impact of a rise in interest rates on us; our inability to successfully pursue investments in, and acquisitions of, additional properties; the impact of natural disasters, war, political and public health conditions or uncertainty or civil unrest, violence or terrorist activities or threats on our properties and changes in economic conditions or heightened travel security and health measures instituted in response to these events; the loss of the services of key personnel; the inability to attract, retain and motivate employees; the costs and liabilities associated with environmental compliance; failure to establish and maintain an effective system of integrated internal controls; the costs of operating as a public company; our inability to operate as a stand-alone company; our inability to maintain our qualification for taxation as a REIT; our reliance on distributions received from the Operating Partnership to make distributions to our stockholders; the potential impact on the amount of our cash distributions if we were to sell any of our properties in the future; our ability to continue to make distributions to holders of our common stock or maintain anticipated levels of distributions over time; competition for transaction opportunities, including from other REITs, investment companies, private equity and hedge fund investors, sovereign funds, lenders, gaming companies and other investors that may have greater resources and access to capital and a lower cost of capital or different investment parameters than us; and additional factors discussed herein and listed from time to time as "Risk Factors" in our filings with the SEC, including without limitation, in our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K.

Any of the assumptions underlying forward-looking statements could be inaccurate. You are cautioned not to place undue reliance on any forward-looking statements. All forward-looking statements are made as of the date of this Quarterly Report on Form 10-Q and the risk that actual results, performance and achievements will differ materially from the expectations expressed herein will increase with the passage of time. Except as otherwise required by the Federal securities laws, we undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, changed circumstances or any other reason. In light of the significant uncertainties inherent in forward-looking statements, the inclusion of such forward-looking statements should not be regarded as a representation by us.

OVERVIEW

We are an owner and acquirer of experiential real estate assets across leading gaming, hospitality, entertainment and leisure destinations. Our national, geographically diverse portfolio currently consists of 29 market leading properties (reflecting the acquisitions and dispositions described herein, as well as the removal of Tunica Roadhouse, which has permanently closed), including Caesars Palace Las Vegas and Harrah's Las Vegas, two of the most iconic entertainment facilities on the Las Vegas Strip. Our entertainment facilities are leased to leading brands that seek to drive consumer loyalty and value with guests through superior services, experiences, products and continuous innovation. Across over 48 million square feet, our well-maintained properties are currently located across urban, destination and drive-to markets in twelve states, contain approximately 19,200 hotel rooms and feature over 200 restaurants, bars and nightclubs.

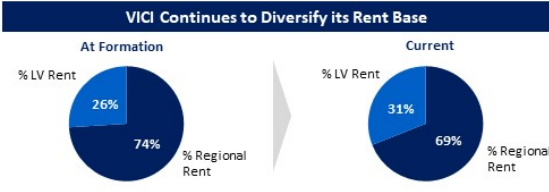
Our portfolio also includes approximately 34 acres of undeveloped or underdeveloped land on and adjacent to the Las Vegas Strip that is leased to Caesars, which we may look to monetize as appropriate. We also own and operate four championship golf courses located near certain of our properties, two of which are in close proximity to the Las Vegas Strip.

The following chart summarizes our current portfolio of properties, our pending transactions and our properties subject to right of first refusal agreements and put/call agreements with Caesars:

Property Overview



- ★ CURRENT PORTFOLIO
- ★ PENDING DISPOSITIONS¹
Bally's Atlantic City
Harrah's Louisiana Downs
- ★ OWNED GOLF COURSES
Cascata, Boulder City, NV
Rio Secco, Henderson, NV
Grand Bear, Saucier, MS
Chariot Run, Laconia, IN
- ★ DESIGNATED PUT-CALL PROPERTIES²
Indiana Grand Racing & Casino
Harrah's Hoosier Park
Caesars Forum Convention Center
- ★ DESIGNATED ROFR PROPERTIES³
Bally's Las Vegas
Flamingo Las Vegas
Paris Las Vegas
Planet Hollywood
The LINQ
Horseshoe Baltimore



- On April 24, 2020, we and Caesars entered into definitive agreements to sell Bally's Atlantic City for \$25.0 million to a third party; the proceeds shall be split ~\$19.0 million to us and ~\$6.0 million to Caesars. On September 3, 2020, we and Caesars entered into definitive agreements to sell Harrah's Louisiana Downs for \$22.0 million to a third party; the proceeds shall be split ~\$5.5 million to us and ~\$16.5 million to Caesars. The annual rent payments under the Regional Master Lease Agreement will remain unchanged following completion of the dispositions. The dispositions are subject to customary closing conditions and regulatory approvals.
- The Centaur Put/Call Agreement (13.0x call/12.5x put) can be exercised between January 1, 2022 and December 31, 2024. The Convention Center Call Right can be exercised between the maturity date of the Forum Convention Center Mortgage Loan in 2025 and December 31, 2026 at 13.0x and the Convention Center Put Right can be exercised between January 1, 2024 and December 31, 2024 at 13.0x.
- With respect to the assets subject to the Las Vegas Strip ROFR Agreement, the first will be selected from: Flamingo Las Vegas, Bally's Las Vegas, Paris Las Vegas and Planet Hollywood Resort & Casino, with the second to be selected from one of the previous four plus The LINQ Hotel & Casino. Caesars does not have a contractual obligation to sell the properties subject to the Las Vegas Strip ROFR Agreement and will make independent financial decisions regarding whether to trigger the ROFRs. The exercise of the ROFR over Horseshoe Baltimore is subject to any consent required from applicable joint venture partners of Caesars and Caesars will make an independent financial decision regarding whether to trigger the ROFR over Horseshoe Baltimore.

We lease our properties to subsidiaries of Caesars, Penn National, Hard Rock, Century Casinos and JACK Entertainment, with Caesars being our largest tenant. We believe we have a mutually beneficial relationship with Caesars, Penn National, Hard Rock, Century Casinos and JACK Entertainment, all of which are leading owners and operators of gaming, entertainment and leisure properties. Our long-term triple-net Lease Agreements with subsidiaries of Caesars, Penn National, Hard Rock, Century Casinos and JACK Entertainment provide us with a highly predictable revenue stream with embedded growth potential. We believe our geographic diversification limits the effect of changes in any one market on our overall performance. We are focused on driving long-term total returns through managing experiential asset growth and allocating capital diligently, maintaining a highly productive tenant base, and optimizing our capital structure to support external growth. As a growth focused public real estate investment trust with long-term investments, we expect our relationship with our partners will position us for the acquisition of additional properties across leisure and hospitality over the long term. Given current market conditions and the ongoing impact of the COVID-19 pandemic, we anticipate more limited acquisition and investment activity in the near term and we will prioritize our existing tenant relationships and assets, as well as our financial strength and liquidity over the near- to medium-term. However, we will continue to evaluate and may opportunistically pursue accretive acquisitions or investments that may arise in the market.

Our portfolio is competitively positioned and well-maintained. Pursuant to the terms of the Lease Agreements, which generally require our tenants to invest in our properties (subject in certain cases to temporary relief we granted certain tenants on a portion of their capital expenditure obligations), and in line with our tenants' commitment to build guest loyalty, we anticipate our tenants will continue to make strategic value-enhancing investments in our properties over time, helping to maintain their competitive position. In addition, given our scale and deep industry knowledge, we believe we are well-positioned to execute

highly complementary single-asset and portfolio acquisitions and other investments to augment growth as market conditions allow and with a focus on disciplined capital allocation given the ongoing impact of the COVID-19 pandemic.

We conduct our operations as a REIT for U.S. federal income tax purposes. We generally will not be subject to U.S. federal income taxes on our taxable income to the extent that we annually distribute all of our net taxable income to stockholders and maintain our qualification as a REIT. We believe our election of REIT status combined with the income generation from the Lease Agreements will enhance our ability to make distributions to our stockholders, providing investors with current income as well as long-term growth, subject to the current macroeconomic impact of the COVID-19 pandemic and market conditions more broadly. We conduct our real property business through our Operating Partnership and our golf course business through a TRS, VICI Golf.

The financial information included in this Quarterly Report on Form 10-Q is our consolidated results (including the real property business and the golf course business) for the three and nine months ended September 30, 2020.

Impact of the COVID-19 Pandemic on Our Business

On March 11, 2020, the World Health Organization declared COVID-19 a pandemic, and on March 13, 2020, the United States declared a national emergency. Among the broader public health, societal and global impact, the COVID-19 pandemic resulted in state governments and/or regulatory authorities issuing various directives, mandates, orders or similar actions, resulting in the temporary closure of our tenants' operations at all of our properties. Our golf course business has also been impacted, with all four courses temporarily ceasing operations in March 2020 as a result of the COVID-19 pandemic, although our golf courses were subsequently reopened in early to mid-May 2020 in compliance with applicable regulations and restrictions. The operations of all of our properties have reopened, subject to operating limitations set forth by the state and local governments and/or regulatory authorities. As a result, our tenants' facilities at our properties have reopened at reduced capacity and subject to additional operating restrictions, and we cannot predict how long they will be required to operate subject to such operating restrictions or whether they will be subject to additional restrictions or forced to close again in the future. The full extent to which the COVID-19 pandemic ultimately impacts us and our tenants continues to depend on future developments, which are highly uncertain and cannot be predicted with confidence, including the scope, severity and duration of the pandemic, the actions taken to contain the pandemic or mitigate its impact, and the direct and indirect economic effects of the pandemic and containment measures on our tenants, including our tenants' financial performance and the duration and extent of operating limitations and reduced capacity requirements. We continue to closely monitor the impact of the COVID-19 pandemic on us, our tenants and our pending transactions.

In addition to the closure and restriction of their operations, our tenants have experienced a substantial number of cancellations and reductions in future events and reservations in connection with the uncertain duration of the COVID-19 pandemic. Following the reopening of our tenants' businesses, they have faced additional challenges with respect to restoring operations, customer engagement and financial performance, although, in many of our tenants' regional markets their early operational performance following reopening has generally been at or near prior-year levels for such period. More broadly, the COVID-19 pandemic and the actions taken to contain the pandemic or mitigate its impact have resulted in a prolonged period of significant economic uncertainty, as well as a global economic recession, which is generally expected to continue into 2021. Additional economic effects may continue well beyond the lifting or phasing out of governmental restrictions related to COVID-19, thereby negatively affecting an economic recovery in the gaming sector. Historically, economic indicators such as GDP growth, consumer confidence and employment are correlated with demand for gaming, entertainment and leisure properties, and economic recessions have led to a decrease in gaming revenue, although the impact of such recessions have generally been less volatile than the impact on retail revenue and S&P 500 sales.

All of our tenants have fulfilled their rent obligations through October 2020 and we continue to engage with our tenants in connection with the ongoing COVID-19 pandemic and its impact on operations, liquidity and financial performance. However, in connection with the ongoing COVID-19 pandemic and its impact on our tenants' operations and financial performance, we have provided certain relief under the applicable Lease Agreements to some of our tenants. While the relief we have provided has not deferred or reduced rent obligations for any of our tenants and we do not currently anticipate providing any such relief, due to these factors and the continuing uncertainty of the ultimate impact of the COVID-19 pandemic, there can be no assurance that our tenants will continue to fulfill their rent obligations in full or that our tenants will make anticipated capital expenditures to maintain or improve our properties. Further, future or current economic conditions could impact our tenants' ability to meet capital improvement requirements or other obligations required in our Lease Agreements that could result in a decrease in value of our properties. We continue to actively engage in dialogues with our tenants regarding the impact of the COVID-19 pandemic on their businesses, including with respect to their respective financial and operating situations, liquidity needs and contingency planning. Although all of our tenants have fulfilled their rent obligation in full through October 2020,

we cannot predict with confidence when our tenants' operations at our properties will operate without restriction, whether they will be forced to close again in the future, or if and when they will return to pre-pandemic performance levels. As the duration of the pandemic and operational restrictions lengthens, or if new operational restrictions are imposed, our tenants' liquidity positions may become more stressed and it may cause one or more of our tenants to be unwilling or unable to meet their obligations to us in full, or at all, or to otherwise seek modifications to such obligations. As a triple-net lessor, we believe we are generally in a strong creditor position and structurally insulated from operational and performance impacts of our tenants, both positive and negative. However, given the unprecedented nature of the COVID-19 pandemic, we understand that working with our tenants in the short term to ensure their long-term financial health and performance may become necessary and should provide meaningful benefits to us as well over the long-term.

As described herein, the full extent to which the COVID-19 pandemic ultimately impacts us and our tenants will depend on future developments, which are highly uncertain and cannot be predicted with confidence, including the scope, severity and duration of the pandemic, the actions taken to contain the pandemic or mitigate its impact, the direct and indirect economic effects of the pandemic and containment measures on our tenants, the length of time our tenants' operations at our properties remain restricted, or close again in the future, our tenants' financial performance following reopening and any operating limitations upon reopening. These uncertainties make it difficult to predict our operating results for the remainder of 2020. We will continue to closely monitor the impact of COVID-19 on us, our tenants and our pending transactions. For more information, refer to "[Part II – Item 1A. Risk Factors](#)" included elsewhere in this Quarterly Report on Form 10-Q.

SIGNIFICANT ACTIVITIES DURING 2020

Our significant activities in 2020, in reverse chronological order, are as follows:

Sale of Harrah's Reno

On September 30, 2020, we and Caesars closed on the previously announced transaction to sell Harrah's Reno to a third party at a purchase price of \$41.5 million. Pursuant to the agreement, we received \$31.1 million of the proceeds of the sale and Caesars received \$10.4 million of the proceeds. The annual rent payments under the Regional Master Lease Agreement remain unchanged following completion of the disposition.

Caesars Forum Convention Center Mortgage Loan

On September 18, 2020, in accordance with a non-binding letter of intent (the "LOI") entered into on June 15, 2020, we entered into a mortgage loan agreement with a subsidiary of Caesars (the "Forum Convention Center Borrower") pursuant to which we loaned \$400.0 million to the Forum Convention Center Borrower for a term of five years, with such loan secured by, among other things, a first priority fee mortgage on the Caesars Forum Convention Center (the "Forum Convention Center Mortgage Loan").

The interest rate on the Forum Convention Center Mortgage Loan is initially 7.7% per annum, with annual interest payments subject to 2.0% annual escalation (resulting in year two annual interest of \$31,416,000 based on a year two interest rate of 7.854%), with interest paid monthly in cash in arrears. Except as provided below, no prepayments are permitted during the first two years of the term of the Forum Convention Center Mortgage Loan. During the third and fourth years of the term of the Forum Convention Center Mortgage Loan, the Forum Convention Center Borrower may prepay the Forum Convention Center Mortgage Loan, in each case in full but not in part, at 102% of par in year three and 101% of par in year four. During the fifth year of the term of the Forum Convention Center Mortgage Loan, the Forum Convention Center Borrower may prepay the Forum Convention Center Mortgage Loan in full but not in part at par. However, the Forum Convention Center Mortgage Loan may be prepaid at any time at par, without penalty or make-whole, in connection with our acquisition of the Caesars Forum Convention Center and an OpCo sale and conversion to an OpCo/PropCo structure, subject to our consent, which may be withheld in our sole discretion.

The Forum Convention Center Mortgage Loan is secured by a first priority mortgage on the Caesars Forum Convention Center, as well as a first priority lien on the equity interests in the Forum Convention Center Borrower, a first priority security interest in all of the Forum Convention Center Borrower's interest in furniture, fixtures and equipment used, owned or related to the operation of the Caesars Forum Convention Center, and a first priority assignment of the Forum Convention Center Borrower's interest in leases and rents, including a collateral assignment of the Forum Convention Center Borrower's interest in the lease on the Caesars Forum Convention Center pursuant to which the Forum Convention Center Borrower leases the Caesars Forum Convention Center to another subsidiary of Caesars (the "Caesars Tenant"), which lease is fully subordinate to the Forum Convention Center Mortgage Loan. In addition, if the Forum Convention Center Borrower defaults on the Forum Convention Center Mortgage Loan and we take title to the Caesars Forum Convention Center, we may, at our option under certain

circumstances, keep the lease with the Caesars Tenant in effect (which lease is guaranteed by Caesars and has an initial annual rent of \$33.9 million, subject to annual increases equal to the greater of 2% and the annual consumer price index increase).

In addition, in connection with the consummation of the Forum Convention Center Mortgage Loan, we and Caesars waived the conditionality of the consummation of such loan transaction on the consummation of the potential acquisition of approximately 23 acres of land in the vicinity of, or adjacent to, The LINQ Hotel & Casino, Bally's Las Vegas, Paris Las Vegas and Planet Hollywood gaming facilities (the "Las Vegas Land") as initially contemplated by the LOI. While the parties may evaluate the potential transaction involving the Las Vegas Land in the future, the parties are not actively pursuing consummation of the transaction at this time and we are under no obligation to purchase the Las Vegas Land, and, as such, there can be no assurances that the Las Vegas Land acquisition will close on the contemplated terms or at all.

Amended and Restated Convention Center Put-Call Agreement

On September 18, 2020, concurrent with the entry into the Forum Convention Center Mortgage Loan and in accordance with the LOI, we and a subsidiary of Caesars amended and restated the Amended and Restated Put-Call Right Agreement entered into on July 20, 2020 in connection with the consummation of the Eldorado Transaction (as further amended, the "A&R Convention Center Put-Call Agreement") related to the Caesars Forum Convention Center. The A&R Convention Center Put-Call Agreement provides for (i) a call right in our favor, which, if exercised, would result in the sale by Caesars to us and simultaneous leaseback by us to Caesars of the Caesars Forum Convention Center (the "Convention Center Call Right"), at a price equal to 13.0x the initial annual rent for Caesars Forum Convention Center as proposed by Caesars (which shall be between \$25.0 million and \$35.0 million), exercisable by us from September 18, 2025 (the scheduled maturity date of the Forum Convention Center Mortgage Loan) until December 31, 2026, (ii) a put right in favor of Caesars, which, if exercised, would result in the sale by Caesars to us and simultaneous leaseback by us to Caesars of the Caesars Forum Convention Center (the "Convention Center Put Right") at a price equal to 13.0x the initial annual rent for the Caesars Forum Convention Center as proposed by Caesars (which shall be between \$25.0 million and \$35.0 million), exercisable by Caesars between January 1, 2024 and December 31, 2024, and (iii) if there is an event of default under the Forum Convention Center Mortgage Loan, the Convention Center Put Right will not be exercisable and we, at our option, may accelerate the Convention Center Call Right so that it is exercisable from the date of such event of default until December 31, 2026 (in addition to any other remedies available to us in connection with such event of default).

The A&R Convention Center Put-Call Agreement also provides for, if Caesars exercises the Convention Center Put Right and, among other things, the sale of the Caesars Forum Convention Center to us does not close for certain reasons more particularly described in the A&R Convention Center Put-Call Agreement, a repurchase right in favor of Caesars, which, if exercised, would result in the sale of the Harrah's Las Vegas property by us to Caesars (the "HLV Repurchase Right"), exercisable by Caesars during a one-year period commencing on the date upon which the closing under the Convention Center Put Right transaction does not occur and ending on the day immediately preceding the one-year anniversary thereof for a price equal to 13.0x the rent of the Harrah's Las Vegas property for the most recently ended annual period for which Caesars' financial statements are available as of Caesars' election to exercise the HLV Repurchase Right.

Sale of Louisiana Downs

On September 3, 2020, we and Caesars entered into definitive agreements to sell Harrah's Louisiana Downs Casino for \$22.0 million to Rubico Acquisition Corp. We are entitled to receive \$5.5 million of the proceeds from the sale and Caesars is entitled to \$16.5 million of the proceeds. The annual rent payments under the Regional Master Lease Agreement will remain unchanged following completion of the disposition, which we anticipate will close by early 2021 and remains subject to regulatory approval and customary closing conditions.

Chelsea Piers Mortgage Loan

On August 31, 2020, we entered into an \$80.0 million mortgage loan agreement (the "Chelsea Piers Mortgage Loan") with Chelsea Piers New York ("Chelsea Piers") secured by the Chelsea Piers complex in New York City, pursuant to which we provided (i) an initial term loan of \$65.0 million and (ii) a \$15.0 million delayed draw term loan at the borrowers' election (which remained undrawn as of September 30, 2020), subject to certain conditions. The Chelsea Piers Mortgage Loan bears interest at a rate of 7.0% per annum, with a term of 7 years.

Consummation of the Eldorado Transaction

On July 20, 2020, concurrent with the consummation of the Eldorado/Caesars Merger, we consummated the Eldorado Transaction contemplated by the MTA and the MTA Property Purchase Agreements (as defined below). We funded the Eldorado Transaction with a combination of cash on hand, the proceeds from the physical settlement of the June 2019 Forward Sale Agreements on June 2, 2020, as described in [Note 12 - Stockholders' Equity](#), and the proceeds from our February 2020 Senior Unsecured Notes offering previously held in escrow. Any references to Caesars in the subsequent transaction discussion refer to the combined Eldorado/Caesars subsequent to the consummation of the Eldorado/Caesars Merger.

The closing of the Eldorado Transaction includes the consummation of the transactions contemplated by the following agreements:

- *Acquisition of the MTA Properties.* We acquired all of the land and real estate assets associated with Harrah's New Orleans, Harrah's Laughlin and Harrah's Atlantic City (collectively, the "MTA Properties") for an aggregate purchase price of \$1,823.5 million (the "MTA Properties Acquisitions"). The Regional Master Lease Agreement was amended to, among other things, include each such property, with initial aggregate total annual rent payable to us increased by \$154.0 million to \$621.7 million, and to extend the initial term to July 2035 and to adjust certain minimum capital expenditure requirements and other related terms and conditions as a result of the MTA Properties being included in the Regional Master Lease Agreement as further described in "—Lease Amendments and Terminations" below. We completed the MTA Properties Acquisitions pursuant to the following agreements: (i) a Purchase and Sale Agreement (the "Harrah's New Orleans Purchase Agreement") pursuant to which we agreed to acquire, and Eldorado agreed to cause to be sold, all of the fee and leasehold interests in the land and real property improvements associated with Harrah's New Orleans in New Orleans, Louisiana ("Harrah's New Orleans") for a cash purchase price of \$789.5 million, (ii) a Purchase and Sale Agreement (the "Harrah's Atlantic City Purchase Agreement") pursuant to which we agreed to acquire, and Eldorado agreed to cause to be sold, all of the land and real property improvements associated with Harrah's Resort Atlantic City and Harrah's Atlantic City Waterfront Conference Center in Atlantic City, New Jersey for a cash purchase price of \$599.3 million; and (iii) a Purchase and Sale Agreement (the "Harrah's Laughlin Purchase Agreement" and, collectively with the Harrah's New Orleans Purchase Agreement and the Harrah's Atlantic City Purchase Agreement, the "MTA Property Purchase Agreements") pursuant to which we agreed to acquire, and Eldorado agreed to cause to be sold, all of the equity interests in a newly formed entity that acquired the land and real property improvements associated with Harrah's Laughlin Hotel & Casino in Laughlin, Nevada for a cash purchase price of \$434.8 million. Each of our call options on the MTA Properties terminated upon the closing of the MTA Properties Acquisitions.

On July 20, 2020, in connection with the completion of the purchase of Harrah's New Orleans, the tenant's leasehold interest in that certain Second Amended and Restated Lease Agreement (the "HNO Ground Lease") dated as of April 3, 2020, by and among Jazz Casino Company, L.L.C., a Louisiana limited liability company ("JCC"), New Orleans Building Corporation ("NOBC") and the City of New Orleans, was assigned by JCC to us. The HNO Ground Lease sets forth the terms and conditions pursuant to which we lease from NOBC a portion of the land upon which Harrah's New Orleans is located. Simultaneous with entering into the assignment of the HNO Ground Lease, we subleased our interest in the HNO Ground Lease to Caesars in accordance with the terms and conditions of the Regional Master Lease Agreement.

Pursuant to the Regional Master Lease Agreement, Caesars is required to perform our obligations as tenant under the HNO Ground Lease, which include the obligation to construct a new hotel intended to be located on the ground-leased premises and to expend at least \$325.0 million in connection with the construction of such hotel. The HNO Ground Lease contains certain rights in our favor should Caesars fail to perform our obligations thereunder, including providing us with additional cure periods to cure defaults. If we are unable to cure a Caesars default during any such additional cure period, then, subject to certain conditions more particularly set forth in the HNO Ground Lease, we will have a further additional period (up to 12-24 months) to seek to terminate Caesars as tenant and to enter into a replacement sublease with a new operator with respect to the leased premises. If we fail to cure such default at the end of such additional cure period, NOBC would have the right to exercise remedies, including termination of the HNO Ground Lease, in which case we would no longer have any right, title or interest to the leased premises or the improvements located thereon.

- *Creation of Las Vegas Master Lease.* In consideration of a payment by us to (i) the tenant under the CPLV Lease Agreement of \$1,189.9 million (the "CPLV Lease Amendment Payment") and (ii) the tenant under the HLV Lease Agreement of \$213.8 million (the "HLV Lease Amendment Payment"), upon the consummation of the Eldorado

Transaction, (a) the CPLV Lease Agreement was amended to (A) combine the CPLV Lease Agreement and the HLV Lease Agreement into a single Las Vegas Master Lease Agreement, (B) increase the annual rent payable to us thereunder associated with Caesars Palace Las Vegas by \$83.5 million (the “CPLV Additional Rent Acquisition”), (C) increase the annual rent previously payable to us with respect to the Harrah’s Las Vegas property by \$15.0 million (the “HLV Additional Rent Acquisition”) under the Las Vegas Master Lease Agreement and (D) to provide for the amended terms described below, and (b) the HLV Lease Agreement and the related lease guaranty were terminated. As a result of such amendments, the Harrah’s Las Vegas property is also now subject to the higher rent escalator under the Las Vegas Master Lease Agreement.

- *Lease Amendments and Terminations.* Each of the Caesars Lease Agreements was amended to, among other things, (i) remove the rent coverage floors, which coverage floors served to reduce the rent escalators under such leases in the event that the “EBITDAR to Rent Ratio” (as defined in the applicable Caesars Lease Agreements) coverage was below the stated floor and (ii) extend the term of each such lease by such additional period of time as necessary to ensure that each lease will have a full 15-year initial lease term following the consummation of the Eldorado Transaction. The Regional Master Lease Agreement was also amended to, among other things: (a) permit the tenant under the Regional Master Lease Agreement to cause facilities subject to the Regional Master Lease Agreement that in the aggregate represent up to five percent of the aggregate EBITDAR of (A) all of the facilities under such Regional Master Lease Agreement and (B) the Harrah’s Joliet facility, for the 2018 fiscal year (defined as the “2018 EBITDAR Pool” in the Regional Master Lease Agreement, without giving effect to any increase in the 2018 EBITDAR Pool as a result of a facility being added to the Regional Master Lease Agreement) to be sold (whereby the tenant and landlord under the Regional Master Lease Agreement would sell the operations and real estate, respectively, with respect to such facility), provided, among other things, that (1) we and Caesars mutually agree to the split of proceeds from such sales, (2) such sales do not result in any impairment(s)/asset write down(s) by us, (3) rent under the Regional Master Lease Agreement remains unchanged following such sale and (4) the sale does not result in us recognizing certain taxable gain; (b) restrict the ability of the tenant thereunder to transfer and sell the operating business of Harrah’s New Orleans and Harrah’s Atlantic City to replacement tenants without our consent and remove such restrictions with respect to Horseshoe Southern Indiana (in connection with the restrictions applying to Harrah’s New Orleans) and Horseshoe Bossier City (in connection with the restrictions applying to Harrah’s Atlantic City), provided that the tenant under the Regional Master Lease Agreement may only sell such properties if certain terms and conditions are met, including that replacement tenants meet certain criteria provided in the Regional Master Lease Agreement; and (c) require that the tenant under the Regional Master Lease Agreement complete and pay for all capital improvements and other payments, costs and expenses related to the extension of the existing operating license with respect to Harrah’s New Orleans, including, without limitation, any such payments, costs and expenses required to be made to the City of New Orleans, the State of Louisiana or any other governmental body or agency.

Caesars has executed new guaranties with respect to the Las Vegas Master Lease Agreement (the “Las Vegas Lease Guaranty”), the Regional Master Lease Agreement (the “Regional Lease Guaranty”) and the Joliet Lease Agreement (the “Joliet Lease Guaranty” and, together with the Las Vegas Lease Guaranty and the Regional Lease Guaranty, the “Caesars Guaranties”), guaranteeing the prompt and complete payment and performance in full of: (i) all monetary obligations of the tenants under the Caesars Lease Agreements, including all rent and other sums payable by the tenants under the Caesars Lease Agreements and any obligation to pay monetary damages in connection with any breach and to pay any indemnification obligations of the tenants under the Caesars Lease Agreements; and (ii) the performance when due of all other covenants, agreements and requirements to be performed and satisfied by the tenants under the Caesars Lease Agreements.

In connection with entering into the amendments to the Caesars Lease Agreements and the Caesars Guaranties described above, we and Caesars terminated the Management and Lease Support Agreements, dated as of October 6, 2017, with respect to each of the Caesars Lease Agreements, pursuant to which, among other things, Pre-Merger Caesars previously guaranteed the tenants’ monetary obligations under the Caesars Lease Agreements and the Guaranty of Lease dated as of December 22, 2017 pursuant to which, among other things, a subsidiary of Pre-Merger Caesars guaranteed the tenant’s obligations under the HLV Lease Agreement.

- *Centaur Properties Put-Call Agreement.* Prior to the consummation of the Eldorado Transaction, we were party to a right of first refusal agreement with affiliates of Pre-Merger Caesars with respect to two gaming facilities in Indiana - Harrah’s Hoosier Park and Indiana Grand (together, the “Centaur Properties”). Upon the consummation of the Eldorado Transaction, the Second Amended and Restated Right of First Refusal Agreement between us and Pre-Merger Caesars terminated in accordance with its terms, which included the right of first refusal that we had with

respect to the Centaur Properties, and we entered into a Put-Call Right Agreement with Caesars (the “Centaur Put-Call Agreement”), whereby (i) we have the right to acquire all of the land and real estate assets associated with the Centaur Properties at a price equal to 13.0x the initial annual rent of each facility (determined as provided below), and to simultaneously lease back each such property to a subsidiary of Caesars for initial annual rent equal to the property’s trailing four quarters EBITDA at the time of acquisition divided by 1.3 (i.e., the initial annual rent will be set at 1.3x rent coverage) and (ii) Caesars will have the right to require us to acquire the Centaur Properties at a price equal to 12.5x the initial annual rent of each facility, and to simultaneously lease back each such Centaur Property to a subsidiary of Caesars for initial annual rent equal to the property’s trailing four quarters EBITDA at the time of acquisition divided by 1.3 (i.e., the initial annual rent will be set at 1.3x rent coverage). Either party will be able to trigger its respective put or call, as applicable, beginning on January 1, 2022 and ending on December 31, 2024. The Centaur Put-Call Agreement provides that the leaseback of the Centaur Properties will be implemented through the addition of the Centaur Properties to the Regional Master Lease Agreement.

- *Amended and Restated Caesars Forum Convention Center Put-Call Agreement.* Upon the consummation of the Eldorado Transaction, we entered into an A&R Put-Call Right Agreement with Caesars amending and restating that certain put-call agreement related to the Caesars Forum Convention Center. In connection with the consummation of the Forum Convention Center Mortgage Loan on September 18, 2020, we further amended the agreement as described above in “—Amended and Restated Convention Center Put-Call Agreement”.
- *Las Vegas Strip Assets ROFR.* Upon the consummation of the Eldorado Transaction, we entered into a right of first refusal agreement with Caesars (the “Las Vegas Strip ROFR Agreement”) pursuant to which we have the first right, with respect to the first two Las Vegas Strip assets described below that Caesars proposes to sell, whether pursuant to a sale leaseback or a WholeCo sale, to a third party, to acquire any such asset (it being understood that we will have the opportunity to find an operating company should Caesars elect to pursue a WholeCo sale). The Las Vegas Strip assets subject to the Las Vegas Strip ROFR Agreement are the land and real estate assets associated (i) with respect to the first such asset subject to the Las Vegas Strip ROFR Agreement, the Flamingo Las Vegas, Paris Las Vegas, Planet Hollywood and Bally’s Las Vegas gaming facilities, and (ii) with respect to the second asset subject to the Las Vegas Strip ROFR Agreement, the foregoing assets plus The LINQ gaming facility. If we enter into a sale leaseback transaction with Caesars on any of these facilities, the leaseback may be implemented through the addition of such properties to the Las Vegas Master Lease Agreement.
- *Horseshoe Baltimore ROFR.* Upon the consummation of the Eldorado Transaction, we entered into a right of first refusal agreement with Caesars pursuant to which we have the first right to enter into a sale leaseback transaction with respect to the land and real estate assets associated with the Horseshoe Baltimore gaming facility (subject to any consent required from Caesars’ joint venture partners with respect to this asset).
- *CPLV CMBS Refinancing.* We were obligated to cause the CPLV CMBS Debt to be repaid in full prior to the consummation of the Eldorado/Caesars Merger. In November 2019, we repaid the CPLV CMBS Debt in full resulting in a prepayment penalty of \$110.8 million, of which \$55.4 million was reimbursed by Caesars upon the consummation of the Eldorado Transaction in accordance with the MTA as follows: \$31.0 million was paid to us in cash, \$20.5 million was credited to us as a reduction in the CPLV Lease Amendment Payment and \$3.9 million was credited to us as a reduction in the HLV Lease Amendment Payment.
- *Eldorado Bridge Facilities.* On June 24, 2019, in connection with the Eldorado Transaction, VICI PropCo entered into a commitment letter (the “Commitment Letter”) with Deutsche Bank Securities Inc. and Deutsche Bank AG Cayman Islands Branch (collectively, the “Bridge Lender”), pursuant to which and subject to the terms and conditions set forth therein, the Bridge Lender agreed to provide (i) a 364-day first lien secured bridge facility of up to \$3.3 billion in the aggregate (the “Eldorado Senior Bridge Facility”) and (ii) a 364-day second lien secured bridge facility of up to \$1.5 billion in the aggregate (the “Eldorado Junior Bridge Facility,” and, together with the Eldorado Senior Bridge Facility, the “Bridge Facilities”), for the purpose of providing a portion of the financing necessary to fund the Eldorado Transaction. The commitments under the Bridge Facilities were fully terminated at our election in June 2020.

JACK Lease Agreement Amendment and Amended and Restated ROV Loan

On July 16, 2020, we and JACK Entertainment entered into an amendment to the JACK Cleveland/Thistledown Lease Agreement (the “JACK Lease Agreement Amendment”), pursuant to which, among other things, we agreed to fund \$18.0 million for the construction of a new gaming patio amenity at JACK Thistledown Racino, which will be leased by JACK Entertainment pursuant to the JACK Lease Agreement Amendment. In connection with the construction of the gaming patio, commencing on April 1, 2022, rent under the JACK Cleveland/Thistledown Lease Agreement (as amended by the JACK Lease Agreement Amendment) will be increased by an incremental \$1.8 million. The JACK Lease Agreement Amendment also provides for relief with respect to certain existing covenants through March 31, 2022, adds an additional five years to the initial lease term, with the tenant under the JACK Cleveland/Thistledown Lease Agreement having three (rather than four) five-year renewal options as a result of such extension of the initial lease term, and provides for rent escalation to begin in 2022 rather than 2021. The JACK Lease Agreement Amendment does not provide for a reduction or deferral of the tenant’s rent obligations. The tenant’s obligations under the JACK Lease Agreement Amendment are guaranteed by Rock Ohio Ventures LLC (“Rock Ohio Ventures”). Pursuant to the Jack Lease Agreement Amendment, the relief provided thereunder is conditioned upon (i) the tenant’s timely payment of rent obligations under the JACK Cleveland/Thistledown Lease Agreement and (ii) no tenant event of default occurring under the JACK Cleveland/Thistledown Lease Agreement during the compliance period set forth in the JACK Lease Agreement Amendment.

Simultaneously with entry into the JACK Lease Agreement Amendment, we and affiliates of Rock Ohio Ventures entered into an amendment and restatement of our existing \$50.0 million term loan agreement with such affiliates of Rock Ohio Ventures (the “Amended and Restated ROV Loan”), pursuant to which, among other things, we increased our existing term loan to \$70.0 million (the “ROV Term Loan”) which bears interest at a rate of 9.0% per annum (which interest, at the option of JACK Entertainment, may be paid-in-kind through April 30, 2021 with any paid-in-kind interest required to be paid in cash in eleven equal monthly installments ending March 31, 2022), and added a \$25.0 million revolving credit facility (the “ROV Credit Facility”), which bears interest at a rate of LIBOR plus 2.75% per annum. A commitment fee of 0.50% per annum calculated on the unused portion of the ROV Credit Facility is payable quarterly. The Amended and Restated ROV Loan, which includes the ROV Term Loan and ROV Credit Facility, matures in January 2025 which maturity date may be extended at the borrower’s election for up to two additional years if certain conditions are satisfied. In connection with the amendment and restatement, we received additional collateral, including an additional land parcel in proximity to JACK Cleveland so that the loan is now secured by a first priority lien on substantially all gaming and non-gaming real and personal property of JACK Entertainment, including the furniture, fixtures and equipment associated with the properties. The amendment and restatement also provides the obligors with relief with respect to certain existing financial covenants through March 31, 2022.

Omnibus Capex Amendment to Caesars Leases

On June 1, 2020, we entered into an Omnibus Amendment to Leases (the “Omnibus Amendment”) with Pre-Merger Caesars. Pursuant to the Omnibus Amendment, Caesars has been granted certain relief with respect to a portion of their capital expenditure obligations under the Caesars Lease Agreements conditioned upon (i) funding by Caesars of certain minimum capital expenditures in fiscal year 2020 (which represent a reduction of the minimum capital expenditure amounts currently set forth in the Caesars Lease Agreements), (ii) timely payment of Caesars’ rent obligations under the Caesars Lease Agreements during the compliance period set forth in the Omnibus Amendment, and (iii) no tenant event of default occurring under any of the Caesars Lease Agreements during the compliance period set forth in the Omnibus Amendment. Caesars will receive credit for certain deemed capital expenditure amounts, which credit may be used to satisfy certain of their capital expenditure obligations in the 2020, 2021 and 2022 fiscal years, provided that the foregoing conditions are satisfied. If Caesars fails to satisfy any of the foregoing conditions, Caesars will be required to satisfy the capital expenditure obligations set forth in the Caesars Lease Agreements or, in certain cases, to deposit amounts in respect thereof into a capital expenditure reserve in accordance with the Omnibus Amendment.

Subsequent to September 30, 2020, on October 27, 2020, we and Caesars entered into an Amended and Restated Omnibus Amendment to Leases, which provides for a proportionate adjustment to certain relief previously granted under the Omnibus Amendment with respect to a portion of the capital expenditure obligations of Caesars under the Caesars Lease Agreements in order to account for the addition of the MTA Properties to the Regional Master Lease Agreement pursuant to the MTA Properties Acquisitions on July 20, 2020.

Amendment to Century Portfolio Lease Agreement

In May 2020, we entered into an amendment to the Century Portfolio Lease Agreement with Century Casinos. The Century Portfolio Lease Agreement contains certain covenants, including minimum capital expenditures. The covenants under the Century Portfolio Lease Agreement began on January 1, 2020; however, as a result of the casino closures in connection with the COVID-19 pandemic, we agreed to waive Century Casinos' capital expenditure requirements for 2020 and defer to not later than December 31, 2021 certain other expenditures contemplated in connection with the underwriting of the Century Portfolio. Pursuant to the amendment to the Century Portfolio Lease Agreement, the capital expenditure relief is conditioned upon (i) Century Casinos' timely payment of rent obligations under the Century Portfolio Lease Agreement during the compliance period set forth in the amendment and (ii) no tenant event of default occurring under the Century Portfolio Lease Agreement during the compliance period set forth in the amendment. If Century Casinos fails to satisfy any of the foregoing conditions, Century Casinos will be required to satisfy the capital expenditure obligations set forth in the Century Portfolio Lease Agreement or, in certain cases, to deposit amounts in respect thereof into a capital expenditure reserve for expenditure in accordance with the amendment.

Sale of Bally's Atlantic City

On April 24, 2020, we and Caesars entered into definitive agreements to sell the Bally's Atlantic City Hotel & Casino for \$25.0 million to a subsidiary of Twin River Worldwide Holdings, Inc. We are entitled to receive approximately \$19.0 million of the proceeds from the sale and Caesars is entitled to approximately \$6.0 million of the proceeds. The annual rent payments under the Regional Master Lease Agreement will remain unchanged following completion of the disposition, which we anticipate will close by the end of the year and remains subject to regulatory approval and customary closing conditions.

Unsecured February 2020 Senior Notes Offering and Redemption and Repayment of the Second Lien Notes

On February 5, 2020, the Issuers issued (i) \$750.0 million in aggregate principal amount of 2025 Notes, (ii) \$750.0 million in aggregate principal amount of 2027 Notes and (iii) \$1.0 billion aggregate principal amount of 2030 Notes. We placed \$2.0 billion of the net proceeds of the offering into escrow pending the consummation of the Eldorado Transaction (which was subsequently released from escrow and used to fund a portion of the purchase price of the Eldorado Transaction). On February 20, 2020 we used the remaining net proceeds from the 2025 Notes, together with cash on hand, to redeem in full the outstanding \$498.5 million in aggregate principal amount of the Second Lien Notes plus the Second Lien Notes Applicable Premium, for a total redemption cost of approximately \$537.5 million. The 2025 Notes will mature on February 15, 2025, the 2027 Notes will mature on February 15, 2027 and the 2030 Notes will mature on August 15, 2030. Interest on the 2025 Notes will accrue at a rate of 3.500% per annum, interest on the 2027 Notes will accrue at a rate of 3.750% per annum and interest on the 2030 Notes will accrue at a rate of 4.125% per annum. Interest on the February 2020 Unsecured Notes will be payable semi-annually in cash in arrears on February 15 and August 15 of each year, commencing on August 15, 2020.

Closing of Purchase of JACK Cleveland/Thistledown

On January 24, 2020 we completed the previously announced transaction to acquire the casino-entitled land and real estate and related assets of JACK Cleveland, located in Cleveland, Ohio and JACK Thistledown located in North Randall, Ohio (the "JACK Cleveland/Thistledown Acquisition") from JACK Entertainment, for approximately \$843.3 million. Simultaneous with the closing of the JACK Cleveland/Thistledown Acquisition, we entered into a master triple-net lease agreement for JACK Cleveland and JACK Thistledown with a subsidiary of JACK Entertainment. The lease has an initial total annual rent of \$65.9 million and an initial term of 15 years, with four five-year tenant renewal options. The tenant's obligations under the lease are guaranteed by Rock Ohio Ventures. Additionally, we made a \$50.0 million loan to affiliates of Rock Ohio Ventures secured by, among other things, certain non-gaming real estate assets owned by such affiliates and guaranteed by Rock Ohio Ventures. The terms of the JACK Cleveland/Thistledown Lease Agreement and the ROV Loan were subsequently amended on July 16, 2020 pursuant to the JACK Lease Agreement Amendment and Amended and Restated ROV Loan as described above under "—JACK Lease Agreement Amendment and Amended and Restated ROV Loan."

Repricing of Term Loan B Facility

On January 24, 2020, VICI PropCo entered into Amendment No. 1 to the Amended and Restated Credit Agreement, which, among other things, reduced the interest rate on the Term Loan B Facility from LIBOR plus 2.00% to LIBOR plus 1.75%.

RESULTS OF OPERATIONS

Segments

Our real property business and our golf course business represent our two reportable segments. The real property business segment consists of leased real property and loan investments and represents the substantial majority of our business. The golf course business segment consists of four golf courses, with each being operating segments that are aggregated into one reportable segment. The results of each reportable segment presented below are consistent with the way our management assesses these results and allocates resources.

<i>(In thousands)</i>	Three Months Ended September 30,			Nine Months Ended September 30,		
	2020	2019	Variance	2020	2019	Variance
Revenues						
Income from sales-type and direct financing leases	\$ 270,274	\$ 206,001	\$ 64,273	\$ 718,421	\$ 603,300	\$ 115,121
Income from operating leases	3,638	10,913	(7,275)	25,464	32,740	(7,276)
Income from lease financing receivables and loans	52,827	—	52,827	82,696	—	82,696
Other income	7,276	—	7,276	8,702	—	8,702
Golf operations	5,638	5,599	39	17,273	21,221	(3,948)
Revenues	<u>339,653</u>	<u>222,513</u>	<u>117,140</u>	<u>852,556</u>	<u>657,261</u>	<u>195,295</u>
Operating expenses						
General and administrative	8,047	6,717	1,330	22,560	19,460	3,100
Depreciation	910	1,000	(90)	2,990	2,948	42
Other expenses	7,263	—	7,263	8,702	—	8,702
Golf operations	4,672	5,423	(751)	13,181	14,363	(1,182)
Change in allowance for credit losses	177,052	—	177,052	261,080	—	261,080
Transaction and acquisition expenses	2,026	993	1,033	7,703	4,749	2,954
Total operating expenses	<u>199,970</u>	<u>14,133</u>	<u>185,837</u>	<u>316,216</u>	<u>41,520</u>	<u>274,696</u>
Operating income	139,683	208,380	(68,697)	536,340	615,741	(79,401)
Interest expense	(77,399)	(68,531)	(8,868)	(231,185)	(176,936)	(54,249)
Interest income	214	6,690	(6,476)	6,743	15,861	(9,118)
Loss from extinguishment of debt	—	—	—	(39,059)	—	(39,059)
Gain upon lease modification	333,352	—	333,352	333,352	—	333,352
Income before income taxes	395,850	146,539	249,311	606,191	454,666	151,525
Income tax benefit (expense)	368	(24)	392	(395)	(1,098)	703
Net income	396,218	146,515	249,703	605,796	453,568	152,228
Less: Net loss (income) attributable to non-controlling interest	2,056	(2,080)	4,136	(2,132)	(6,235)	4,103
Net income attributable to common stockholders	<u>\$ 398,274</u>	<u>\$ 144,435</u>	<u>\$ 253,839</u>	<u>\$ 603,664</u>	<u>\$ 447,333</u>	<u>\$ 156,331</u>

Revenue

For the three and nine months ended September 30, 2020 and 2019, our revenue was comprised of the following items:

<i>(In thousands)</i>	Three Months Ended September 30,			Nine Months Ended September 30,		
	2020	2019	Variance	2020	2019	Variance
Leasing revenue	\$ 323,711	\$ 216,914	\$ 106,797	\$ 821,628	\$ 636,040	\$ 185,588
Income from loans	3,028	—	3,028	4,953	—	4,953
Other income	7,276	—	7,276	8,702	—	8,702
Golf operations	5,638	5,599	39	17,273	21,221	(3,948)
Total revenue	\$ 339,653	\$ 222,513	\$ 117,140	\$ 852,556	\$ 657,261	\$ 195,295

Leasing Revenue

The following table details the components of our income from direct financing, sales-type, operating and financing receivables leases:

<i>(In thousands)</i>	Three Months Ended September 30,			Nine Months Ended September 30,		
	2020	2019	Variance	2020	2019	Variance
Income from sales-type and direct financing leases	\$ 270,274	\$ 206,001	\$ 64,273	\$ 718,421	\$ 603,300	\$ 115,121
Income from operating leases ⁽¹⁾	3,638	10,913	(7,275)	25,464	32,740	(7,276)
Income from lease financing receivables ⁽²⁾	49,799	—	49,799	77,743	—	77,743
Total leasing revenue	323,711	216,914	106,797	821,628	636,040	185,588
Non-cash adjustment ⁽³⁾	(18,942)	2,494	(21,436)	(11,879)	(2,295)	(9,584)
Total contractual leasing revenue	\$ 304,769	\$ 219,408	\$ 85,361	\$ 809,749	\$ 633,745	\$ 176,004

(1) Represents portion of land separately classified and accounted for under the operating lease model associated with our investment in Caesars Palace Las Vegas and certain operating land parcels contained in the Regional Master Lease Agreement. Upon the consummation of the Eldorado Transaction on July 20, 2020, the land component of Caesars Palace Las Vegas and the certain operating land parcels were reassessed for lease classification and determined to be a sales-type lease. Accordingly, subsequent to July 20, 2020, such income is recognized as Income from sales-type and direct financing leases.

(2) Represents the MTA Properties and the JACK Cleveland/Thistledown Lease Agreement both of which were sale leaseback transactions. In accordance with ASC 842, since the lease agreements were determined to meet the definition of a sales-type lease and control of the asset is not considered to have transferred to us, such lease agreements are accounted for as financings under ASC 310.

(3) Amounts represent the non-cash adjustment to income from direct financing leases, sales-type leases and lease financing receivables in order to recognize income on an effective interest basis at a constant rate of return over the term of the leases.

Leasing revenue is generated from rent from our Lease Agreements. Total leasing revenue increased \$106.8 million and \$185.6 million during the three and nine months ended September 30, 2020, respectively, compared to the three and nine months ended September 30, 2019, respectively. Total contractual leasing revenue increased \$85.4 million and \$176.0 million during the three and nine months ended September 30, 2020, respectively, compared to the three and nine months ended September 30, 2019, respectively. The increase was primarily driven by the addition of Greektown, Hard Rock Cincinnati, the Century Portfolio, JACK Cleveland/Thistledown and the MTA Properties to our real estate portfolio in May 2019, September 2019, December 2019, January 2020 and July 2020, respectively, as well as the CPLV Additional Rent Acquisition and the HLV Additional Rent Acquisition in July 2020.

Income From Loans

Income from loans increased \$3.0 million and \$5.0 million during the three and nine months ended September 30, 2020, respectively, compared to the three and nine months ended September 30, 2019, respectively. The increase was driven by the addition of the ROV Loan (and the Amended and Restated ROV Loan), Chelsea Piers Mortgage Loan and Forum Convention Center Mortgage Loan to our real estate portfolio in January 2020 (and July 2020), August 2020 and September 2020, respectively.

Other Income

For the three and nine months ended September 30, 2019, Other income was included net in General and administrative expenses. During the three and nine months ended September 30, 2020, we have re-classified Other income to be presented gross with an offsetting amount within Other expenses. Additionally, during the three months ended September 30, 2020, we recognized additional income and offsetting expense as a result of the assumption of the HNO Ground Lease as part of the MTA Properties Acquisitions.

Golf Operations Revenue

Revenues from golf operations stayed consistent during the three months ended September 30, 2020 compared to the three months ended September 30, 2019 and decreased \$3.9 million during the nine months ended September 30, 2020 compared to the nine months ended September 30, 2019. The decrease was primarily driven by the closure of our golf courses in mid-March until early to mid-May as a result of the ongoing COVID-19 pandemic, partially offset by an increase in the contractual fees paid to us by Caesars for the use of our golf courses, pursuant to a golf course use agreement.

Operating Expenses

For the three and nine months ended September 30, 2020 and 2019, our operating expenses were comprised of the following items:

<i>(In thousands)</i>	Three Months Ended September 30,			Nine Months Ended September 30,		
	2020	2019	Variance	2020	2019	Variance
General and administrative	\$ 8,047	\$ 6,717	\$ 1,330	\$ 22,560	\$ 19,460	\$ 3,100
Depreciation	910	1,000	(90)	2,990	2,948	42
Other expenses	7,263	—	7,263	8,702	—	8,702
Golf operations	4,672	5,423	(751)	13,181	14,363	(1,182)
Change in allowance for credit losses	177,052	—	177,052	261,080	—	261,080
Transaction and acquisition expenses	2,026	993	1,033	7,703	4,749	2,954
Total operating expenses	\$ 199,970	\$ 14,133	\$ 185,837	\$ 316,216	\$ 41,520	\$ 274,696

General and Administrative Expenses

General and administrative expenses increased \$1.3 million and \$3.1 million for the three and nine months ended September 30, 2020 as compared to the three and nine months ended September 30, 2019, respectively. The increase was primarily driven by an increase in compensation, including stock-based compensation.

Other Expenses

For the three and nine months ended September 30, 2019, Other expenses were included net in General and administrative expenses. During the three and nine months ended September 30, 2020, we have re-classified Other expenses to be presented gross with an offsetting amount within Other income. Additionally, during the three months ended September 30, 2020, we recognized additional income and offsetting expense as a result of the assumption of the HNO Ground Lease as part of the MTA Properties Acquisitions.

Golf Operations

Expenses from golf operations decreased \$0.8 million and \$1.2 million during the three and nine months ended September 30, 2020, respectively, compared to the three and nine months ended September 30, 2019, respectively. The decrease was primarily driven by the closure of our golf courses in mid-March until early to mid-May as a result of the ongoing COVID-19 pandemic, partially offset by an increase in the water usage charges at one of our golf courses. Additionally, even though our courses were closed from mid-March until early to mid-May as a result of the ongoing COVID-19 pandemic, we continued to pay all of our golf course employees their full salaries and benefits for a period of time and, accordingly, the decrease in our golf course operating revenues was not proportionately offset by a decrease in golf course operating expenses.

Change in Allowance for Credit Losses

On January 1, 2020, we adopted ASU No. 2016-13 - *Financial Instruments-Credit Losses (Topic 326)* which requires us to record an estimated credit loss for our (i) Investments in leases - sales-type and direct financing, (ii) Investments in leases - financing receivables and (iii) Investments in loans. During the three months ended September 30, 2020, we recognized a \$177.1 million increase in our allowance for credit losses primarily related to an increase in our investment balances subject to CECL from the consummation of the Eldorado Transaction. Specifically, the increase was driven by (i) the increase in investment balances resulting from the Eldorado Transaction, which includes (A) an initial CECL allowance on our \$1.8 billion investment in the MTA Properties, (B) an additional CECL allowance on our aggregate \$1.4 billion increased investment in the Las Vegas Master Lease Agreement as a result of the CPLV Additional Rent Acquisition and HLV Additional Rent Acquisition and (C) an additional CECL allowance on the \$333.4 million increased balance of our existing Caesars Lease Agreements as a result of the mark to fair value in connection with the reassessment of lease classification, (ii) an increase in the R&S Period PD of Caesars as a result of the Eldorado/Caesars Merger and (iii) an initial CECL allowance on our \$400.0 million investment in the Forum Convention Center Mortgage Loan. This increase was partially offset by a decrease in the R&S Period PD of our other tenants and their parent guarantors as a result of an improvement in their economic outlook due to the reopening of a majority of their gaming operations and relative performance of such operations during the second and third quarter of 2020.

During the nine months ended September 30, 2020, we recognized a \$261.1 million increase in allowance for credit losses related to our real estate portfolio as a result of (i) the Eldorado Transaction, Eldorado/Caesars Merger and Forum Convention Center Mortgage Loan as described above, (ii) an increase in the Long-term Period PD of our tenants due to downgrades on certain of the credit ratings of our tenants' senior secured debt and (iii) a \$22.2 million increase related to our initial investment in JACK Cleveland/Thistledown and the ROV Loan in January 2020. The credit loss standard does not require retrospective application and as such there is no corresponding charge for the three and nine months ended September 30, 2019. Refer to [Note 6 - Allowance for Credit Losses](#) for further details.

Transaction and Acquisition Expenses

Transaction and acquisition expenses increased \$1.0 million and \$3.0 million during the three and nine months ended September 30, 2020, respectively, compared to the three and nine months ended September 30, 2019, respectively. Changes in transaction and acquisition expenses are related to fluctuations in (i) costs incurred for investments during the period that are not capitalizable under GAAP and (ii) costs incurred for investments that we are no longer pursuing.

Non-Operating Income and Expenses

Interest Expense

Interest expense increased \$8.9 million and \$54.2 million during the three and nine months ended September 30, 2020, respectively, as compared to the three and nine months ended September 30, 2019, respectively. The increase is primarily attributable to the increase in debt of \$4.75 billion in the aggregate from the February 2020 Senior Unsecured Notes offering and the November 2019 Senior Unsecured Notes offering, partially offset by a reduction in debt of \$2.05 billion as a result of the full redemption of the Second Lien Notes in February 2020 and full repayment of the CPLV CMBS Debt in November 2019.

Additionally, the weighted average annualized interest rate of our debt decreased to 4.18% and 4.48% during the three and nine months ended September 30, 2020, respectively, from 4.97% during the three and nine months ended September 30, 2019 as a result of (i) the weighted average interest rate on the February 2020 Senior Unsecured Notes and the November 2019 Senior Unsecured Notes being lower than the weighted average interest rate of the Second Lien Notes and CPLV CMBS Debt, (ii) a decrease in LIBOR on the \$100.0 million portion of our variable rate debt that is not hedged and (iii) a reduction in the interest rate on the Term Loan B Facility from LIBOR plus 2.00% to LIBOR plus 1.75%.

Interest Income

Interest income decreased \$6.5 million and \$9.1 million during the three and nine months ended September 30, 2020, respectively, compared to the three and nine months ended September 30, 2019, respectively. The decrease was primarily driven by an overall decrease in our cash on hand and a substantial decrease in the interest rates earned on our excess cash.

Loss on Extinguishment of Debt

During the nine months ended September 30, 2020, we recognized a loss on extinguishment of debt of \$39.1 million resulting from the full redemption of our Second Lien Notes in February 2020. We had no such related extinguishment of debt during the nine months ended September 30, 2019.

Gain Upon Lease Modification

In connection with the Eldorado Transaction and as required under ASC 842, we reassessed the lease classification of the Las Vegas Master Lease Agreement, Regional Master Lease Agreement and Joliet Lease Agreement and determined the leases meet the definition of a sales-type lease, including the land component of Caesars Palace Las Vegas. As a result of the reclassifications of the Caesars Lease Agreements from direct financing and operating leases to sales-type leases, we recorded the investments at their estimated fair values as of the modification date and recognized a net gain equal to the difference in fair value of the assets and their carrying values immediately prior to the modification.

RECONCILIATION OF NON-GAAP MEASURES

We present Funds From Operations (“FFO”), FFO per share, Adjusted Funds From Operations (“AFFO”), AFFO per share, and Adjusted EBITDA, which are not required by, or presented in accordance with, generally accepted accounting principles in the United States (“GAAP”). These are non-GAAP financial measures and should not be construed as alternatives to net income or as an indicator of operating performance (as determined in accordance with GAAP). We believe FFO, FFO per share, AFFO, AFFO per share and Adjusted EBITDA provide a meaningful perspective of the underlying operating performance of our business.

FFO is a non-GAAP financial measure that is considered a supplemental measure for the real estate industry and a supplement to GAAP measures. Consistent with the definition used by The National Association of Real Estate Investment Trusts (NAREIT), we define FFO as net income (or loss) attributable to common stockholders (computed in accordance with GAAP) excluding (i) gains (or losses) from sales of certain real estate assets, (ii) depreciation and amortization related to real estate, (iii) gains and losses from change in control and (iv) impairment write-downs of certain real estate assets and investments in entities when the impairment is directly attributable to decreases in the value of depreciable real estate held by the entity.

AFFO is a non-GAAP financial measure that we use as a supplemental operating measure to evaluate our performance. We calculate AFFO by adding or subtracting from FFO non-cash leasing and financing adjustments, non-cash change in allowance for credit losses, transaction costs incurred in connection with the acquisition of real estate investments, non-cash stock-based compensation expense, amortization of debt issuance costs and original issue discount, other non-cash interest expense, non-real estate depreciation (which is comprised of the depreciation related to our golf course operations), capital expenditures (which are comprised of additions to property, plant and equipment related to our golf course operations), impairment charges related to non-depreciable real estate and gains (or losses) on debt extinguishment, other non-recurring non-cash transactions (such as non-cash gain upon lease modification) and non-cash adjustments attributable to non-controlling interest with respect to certain of the foregoing. The non-cash change in allowance for credit losses consists of estimated credit loss for our Investments in leases - sales-type and direct financing, Investments in leases - financing receivables and Investments in loans as a result of our adoption of ASU No. 2016-13 - Financial Instruments-Credit Losses (Topic 326). No similar adjustments are reflected in prior periods because the accounting standard was adopted effective January 1, 2020 and does not require retrospective application. Please see [Note 6 - Allowance for Credit Losses](#) for further information.

We calculate Adjusted EBITDA by adding or subtracting from AFFO contractual interest expense and interest income (collectively, interest expense, net) and income tax expense.

These non-GAAP financial measures: (i) do not represent cash flow from operations as defined by GAAP; (ii) should not be considered as an alternative to net income as a measure of operating performance or to cash flows from operating, investing and financing activities; and (iii) are not alternatives to cash flow as a measure of liquidity. In addition, these measures should not be viewed as measures of liquidity, nor do they measure our ability to fund all of our cash needs, including our ability to make cash distributions to our stockholders, to fund capital improvements, or to make interest payments on our indebtedness. Investors are also cautioned that FFO, FFO per share, AFFO, AFFO per share and Adjusted EBITDA, as presented, may not be comparable to similarly titled measures reported by other real estate companies, including REITs, due to the fact that not all real estate companies use the same definitions. Our presentation of these measures does not replace the presentation of our financial results in accordance with GAAP.

Reconciliation of Net Income to FFO, FFO per Share, AFFO, AFFO per Share and Adjusted EBITDA

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
<i>(In thousands, except share data and per share data)</i>				
Net income attributable to common stockholders	\$ 398,274	\$ 144,435	\$ 603,664	\$ 447,333
Real estate depreciation	—	—	—	—
FFO	398,274	144,435	603,664	447,333
Non-cash leasing and financing adjustments	(18,919)	2,494	(11,826)	(2,295)
Non-cash change in allowance for credit losses	177,052	—	261,080	—
Transaction and acquisition expenses	2,026	993	7,703	4,749
Non-cash stock-based compensation	2,013	1,404	5,375	3,821
Amortization of debt issuance costs and original issue discount	4,368	14,816	15,504	18,180
Other depreciation	879	997	2,905	2,940
Capital expenditures	(337)	(588)	(1,982)	(1,991)
Loss on extinguishment of debt	—	—	39,059	—
Non-cash gain upon lease modification	(333,352)	—	(333,352)	—
Non-cash adjustments attributable to non-controlling interest	(4,097)	69	(3,990)	202
AFFO	227,907	164,620	584,140	472,939
Interest expense, net	72,817	47,025	208,938	142,895
Income tax (benefit) expense	(368)	24	395	1,098
Adjusted EBITDA	\$ 300,356	\$ 211,669	\$ 793,473	\$ 616,932
Net income per common share				
Basic	\$ 0.75	\$ 0.31	\$ 1.22	\$ 1.05
Diluted	\$ 0.74	\$ 0.31	\$ 1.21	\$ 1.04
FFO per common share				
Basic	\$ 0.75	\$ 0.31	\$ 1.22	\$ 1.05
Diluted	\$ 0.74	\$ 0.31	\$ 1.21	\$ 1.04
AFFO per common share				
Basic	\$ 0.43	\$ 0.36	\$ 1.18	\$ 1.11
Diluted	\$ 0.43	\$ 0.35	\$ 1.17	\$ 1.10
Weighted average number of shares of common stock outstanding				
Basic	533,407,916	460,666,295	496,002,850	426,437,889
Diluted	536,180,175	465,771,668	499,982,269	428,366,146

LIQUIDITY AND CAPITAL RESOURCES

Overview

As of September 30, 2020, our available cash balances, short-term investments, capacity under our Revolving Credit Facility and additional available proceeds were as follows:

<i>(In thousands)</i>		September 30, 2020
Cash and cash equivalents	\$	144,057
Short-term investments		19,973
Capacity under Revolving Credit Facility ⁽¹⁾		1,000,000
Proceeds available from settlement of the June 2020 Forward Sale Agreement ⁽²⁾		557,037
Total	\$	1,721,067

(1) Subject to compliance with the financial covenants and other applicable provisions of our Revolving Credit Facility.

(2) Assumes the physical settlement of the remaining 26,900,000 shares under the June 2020 Forward Sale Agreement at the forward sale price of \$20.71, calculated as of September 30, 2020.

Our short-term obligations consist primarily of regular interest payments on our debt obligations, dividends to our common stockholders, normal recurring operating expenses, recurring expenditures for corporate and administrative needs, certain lease and other contractual commitments related to our golf operations and certain non-recurring expenditures. For a list of our material contractual commitments refer to [Note 11 - Commitments and Contingent Liabilities](#).

Our long-term obligations consist primarily of principal payments on our outstanding debt obligations and future funding commitments under our lease and loan agreements. As of September 30, 2020, we have \$6.9 billion of debt obligations outstanding, none of which are maturing in the next twelve months. As of September 30, 2020, we have \$58.0 million in future funding commitments consisting of \$25.0 million related to the ROV Credit Facility, \$15.0 million related to the Chelsea Piers Mortgage Loan and \$18.0 million related to the funding of the construction of a new gaming patio amenity at JACK Thistledown Racino (\$6.0 million of which was funded on October 1, 2020), which will be leased by JACK Entertainment pursuant to the JACK Lease Agreement Amendment. For a summary of principal debt balances and their maturity dates and principal terms refer to [Note 8 - Debt](#), in the Notes to our Consolidated Financial Statements. For a summary of our future funding commitments under our loan portfolio refer to [Note 5 - Real Estate Portfolio](#), in the Notes to our Consolidated Financial Statements.

Information concerning our obligations and commitments to make future payments under contracts such as our indebtedness and future minimum lease commitments under operating leases is included in the following table as of September 30, 2020:

(In thousands)	Payments Due By Period					
	Total	2020 (remaining)	2021	2022	2023	2024 and Thereafter
Long-term debt, principal						
2025 Notes ⁽¹⁾	\$ 750,000	\$ —	\$ —	\$ —	\$ —	\$ 750,000
2026 Notes ⁽¹⁾	1,250,000	—	—	—	—	1,250,000
2027 Notes ⁽¹⁾	750,000	—	—	—	—	750,000
2029 Notes ⁽¹⁾	1,000,000	—	—	—	—	1,000,000
2030 Notes ⁽¹⁾	1,000,000	—	—	—	—	1,000,000
Term Loan B Facility ⁽²⁾	2,100,000	—	—	10,000	22,000	2,068,000
Revolving Credit Facility ⁽³⁾	—	—	—	—	—	—
Scheduled interest payments ⁽⁴⁾	1,804,345	74,024	282,416	281,543	256,343	910,019
Total debt contractual obligations	8,654,345	74,024	282,416	291,543	278,343	7,728,019
Leases and contracts						
Future funding commitments – loan investments and lease agreements ⁽⁵⁾	58,000	6,000	12,000	—	—	40,000
Operating lease for Cascata Golf Course Land	19,978	230	933	951	970	16,894
Golf maintenance contract for Rio Secco and Cascata Golf Course	10,887	837	3,350	3,350	3,350	—
Office leases	8,804	237	918	857	857	5,935
Total leases and contract obligations	97,669	7,304	17,201	5,158	5,177	62,829
Total contractual commitments	\$ 8,752,014	\$ 81,328	\$ 299,617	\$ 296,701	\$ 283,520	\$ 7,790,848

(1) The 2025 Notes, 2026 Notes, 2027 Notes, 2029 Notes and 2030 Notes will mature on February 15, 2025, December 1, 2026, February 15, 2027, December 1, 2029 and August 15, 2030, respectively.

(2) The Term Loan B Facility is subject to amortization of 1.0% of principal per annum payable in equal quarterly installments on the last business day of each calendar quarter. However, as a result of prepaying \$100.0 million in February 2018 the next principal payment due on the Term Loan B Facility is September 2022. The Term Loan B Facility will mature on December 22, 2024 (or if the maturity is extended pursuant to the terms of the agreement, such extended maturity date as determined pursuant thereto).

(3) The Revolving Credit Facility will mature on May 15, 2024.

(4) Estimated interest payments on variable interest loans are based on a LIBOR rate as of September 30, 2020.

(5) The allocation of our future funding commitments is based on the commitment funding date or expiration date, as applicable, however we may be obligated to fund these commitments earlier than such date.

We believe that we have sufficient liquidity to meet our liquidity and capital resource requirements primarily through currently available cash and cash equivalents, short-term investments, cash received under our Lease Agreements, borrowings from banks, including undrawn capacity under our Revolving Credit Facility, and proceeds from the issuance of debt and equity securities (including issuances under the June 2020 Forward Sale Agreement and our ATM Agreement).

All of the Lease Agreements call for an initial term of fifteen years with four, five-year tenant renewal options and are designed to provide us with a reliable and predictable long-term revenue stream (except for the JACK Cleveland/Thistledown Lease Agreement, as amended, which now provides for an initial term of twenty years with three, five-year renewal options). However, the COVID-19 pandemic has adversely impacted our tenants and their financial condition, and is expected to continue to do so, as all of their properties were closed for a period of time, and upon reopening are subject to operating restrictions and continuing uncertainty as to whether they will be forced to close again in the future. In the event our tenants are unable to make all of their contractual rent payments as provided by the Lease Agreements, we believe we have sufficient

liquidity from the other sources discussed above to meet all of our contractual obligations for a significant period of time. Additionally, we do not have any debt maturities until 2024. For more information, refer to the risk factors incorporated by reference into [Part II, Item 1A, Risk Factors](#) herein from our [Quarterly Report on Form 10-Q for the quarter ended June 30, 2020](#) and in our [Annual Report on Form 10-K for the year ended December 31, 2019](#).

Our cash flows from operations and our ability to access capital resources could be adversely affected due to uncertain economic factors and volatility in the financial and credit markets, including the current conditions created by the COVID-19 pandemic which has severely and adversely impacted global, national and regional economic activity and has contributed to significant volatility and negative pressure in financial markets. In particular, in connection with the ongoing COVID-19 pandemic and its impact on our tenants' operations and financial performance we have provided certain relief under the applicable Lease Agreements to some of our tenants as more fully described above in "—Significant Activities During 2020 — JACK Lease Agreement Amendment and Amended and Restated ROV Loan", "—Significant Activities During 2020 — Amendment to Century Portfolio Lease Agreement" and "—Significant Activities During 2020 — Omnibus CapEx Amendment to Caesars Leases" and, as a result, we can provide no assurances that our tenants will not default on their leases or fail to make full rental payments if their businesses become challenged due to, among other things, current or future adverse economic conditions. In addition, such tenant default or failure to make full rental payments could impact our operating performance and result in us not satisfying the financial covenants applicable to our outstanding indebtedness, which could result in us not being able to incur additional debt, including the available capacity under our Revolving Credit Facility, or result in a default. Further, future or current economic conditions could impact our tenants' ability to meet capital improvement requirements or other obligations required in our Lease Agreements that could result in a decrease in the value of our properties.

Our ability to raise funds through the issuance of debt and equity securities and access to other third-party sources of capital in the future will be dependent on, among other things, uncertainties related to COVID-19 and the impact of our response and our tenants' responses to COVID-19, general economic conditions, general market conditions for REITs, market perceptions and the trading price of our stock. We will continue to analyze which sources of capital are most advantageous to us at any particular point in time, but the capital markets may not be consistently available on terms we deem attractive, or at all. In addition, volatility in the debt capital markets and potential liquidity challenges in the banking sector resulting from the COVID-19 pandemic may increase the risk related to the pricing and availability of debt financing.

Cash Flow Analysis

The table below summarizes our cash flows for the nine months ended September 30, 2020 and 2019:

<i>(In thousands)</i>	Nine Months Ended September 30,		Variance
	2020	2019	
Cash, cash equivalents and restricted cash			
Provided by operating activities	\$ 539,521	\$ 437,199	\$ 102,322
Used in investing activities	(4,556,349)	(1,355,857)	(3,200,492)
Provided by financing activities	3,058,992	783,721	2,275,271
Net decrease in cash, cash equivalents and restricted cash	(957,836)	(134,937)	(822,899)
Cash, cash equivalents and restricted cash, beginning of period	1,101,893	598,447	503,446
Cash, cash equivalents and restricted cash, end of period	\$ 144,057	\$ 463,510	\$ (319,453)

Cash Flows from Operating Activities

Net cash provided by operating activities increased \$102.3 million for the nine months ended September 30, 2020 compared with the nine months ended September 30, 2019. The increase is primarily driven by an increase in cash rental payments from the Eldorado Transaction in July 2020 and the addition of Greektown, Hard Rock Cincinnati, the Century Portfolio, JACK Cleveland/Thistledown, the ROV Loan (and the Amended and Restated ROV Loan), the Chelsea Piers Mortgage Loan and the Forum Convention Center Mortgage Loan to our real estate portfolio in May 2019, September 2019, December 2019, January 2020 (and July 2020), August 2020 and September 2020, respectively, partially offset by a decrease due to the prepayment of certain rent in December 2019 related to January 2020.

Cash Flows from Investing Activities

Net cash used in investing activities increased \$3,200.5 million for the nine months ended September 30, 2020 compared with the nine months ended September 30, 2019. The increase is primarily driven by the ROV Loan (and the Amended and Restated ROV Loan), the JACK Cleveland/Thistledown Acquisition, the Eldorado Transaction, the Chelsea Piers Mortgage Loan and the Forum Convention Center Mortgage Loan for a total of \$4,625.1 million, including acquisition costs, during the nine months ended September 30, 2020, as well as a decrease in net maturities of short-term investments of \$138.6 million during the nine months ended September 30, 2020 as compared to the nine months ended September 30, 2019. This increase was partially offset by the proceeds to VICI from the sale of Harrah's Reno in the amount of \$31.1 million during the nine months ended September 30, 2020 and the Margaritaville Acquisition, Greektown Acquisition and Hard Rock Cincinnati Acquisition for \$1,530.6 million, including acquisition costs, during the nine months ended September 30, 2019.

Cash Flows from Financing Activities

Net cash provided by financing activities increased \$2,275.3 million for the nine months ended September 30, 2020, compared with the nine months ended September 30, 2019.

During the nine months ended September 30, 2020, the primary sources and uses of cash from financing activities included:

- Net proceeds from the sale of an aggregate of \$1,539.7 million of our common stock pursuant to the full physical settlement of our June 2019 Forward Sale Agreements, the partial physical settlement of \$63.0 million of our common stock pursuant to our June 2020 Forward Sale Agreement and our at-the-market program;
- Gross proceeds from our February 2020 Senior Unsecured Notes offering of \$2,500.0 million;
- Full redemption of the \$498.5 million outstanding aggregate principal amount of our Second Lien Notes, as well as the \$39.0 million Second Lien Notes Applicable Premium plus fees;
- Dividend payments of \$435.2 million;
- Debt issuance costs of \$57.8 million;
- Reimbursement of the CPLV CMBS Debt prepayment penalty from Caesars in the amount of \$55.4 million; and
- Distributions of \$5.4 million to non-controlling interest

During the nine months ended September 30, 2019 the primary sources and uses of cash from financing activities included:

- Net proceeds from the sale of an aggregate of \$1,164.4 million of our common stock from a primary follow-on offering and pursuant to our at-the-market program;
- Dividend payments of \$366.9 million;
- Debt issuance costs of \$7.7 million; and
- Distributions of \$6.1 million to non-controlling interest.

Capital Expenditures

As described in our leases, capital expenditures for properties under our Lease Agreements are the responsibility our tenants. Refer to [Note 5 - Real Estate Portfolio](#) in the Notes to our Financial Statements for further information of the obligations of our tenants under the Lease Agreements.

Debt

Activity During 2020

On February 5, 2020, the Issuers issued (i) \$750.0 million in aggregate principal amount of 2025 Notes, (ii) \$750.0 million in aggregate principal amount of 2027 Notes and (iii) \$1.0 billion in aggregate principal amount of 2030 Notes. We placed \$2.0 billion of the net proceeds of the offering into escrow pending the consummation of the Eldorado Transaction (which was subsequently released from escrow and used to fund a portion of the consideration payable in connection with the closing of the Eldorado Transaction on July 20, 2020). On February 20, 2020, we used the remaining net proceeds from the 2025 Notes, together with cash on hand, to redeem in full the outstanding \$498.5 million in aggregate principal amount of the Second Lien Notes plus the Second Lien Notes Applicable Premium, for a total redemption cost of approximately \$537.5 million. The 2025

Notes will mature on February 15, 2025, the 2027 Notes will mature on February 15, 2027 and the 2030 Notes will mature on August 15, 2030. Interest on the 2025 Notes will accrue at a rate of 3.500% per annum, interest on the 2027 Notes will accrue at a rate of 3.750% per annum and interest on the 2030 Notes will accrue at a rate of 4.125% per annum. Interest on the February 2020 Unsecured Notes will be payable semi-annually in cash in arrears on February 15 and August 15 of each year, commencing on August 15, 2020.

On January 24, 2020, VICI PropCo entered into Amendment No. 1 to the Amended and Restated Credit Agreement, which, among other things, reduced the interest rate on the Term Loan B Facility from LIBOR plus 2.00% to LIBOR plus 1.75%.

Covenants

Our debt obligations are subject to certain customary financial and protective covenants that restrict our ability to incur additional debt, sell certain asset and restrict certain payments, among other things. In addition, these covenants are subject to a number of important exceptions and qualifications, including, with respect to the restricted payments covenant, the ability to make unlimited restricted payments to maintain our REIT status. At September 30, 2020, we were in compliance with all debt-related covenants.

Non-Guarantor Subsidiaries of Senior Unsecured Notes

The subsidiaries of the Operating Partnership that do not guarantee the Senior Unsecured Notes accounted for: (i) 5.6% of the Operating Partnership's revenue (or 5.5% of our consolidated revenue) for the nine months ended September 30, 2020 and (ii) 3.9% of the Operating Partnership's total assets (or 3.8% of our consolidated total assets) as of September 30, 2020.

Distribution Policy

We intend to make regular quarterly distributions to holders of shares of our common stock. Dividends declared (on a per share basis) during the nine months ended September 30, 2020 and 2019 were as follows:

Nine Months Ended September 30, 2020				
Declaration Date	Record Date	Payment Date	Period	Dividend
March 12, 2020	March 31, 2020	April 9, 2020	January 1, 2020 - March 31, 2020	\$ 0.2975
June 11, 2020	June 30, 2020	July 10, 2020	April 1, 2020 - June 30, 2020	\$ 0.2975
September 10, 2020	September 30, 2020	October 8, 2020	July 1, 2020 - September 30, 2020	\$ 0.3300

Nine Months Ended September 30, 2019				
Declaration Date	Record Date	Payment Date	Period	Dividend
March 14, 2019	March 29, 2019	April 11, 2019	January 1, 2019 - March 31, 2019	\$ 0.2875
June 13, 2019	June 28, 2019	July 12, 2019	April 1, 2019 - June 30, 2019	\$ 0.2875
September 12, 2019	September 27, 2019	October 10, 2019	July 1, 2019 - September 30, 2019	\$ 0.2975

Federal income tax law requires that a REIT distribute annually at least 90% of its REIT taxable income (with certain adjustments), determined without regard to the dividends paid deduction and excluding any net capital gains, and that it pay tax at regular corporate rates to the extent that it annually distributes less than 100% of its REIT taxable income, determined without regard to the dividends paid deduction and including any net capital gains. In addition, a REIT will be required to pay a 4% nondeductible excise tax on the amount, if any, by which the distributions it makes in a calendar year are less than the sum of 85% of its ordinary income, 95% of its capital gain net income and 100% of its undistributed income from prior years.

We intend to continue to make distributions to our stockholders to comply with the REIT requirements of the Internal Revenue Code of 1986, as amended (the "Code"), and to avoid or otherwise minimize paying entity level federal income or excise tax (other than at any TRS of ours). We may generate taxable income greater than our income for financial reporting purposes prepared in accordance with GAAP. Further, we may generate REIT taxable income greater than our cash flow from operations after operating expenses and debt service as a result of differences in timing between the recognition of REIT taxable income and the actual receipt of cash or the effect of nondeductible capital expenditures, the creation of reserves or required debt or amortization payments.

Critical Accounting Policies and Estimates

A complete discussion of our critical accounting policies and estimates is included in our [Annual Report on Form 10-K for the year ended December 31, 2019](#). On July 20, 2020 we consummated the Eldorado Transaction, resulting in a significant expansion to our existing accounting policies for the investments in our leases. On January 1, 2020, we adopted ASU No. 2016-13 - *Financial Instruments—Credit Losses (Topic 326)* (“ASC 326”), resulting in a significant change in our accounting policies.

Investments in Leases - Sales-type and Direct Financing, Net

Upon the consummation of the Eldorado Transaction on July 20, 2020, we modified the CPLV Lease Agreement, HLV Lease Agreement, Non-CPLV Lease Agreement and Joliet Lease Agreement, which included amending certain of the lease terms, and combining the CPLV Lease Agreement and HLV Lease Agreement into the Las Vegas Master Lease Agreement and replacing the Non-CPLV Lease Agreement with the Regional Master Lease Agreement. Upon modification, we reassessed the lease classification of the Las Vegas Master Lease Agreement, Regional Master Lease Agreement and Joliet Lease Agreement and determined the leases meet the definition of a sales-type lease, including the land component of Caesars Palace Las Vegas. Accordingly, we reclassified the land component of Caesars Palace Las Vegas from Investments in leases - operating to Investments in leases - sales-type and direct financing. Further, as a result of the reclassifications of the Caesars Lease Agreements from direct financing and operating leases to sales-type leases we recorded the investments at their estimated fair values as of the modification date and recognized a net gain equal to the difference in fair value of the assets and their carrying values immediately prior to the modification. Such gain is recognized in our Statement of Operations as Gain upon lease modification. Subsequent to the consummation of the Eldorado Transaction, we no longer have any leases classified as operating or direct financing and, as such, there is no longer any income recorded through Investments in leases - operating. Refer to [Note 4 - Property Transactions](#) for further discussion surrounding the lease modifications. Refer to [Note 10 - Fair Value](#) for further discussion surrounding the mark to fair value.

Investments in Leases - Financing Receivables, net

In accordance with ASC 842, for transactions in which we enter into a contract to acquire an asset and lease it back to the seller under a sales-type lease (i.e., a sale leaseback transaction), control of the asset is not considered to have transferred to us. As a result, we do not recognize the underlying asset but instead recognize a financial asset in accordance with ASC 310 “Receivables” (“ASC 310”). The accounting for the financing receivable under ASC 310 is materially consistent with the accounting for our investments in leases - sales-type under ASC 842.

Upon the consummation of the Eldorado Transaction on July 20, 2020, and reassessment of the classification of the Caesars Lease Agreements, as described above, we determined that the MTA Properties Acquisitions meet the definition of a separate contract under ASC 842. In accordance with this guidance, we are required to separately assess the lease classification apart from the other assets in the Regional Master Lease Agreement. We determined that the land and building components of the MTA Properties meet the definition of a sales-type lease and, since we purchased and leased the assets back to Caesars, control is not considered to have transferred to us under GAAP. Accordingly, the MTA Properties are accounted for as Investments in leases - financing receivables on our Balance Sheet, net of allowance for credit losses, in accordance with ASC 310.

Allowance for Credit Losses

On January 1, 2020, we adopted ASC 326 “Credit Losses” (“ASC 326”) which requires that we measure and record current expected credit losses (“CECL”) for the majority of our investments, the scope of which includes our Investments in leases - sales-type and direct financing, Investments in leases - financing receivables and Investments in loans.

We have elected to use a discounted cash flow model to estimate the Allowance for credit losses, or CECL allowance. This model requires us to develop cash flows which project estimated credit losses over the life of the lease or loan and discount these cash flows at the asset’s effective interest rate. We then record a CECL allowance equal to the difference between the amortized cost basis of the asset and the present value of the expected cash flows.

Expected losses within our cash flows are determined by estimating the probability of default (“PD”) and loss given default (“LGD”) of our tenants and their parent guarantors over the life of each individual lease or financial asset. We have engaged a nationally recognized data analytics firm to assist us with estimating both the PD and LGD of our tenants and their parent guarantors. The PD and LGD are estimated during a reasonable and supportable period for which we believe we are able to estimate future economic conditions (the “R&S Period”) and a long-term period for which we revert to long-term historical averages (the “Long-term Period”). The PD and LGD estimates for the R&S Period are developed using the current financial

condition of the tenant and applied to a projection of economic conditions over a two-year term. The PD and LGD for the Long-term Period are estimated using the average historical default rates and historical loss rates, respectively, of public companies over the past 35 years that have similar credit profiles or characteristics to our tenants and their parent guarantors. We were unable to use our historical data to estimate losses as we have no loss history to date.

The CECL allowance is recorded as a reduction to our net Investments in leases - direct financing and sales type, Investments in leases - financing receivables and Investments in loans on our Balance Sheet. We are required to update our CECL allowance on a quarterly basis with the resulting change being recorded in the Statement of Operations for the relevant period. Finally, each time we make a new investment in an asset subject to ASC 326, we are required to record an initial CECL allowance for such asset, which will result in a non-cash charge to the Statement of Operations for the relevant period.

We are required to estimate a CECL allowance related to contractual commitments to extend credit, such as future funding commitments under a revolving credit facility. The CECL allowance related to these future commitments is recorded as a component of Other liabilities on our Balance Sheet.

Charge-offs are deducted from the allowance in the period in which they are deemed uncollectible. Recoveries previously written off are recorded when received. There were no write-offs or recoveries for the three and nine months ended September 30, 2020.

Refer to [Note 6 - Allowance for Credit Losses](#) for further information.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

We face market risk exposure in the form of interest rate risk. This market risk arises from our debt obligations. Our primary market risk exposure is interest rate risk with respect to our indebtedness.

At September 30, 2020, we had \$6.9 billion aggregate principal amount of outstanding indebtedness. Approximately \$2.1 billion of our indebtedness has variable interest rates. We manage most of our interest rate risks related to variable rate borrowings by means of interest rate swap agreements. However, the REIT provisions of the Code substantially limit our ability to hedge our assets and liabilities. We also expect to manage our exposure to interest rate risk by maintaining a mix of fixed and variable rates for our indebtedness.

At September 30, 2020, we had entered into interest rate swap agreements that hedge \$2.0 billion of our variable rate debt. Accordingly, we have approximately \$100.0 million in variable rate debt that is not hedged. A one percent increase or decrease in the interest rate on our variable-rate borrowings that are not hedged would increase or decrease our annual cash interest expense by approximately \$1.0 million.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934, as amended (the "Exchange Act")) designed to provide reasonable assurance that information required to be disclosed in reports filed under the Exchange Act is recorded, processed, summarized and reported within the specified time periods, and is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosure.

Our management has evaluated, under the supervision and with the participation of our principal executive officer and principal financial officer, the effectiveness of our disclosure controls and procedures pursuant to Exchange Act Rule 13a-15(e) as of the end of the period covered by this report. Based upon this evaluation, our principal executive officer and principal financial officer concluded that our disclosure controls and procedures were effective as of the end of the period covered by this report.

Changes in Internal Control Over Financial Reporting

There have been no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that occurred during the three months ended September 30, 2020, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

In the ordinary course of business, from time to time, we may be subject to legal claims and administrative proceedings. As of September 30, 2020, we are not subject to any litigation that we believe could have, individually or in the aggregate, a material adverse effect on our business, financial condition or results of operations, liquidity or cash flows.

Item 1A. Risk Factors

A description of certain factors that may affect our future results and risk factors is set forth in our [Annual Report on Form 10-K for the year ended December 31, 2019](#). Investors are cautioned to interpret many of the risks identified in our [Annual Report on Form 10-K for the year ended December 31, 2019](#) as being heightened as a result of the ongoing and numerous adverse impacts of the COVID-19 pandemic. There have been no material changes to those factors for the nine months ended September 30, 2020 other than as set forth in our [Quarterly Report on Form 10-Q for the quarter ended June 30, 2020](#), and such risk factors are incorporated by reference herein.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

(a) Unregistered Sales of Equity Securities and Use of Proceeds

Not applicable.

(b) Use of Proceeds from Registered Securities

Not applicable.

(c) Issuer Purchases of Equity Securities

During the three months ended September 30, 2020, we did not repurchase any equity securities registered pursuant to Section 12 of the Exchange Act.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

None.

Item 6. Exhibits

Exhibit Number	Exhibit Description	Filed Herewith	Incorporated by Reference		
			Form	Exhibit	Filing Date
10.1	Las Vegas Lease (Conformed through Second Amendment), dated as of July 20, 2020, by and among CPLV Property Owner LLC and Claudine Propco LLC as Landlord and, Desert Palace LLC, CEOC, LLC and Harrah's Las Vegas LLC as Tenant		8-K	10.1	7/21/2020
10.2†	Regional Lease (Conformed through Fifth Amendment), dated as of July 20, 2020, by and among the entities listed on Schedules A and B thereto and CEOC, LLC		8-K	10.2	7/21/2020
10.3†	Second Amendment to Lease (Joliet), dated as of July 20, 2020, by and between Harrah's Joliet Landco LLC and Des Plaines Development Limited Partnership		8-K	10.3	7/21/2020
10.4	Guaranty of Lease entered into as of July 20, 2020 by and between Eldorado Resorts, Inc. (to be renamed Caesars Entertainment, Inc. and converted to a Delaware corporation on the date thereof), CPLV Property Owner LLC, and Claudine Propco LLC (Las Vegas Master Lease)		8-K	10.4	7/21/2020
10.5	Guaranty of Lease entered into as of July 20, 2020 by and between Eldorado Resorts, Inc. (to be renamed Caesars Entertainment, Inc. and converted to a Delaware corporation on the date thereof) and the entities listed on Schedule A thereto (Regional Lease)		8-K	10.5	7/21/2020
10.6	Guaranty of Lease entered into as of July 20, 2020 by and between Eldorado Resorts, Inc. (to be renamed Caesars Entertainment, Inc. and converted to a Delaware corporation on the date thereof) and Harrah's Joliet Landco LLC (Joliet Lease)		8-K	10.6	7/21/2020
10.7	Second Amended and Restated Lease Agreement, dated April 3, 2020, by and among Jazz Casino Company, L.L.C., New Orleans Building Corporation and the City of New Orleans		8-K	10.7	7/21/2020
10.8	Put-Call Right Agreement entered into as of July 20, 2020 by and between Centaur Propco LLC and Caesars Resort Collection, LLC		8-K	10.8	7/21/2020
10.9	Right of First Refusal Agreement entered into as of July 20, 2020 by and between Eldorado Resorts, Inc. (to be renamed Caesars Entertainment, Inc. and converted to a Delaware corporation on the date thereof) and VICI Properties L.P. (Las Vegas Strip Assets)		8-K	10.10	7/21/2020
10.10	Right of First Refusal Agreement entered into as of July 20, 2020 by and between Eldorado Resorts, Inc. (to be renamed Caesars Entertainment, Inc. and converted to a Delaware corporation on the date thereof) and VICI Properties L.P. (Horseshoe Baltimore)		8-K	10.11	7/21/2020
10.11	Second Amendment, dated as of July 20, 2020, to Golf Course Use Agreement, dated as of October 6, 2017, by and among Rio Secco LLC, Cascata LLC, Chariot Run LLC, Grand Bear LLC, Caesars Enterprise Services, LLC, CEOC, LLC and, solely for purposes of Section 2.1(c) thereof, Caesars License Company, LLC		8-K	10.12	7/21/2020
10.12	Second Amended and Restated Put-Call Right Agreement entered into as of September 18, 2020 by and among Claudine Propco LLC and Caesars Convention Center Owner, LLC		8-K	10.1	9/18/2020

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10.13†	Sixth Amendment to Regional Lease, dated as of September 30, 2020, by and among the entities listed on Schedules A and B thereto	X
10.14†	Third Amendment to Lease (Joliet), dated as of September 30, 2020, by and between Harrah's Joliet Landco LLC and Des Plaines Development Limited Partnership	X
10.15	Third Amendment to Las Vegas Lease, dated as of September 30, 2020, by and among CPLV Property Owner LLC and Claudine Propco LLC as Landlord and, Desert Palace LLC, CEOC, LLC and Harrah's Las Vegas LLC	X
10.16	Amended and Restated Omnibus Amendment to Leases, dated October 27, 2020	X
31.1	Certification of Principal Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.	X
31.2	Certification of Principal Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.	X
32.1	Certification of Principal Executive Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.	*
32.2	Certification of Principal Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.	*
101.INS	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document	X
101.SCH	XBRL Taxonomy Extension Schema Document	X
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document	X
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document	X
101.LAB	XBRL Taxonomy Extension Label Linkbase Document	X
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document	X
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)	

* Furnished herewith

† Portions of the exhibits have been redacted because such information is (i) not material and (ii) could be competitively harmful if publicly disclosed.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

VICI PROPERTIES INC.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ EDWARD B. PITONIAK</u> Edward B. Pitoniak	Chief Executive Officer and Director (Principal Executive Officer)	October 28, 2020
<u>/s/ DAVID A. KIESKE</u> David A. Kieske	Chief Financial Officer (Principal Financial Officer)	October 28, 2020
<u>/s/ GABRIEL F. WASSERMAN</u> Gabriel F. Wasserman	Chief Accounting Officer (Principal Accounting Officer)	October 28, 2020

SIXTH AMENDMENT TO LEASE

This **SIXTH AMENDMENT TO LEASE** (this “Amendment”) is entered into as of September 30, 2020, by and among the entities listed on Schedule A attached hereto (collectively, and together with their respective successors and assigns, “Landlord”), the entities listed on Schedule B attached hereto (collectively, and together with their respective successors and assigns, “Tenant”) and, solely for the purposes of the penultimate paragraph of Section 1.1 of the Lease (as defined below), Propco TRS LLC, a Delaware limited liability company (“Propco TRS”).

RECITALS

WHEREAS, Landlord, Tenant and, solely for the purposes of the penultimate paragraph of Section 1.1 of the Lease, Propco TRS, are parties to that certain Lease (Non-CPLV), dated as of October 6, 2017, as amended by that certain First Amendment to Lease (Non-CPLV), dated as of December 22, 2017, as amended by that certain Second Amendment to Lease (Non-CPLV) and Ratification of SNDA, dated as of February 16, 2018, as amended by that certain Third Amendment to Lease (Non-CPLV), dated as of April 2, 2018, as amended by that certain Fourth Amendment to Lease (Non-CPLV), dated as of December 26, 2018, as amended by that certain Omnibus Amendment to Leases, dated as of June 1, 2020, and as amended by that certain Fifth Amendment to Lease (Non-CPLV), dated as of July 20, 2020 (collectively, as amended, the “Lease”), pursuant to which Landlord leases to Tenant, and Tenant leases from Landlord, certain real property as more particularly described in the Lease;

WHEREAS, on the date hereof, Harrah’s Reno LLC and CEOC, LLC, together as sellers, and Reno City Center, LLC, as purchaser, are closing a purchase and sale transaction under that certain Purchase and Sale Agreement and Joint Escrow Instructions, dated as of December 31, 2019, as amended by that certain First Amendment to Purchase and Sale Agreement and Joint Escrow Instructions, dated as of May 29, 2020, with respect to certain real property and FF&E (as defined therein) associated with the gaming and entertainment facility known as “Harrah’s Reno Hotel & Casino” located in Reno, Nevada (the “Harrah’s Reno Transaction”); and

WHEREAS, in connection with the Harrah’s Reno Transaction, the parties hereto desire to amend the Lease as set forth herein.

NOW THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound hereby, agree as follows:

1. Definitions. Except as otherwise defined herein, all capitalized terms used herein without definition shall have the meanings applicable to such terms, respectively, as set forth in the Lease.

2. Amendments to the Lease.

A. Termination of the Lease as to the Harrah's Reno Facility. Effective as of the date hereof:

- a. the Lease is hereby terminated with respect to the Harrah's Reno Leased Property (as defined below), the Harrah's Reno Leased Property no longer constitutes Leased Property under the Lease, and neither Landlord nor Tenant has any further liabilities or obligations, from and after the date of this Amendment, in respect of the Harrah's Reno Facility (as defined below) and the Harrah's Reno Leased Property, and
- b. the Guaranty hereby automatically, and without further action by any party, ceases to apply with respect to any Obligations (as defined in the Guaranty) with respect to the Harrah's Reno Facility or the Harrah's Reno Leased Property to the extent arising from and after the date of this Amendment (provided that any such Obligations arising prior to such date shall not be terminated, limited or affected by or upon entry into this Amendment).
- c. For the avoidance of doubt, the Lease shall continue in full force and effect with respect to the balance of (x) the Facilities (other than the Harrah's Reno Facility) and (y) the Leased Property (other than the Harrah's Reno Leased Property). The term "Harrah's Reno Facility." shall refer to the applicable Facility identified as Facility 16 on the list of the Facilities annexed as Exhibit A to the Lease, other than the portion thereof pertaining to the Leased Property set forth on Annex B hereto (the "Leased Property (Reno Billboard)"). The term "Harrah's Reno Leased Property." shall refer to the Leased Property set forth on Annex A hereto and any other Leased Property pertaining to the Harrah's Reno Facility (excluding, for the avoidance of doubt, the Leased Property (Reno Billboard)).

B. Rent. Landlord and Tenant hereby expressly acknowledge and agree that there shall be no reduction in the Rent under the Lease as a result of the removal of the Harrah's Reno Facility from the Lease or otherwise as a result of the Harrah's Reno Transaction.

C. Variable Rent.

- i. From and after the date hereof, for purposes of any calculation of Variable Rent under the Lease, including any adjustments in Variable Rent based on increases or decreases in Net Revenue, such calculations of Net Revenue shall exclude Net Revenue attributable to the Harrah's Reno Facility.
- ii. Article II of the Lease is hereby amended such that the definition of "Base Net Revenue Amount" is hereby deleted and replaced with the following:
 "Base Net Revenue Amount": An amount equal to the arithmetic average of the following: (i) Three Billion Five Hundred Ninety-One Million One Hundred Fifty-Seven Thousand Six Hundred Twenty-Seven and No/100 Dollars (\$3,591,157,627.00), which amount Landlord and Tenant agree

represents Net Revenue for the Fiscal Period immediately preceding the first (1st) Lease Year (i.e., the Fiscal Period ending September 30, 2017), (ii) Three Billion Five Hundred Ninety-Seven Million Seven Hundred Ninety-Three Thousand Two Hundred Two and No/100 Dollars (\$3,597,793,202.00), which amount Landlord and Tenant agree represents the Net Revenue for the Fiscal Period immediately preceding the end of the first (1st) Lease Year (i.e., the Fiscal Period ending September 30, 2018) and (iii) Three Billion Four Hundred Forty-Three Million Three Hundred Sixty-Four Thousand Two Hundred Four and No/100 Dollars (\$3,443,364,204.00), which amount Landlord and Tenant agree represents the Net Revenue for the Fiscal Period immediately preceding the end of the second (2nd) Lease Year (i.e., the Fiscal Period ending September 30, 2019). For the avoidance of doubt, the term “arithmetic average” as used in this definition refers to the quotient obtained by dividing (x) the sum of the amounts set forth in clauses (i), (ii) and (iii) by (y) three (3).”

- D. Annual Minimum Cap Ex Amount. Article II of the Lease is hereby amended such that the definition of “Annual Minimum Cap Ex Amount” is hereby revised and modified to replace the reference therein to “One Hundred Twenty Million Nine Hundred Thousand and No/100 Dollars (\$120,900,000.00)” with a reference to “One Hundred Nineteen Million Three Hundred Thousand and No/100 Dollars (\$119,300,000.00)”.
- E. Annual Minimum Per-Lease B&I Cap Ex Requirement. The Annual Minimum Per-Lease B&I Cap Ex Requirement shall be unchanged by this Amendment. Further, Landlord and Tenant hereby acknowledge, for the avoidance of doubt, that the Net Revenue attributable to the Harrah’s Reno Facility during the period the Harrah’s Reno Facility was included in the Lease (i.e., during the period from the Commencement Date until the date of this Amendment) shall be included for purposes of calculating the Capital Expenditures required under Section 10.5(a)(ii) of the Lease (i.e., the Annual Minimum Per-Lease B&I Cap Ex Requirement).
- F. Triennial Allocated Minimum Cap Ex Amount B Floor. Article II of the Lease is hereby amended such that the definition of “Triennial Allocated Minimum Cap Ex Amount B Floor” is hereby revised and modified to replace the reference therein to “Three Hundred Thirty-Three Million Six Hundred Thousand and No/100 Dollars (\$333,600,000.00)” with a reference to “Three Hundred Twenty-Seven Million Eight Hundred Thousand and No/100 Dollars (\$327,800,000.00)”.
- G. Triennial Minimum Cap Ex Amount A. Article II of the Lease is hereby amended such that the definition of “Triennial Minimum Cap Ex Amount A” is hereby revised and modified to replace the reference therein to “Five Hundred Ninety-Eight Million Four Hundred Thousand and No/100 Dollars (\$598,400,000.00)” with a reference to “Five Hundred Ninety Million Three Hundred Thousand and No/100 Dollars (\$590,300,000.00)”.
- H. Triennial Minimum Cap Ex Amount B. Article II of the Lease is hereby amended such that the definition of “Triennial Minimum Cap Ex Amount B” is hereby revised and

modified to replace the reference therein to “Four Hundred Twenty-Seven Million Seven Hundred Thousand and No/100 Dollars (\$427,700,000.00)” with a reference to “Four Hundred Twenty-One Million Nine Hundred Thousand and No/100 Dollars (\$421,900,000.00)”.

I. Partial Periods.

- i. Section 10.5(a)(v)(b) of the Lease is hereby amended to (a) replace the reference therein to “Five Hundred Ninety-Eight Million Four Hundred Thousand and No/100 Dollars (\$598,400,000.00)” with a reference to “Five Hundred Ninety Million Three Hundred Thousand and No/100 Dollars (\$590,300,000.00)” and (b) replace the reference therein to “One Hundred Ninety-Nine Million Four Hundred Sixty-Six Thousand Six Hundred Sixty-Six and 67/100 Dollars (\$199,466,666.67)” with a reference to “One Hundred Ninety-Six Million Seven Hundred Sixty-Six Thousand Six Hundred Sixty-Six and 67/100 Dollars (\$196,766,666.67)”,
- ii. Section 10.5(a)(v)(c) of the Lease is hereby amended to (a) replace the reference therein to “Four Hundred Twenty-Seven Million Seven Hundred Thousand and No/100 Dollars (\$427,700,000.00)” with a reference to “Four Hundred Twenty-One Million Nine Hundred Thousand and No/100 Dollars (\$421,900,000.00)” and (b) replace the reference therein to “One Hundred Forty-Two Million Five Hundred Sixty-Six Thousand Six Hundred Sixty-Six and 67/100 Dollars (\$142,566,666.67)” with a reference to “One Hundred Forty Million Six Hundred Thirty-Three Thousand Three Hundred Thirty-Three and 33/100 Dollars (\$140,633,333.33)”, and
- iii. The second sentence of Section 10.5(a)(v) of the Lease is hereby amended to (a) replace the reference therein to “Five Hundred Ninety-Eight Million Four Hundred Thousand and No/100 Dollars (\$598,400,000.00)” with a reference to “Five Hundred Ninety Million Three Hundred Thousand and No/100 Dollars (\$590,300,000.00)”, (b) replace the reference therein to “One Hundred Ninety-Nine Million Four Hundred Sixty-Six Thousand Six Hundred Sixty-Six and 67/100 Dollars (\$199,466,666.67)” with a reference to “One Hundred Ninety-Six Million Seven Hundred Sixty-Six Thousand Six Hundred Sixty-Six and 67/100 Dollars (\$196,766,666.67)”, (c) replace the reference therein to “Four Hundred Twenty-Seven Million Seven Hundred Thousand and No/100 Dollars (\$427,700,000.00)” with a reference to “Four Hundred Twenty-One Million Nine Hundred Thousand and No/100 Dollars (\$421,900,000.00)” and (d) replace the reference therein to “One Hundred Forty-Two Million Five Hundred Sixty-Six Thousand Six Hundred Sixty-Six and 67/100 Dollars (\$142,566,666.67)” with a reference to “One Hundred Forty Million Six Hundred Thirty-Three Thousand Three Hundred Thirty-Three and 33/100 Dollars (\$140,633,333.33)”.

J. Section 22.2(ix) Transfer.

- i. Landlord and Tenant hereby acknowledge and agree that the Harrah’s Reno Transaction shall be deemed to be, and treated as, a transfer and sale of the entire

Leased Property with respect to a Facility pursuant to Section 22.2(ix) of the Lease.

- ii. All of the applicable requirements and conditions set forth in Section 22.2(ix) of the Lease with respect to such transfer and sale are deemed satisfied or waived by the execution of this Amendment and the consummation of the closing of the Harrah's Reno Transaction.
- iii. The 2018 Facility EBITDAR of Tenant for the Harrah's Reno Facility is equal to [****].
- iv. The amounts of the 2018 EBITDAR Pool and 2018 EBITDAR Pool Before Fifth Amendment shall not be reduced as a result of the Harrah's Reno Facility no longer being a Facility under the Lease.
- v. The words, number and symbols "five percent (5%)" contained in Section 22.2(ix) of the Lease are hereby deleted and replaced with the following: "four and six-tenths percent (4.6%)".
- vi. For purposes of subsequent calculations of the L1/L2 EBITDAR to Rent Ratio under the Lease, the EBITDAR of Tenant in respect of the Harrah's Reno Facility shall be disregarded.
- vii. The treatment of the Harrah's Reno Transaction hereunder is not intended to serve as a precedent for the treatment of future dispositions (if any) which may be effectuated under Section 22.2(ix) of the Lease or otherwise.

K. Revisions to Exhibits and Schedules to the Lease. The Exhibits and Schedules to the Lease are hereby amended as follows:

- i. Facilities. The list of Facilities set forth on Exhibit A annexed to the Lease is hereby amended such that the reference to "Harrah's Reno" thereon is deleted and replaced with a reference to "Reno Billboard Parcel".
- ii. Legal Description. The legal descriptions with respect to the Leased Property set forth on Exhibit B annexed to the Lease are hereby amended such that the legal description with respect to the Harrah's Reno Leased Property set forth on Annex A hereto is hereby deleted from said Exhibit B.
- iii. Property Specific IP. The list of Property Specific IP set forth on Exhibit H annexed to the Lease is hereby amended such that the following items of Property Specific IP listed thereon (that relate solely to the Reno Facility) are hereby deleted from said Exhibit H:

Mark	Jurisdiction	Brand	Specific/ Enterprise	Property	App. No.	App. Date	Reg. No.	Reg. Date	Status
Carvings	United States of America	Harrah's	Specific	Harrah's Reno	78/732311	10/13/2005	3141982	9/12/2006	Registered
Joy Luck Noodle Bar	United States of America	Harrah's	Specific	Harrah's Reno	77/634470	12/16/2008	3647464	6/30/2009	Registered

Domain Name	Brand	Reg. Date	Registry Expiry Date
renonumbers.com	Harrah's Reno	2001-05-18	2021-05-18
renoweddingchapel.com	Harrah's Reno	2000-01-19	2022-01-19

- iv. Description of Title Policies. The list of Title Policies set forth on Exhibit J annexed to the Lease is hereby amended such that the reference thereon to the Title Policy relating solely to the Harrah's Reno Facility is hereby amended and shall be deemed to refer only to the portions of such Title Policy that pertain to the Leased Property (Reno Billboard).
- v. Managed Facilities IP Trademarks. The list of Managed Facilities IP set forth on Exhibit P annexed to the Lease is hereby amended such that "Harrah's Reno" is hereby deleted from said Exhibit P.
- vi. Gaming Licenses. The list of Gaming Licenses set forth on Schedule 1 annexed to the Lease is hereby amended such that the Gaming License bearing Unique ID 00718-02 relating to the Harrah's Reno Facility is hereby deleted from said Schedule 1.
- vii. Maximum Fixed Rent Term. The schedule setting forth the Maximum Fixed Rent Term with respect to each Facility set forth on Schedule 3 annexed to the Lease is hereby amended such that the reference to "Harrah's Reno" thereon is deleted and replaced with a reference to "Reno Billboard Parcel".
- viii. Specified Subleases. The list of Specified Subleases set forth on Schedule 4 annexed to the Lease is hereby amended such that (a) the Specified Subleases bearing Contract ID Nos. 7721, 14991, 14992, 15086, 9761, 7724, 7001, 7142, 7333, 14922, 14923, 14924, 14925, (b) the two (2) additional Specified Subleases pertaining solely to the Harrah's Reno Facility that do not have a Contract ID No. are hereby deleted from said Schedule 4 and (c) the following Sublease is hereby added to said Schedule 4:

Contract ID	Debtor(s)	Property Name	Name of Operation	Counterparty	Description	Contract Date	File Name
N/A	CEOC, LLC, successor in interest by merger to Caesars Entertainment Operating Company, Inc.	Reno Billboard Parcel	I-80 Billboard	Donrey Outdoor Advertising Company	Lease Agreement	8/8/1985	I-80 Parcel Billboard Lease accounting.pdf

3. **No Other Modification or Amendment to the Lease.** The Lease shall remain in full force and effect except as expressly amended or modified by this Amendment. From and after the date of this Amendment, all references in the Lease to the “Lease” shall be deemed to refer to the Lease as amended by this Amendment.

4. **Governing Law; Jurisdiction.** This Amendment shall be construed according to and governed by the laws of the jurisdiction(s) specified by the Lease without regard to its or their conflicts of law principles. The parties hereto hereby irrevocably submit to the jurisdiction of any court of competent jurisdiction located in such applicable jurisdiction in connection with any proceeding arising out of or relating to this Amendment.

5. **Counterparts.** This Amendment may be executed by one or more of the parties hereto on any number of separate counterparts, and all of such counterparts taken together shall be deemed to constitute one and the same instrument. Facsimile and/or .pdf signatures shall be deemed to be originals for all purposes.

6. **Effectiveness.** This Amendment shall be effective, as of the date hereof, only upon execution and delivery by each of the parties hereto.

7. **Miscellaneous.** If any provision of this Amendment is adjudicated to be invalid, illegal or unenforceable, in whole or in part, it will be deemed omitted to that extent and all other provisions of this Amendment will remain in full force and effect. Neither this Amendment nor any provision hereof may be changed, modified, waived, discharged or terminated orally, but only by an instrument in writing signed by the party against whom enforcement of such change, modification, waiver, discharge or termination is sought. The paragraph headings and captions contained in this Amendment are for convenience of reference only and in no event define, describe or limit the scope or intent of this Amendment or any of the provisions or terms hereof. This Amendment shall be binding upon and inure to the benefit of the parties and their respective heirs, legal representatives, successors and permitted assigns.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed by their duly authorized representatives, all as of the date hereof.

LANDLORD:

**HORSESHOE COUNCIL BLUFFS LLC
HARRAH'S COUNCIL BLUFFS LLC
HARRAH'S METROPOLIS LLC
HORSESHOE SOUTHERN INDIANA LLC
NEW HORSESHOE HAMMOND LLC
NEW HARRAH'S NORTH KANSAS CITY LLC
GRAND BILOXI LLC
HORSESHOE TUNICA LLC
NEW TUNICA ROADHOUSE LLC
CAESARS ATLANTIC CITY LLC
BALLY'S ATLANTIC CITY LLC
HARRAH'S LAKE TAHOE LLC
HARVEY'S LAKE TAHOE LLC
HARRAH'S RENO LLC
BLUEGRASS DOWNS PROPERTY OWNER LLC
VEGAS DEVELOPMENT LLC
VEGAS OPERATING PROPERTY LLC
MISCELLANEOUS LAND LLC
PROPCO GULFPORT LLC
PHILADELPHIA PROPCO LLC
HARRAH'S ATLANTIC CITY LLC
NEW LAUGHLIN OWNER LLC
HARRAH'S NEW ORLEANS LLC**
each, a Delaware limited liability company

By: /s/ David Kieske
Name: David Kieske
Title: Treasurer

**HORSESHOE BOSSIER CITY PROP LLC
HARRAH'S BOSSIER CITY LLC**
each, a Louisiana limited liability company

By: /s/ David Kieske
Name: David Kieske
Title: Treasurer

[Signatures Continue on Following Pages]

TENANT:

CEOC, LLC,

a Delaware limited liability company

By: /s/ Bret D. Yunker

Name: Bret D. Yunker

Title: Chief Financial Officer

HBR REALTY COMPANY LLC,

a Nevada limited liability company

By: /s/ Bret D. Yunker

Name: Bret D. Yunker

Title: Chief Financial Officer

HARVEYS IOWA MANAGEMENT COMPANY LLC,

a Nevada limited liability company

By: /s/ Bret D. Yunker

Name: Bret D. Yunker

Title: Chief Financial Officer

SOUTHERN ILLINOIS RIVERBOAT/CASINO CRUISES LLC,

an Illinois limited liability company

By: /s/ Bret D. Yunker

Name: Bret D. Yunker

Title: Chief Financial Officer

CAESARS RIVERBOAT CASINO, LLC,

an Indiana limited liability company

By: /s/ Bret D. Yunker

Name: Bret D. Yunker

Title: Chief Financial Officer

ROMAN HOLDING COMPANY OF INDIANA LLC,

an Indiana limited liability company

By: /s/ Bret D. Yunker

Name: Bret D. Yunker

Title: Chief Financial Officer

HORSESHOE HAMMOND, LLC,

an Indiana limited liability company

By: /s/ Bret D. Yunker

Name: Bret D. Yunker

Title: Chief Financial Officer

HORSESHOE ENTERTAINMENT,

a Louisiana limited partnership

By: New Gaming Capital Partnership,
a Nevada Limited Partnership,
its general partner

By: Horseshoe GP, LLC,
a Nevada limited liability company
its general partner

By: /s/ Bret D. Yunker

Name: Bret D. Yunker

Title: Chief Financial Officer

HARRAH'S BOSSIER CITY INVESTMENT COMPANY, L.L.C.,

a Louisiana limited liability company

By: /s/ Bret D. Yunker

Name: Bret D. Yunker

Title: Chief Financial Officer

HARRAH'S NORTH KANSAS CITY LLC,
a Missouri limited liability company

By: /s/ Bret D. Yunker
Name: Bret D. Yunker
Title: Chief Financial Officer

GRAND CASINOS OF BILOXI, LLC,
a Minnesota limited liability company

By: /s/ Bret D. Yunker
Name: Bret D. Yunker
Title: Chief Financial Officer

ROBINSON PROPERTY GROUP LLC,
a Mississippi limited liability company

By: /s/ Bret D. Yunker
Name: Bret D. Yunker
Title: Chief Financial Officer

TUNICA ROADHOUSE LLC,
a Delaware limited liability company

By: /s/ Bret D. Yunker
Name: Bret D. Yunker
Title: Chief Financial Officer

BOARDWALK REGENCY LLC,
a New Jersey limited liability company

By: Caesars New Jersey LLC,
a New Jersey limited liability company,
its sole member

By: /s/ Bret D. Yunker
Name: Bret D. Yunker
Title: Chief Financial Officer

CAESARS NEW JERSEY LLC,

a New Jersey limited liability company

By: /s/ Bret D. Yunker

Name: Bret D. Yunker

Title: Chief Financial Officer

BALLY'S PARK PLACE LLC,

a New Jersey limited liability company

By: CEOC, LLC,

a Delaware limited liability company,

its sole member

By: /s/ Bret D. Yunker

Name: Bret D. Yunker

Title: Chief Financial Officer

HARVEYS TAHOE MANAGEMENT COMPANY LLC,

a Nevada limited liability company

By: /s/ Bret D. Yunker

Name: Bret D. Yunker

Title: Chief Financial Officer

PLAYERS BLUEGRASS DOWNS LLC,

a Kentucky limited liability company

By: /s/ Bret D. Yunker

Name: Bret D. Yunker

Title: Chief Financial Officer

CASINO COMPUTER PROGRAMMING, INC.,
an Indiana corporation

By: /s/ Bret D. Yunker
Name: Bret D. Yunker
Title: Chief Financial Officer

HARVEYS BR MANAGEMENT COMPANY, INC.,
a Nevada corporation

By: /s/ Bret D. Yunker
Name: Bret D. Yunker
Title: Chief Financial Officer

HOLE IN THE WALL, LLC,
a Nevada limited liability company

By: CEOC, LLC,
as sole member

By: /s/ Bret D. Yunker
Name: Bret D. Yunker
Title: Chief Financial Officer:

CHESTER DOWNS AND MARINA, LLC,
a Pennsylvania limited liability company

By: Harrah's Chester Downs Investment Company, LLC,
as sole member

By: /s/ Bret D. Yunker
Name: Bret D. Yunker
Title: Chief Financial Officer

HARRAH'S ATLANTIC CITY OPERATING COMPANY, LLC,
a New Jersey limited liability company

By: Caesars Resort Collection, LLC,
a Delaware limited liability company,
its sole member

By: /s/ Bret D. Yunker
Name: Bret D. Yunker
Title: Chief Financial Officer

HARRAH'S LAUGHLIN, LLC,
a Nevada limited liability company

By: /s/ Bret D. Yunker
Name: Bret D. Yunker
Title: Chief Financial Officer

JAZZ CASINO COMPANY, L.L.C.,
a Louisiana limited liability company

By: /s/ Bret D. Yunker
Name: Bret D. Yunker
Title: Chief Financial Officer

Acknowledged and agreed, solely for the purposes of the penultimate paragraph of Section 1.1 of the Lease:

PROPCO TRS LLC,
a Delaware limited liability company

By: /s/ David Kieske
Name: David Kieske
Title: Treasurer

ACKNOWLEDGMENT AND AGREEMENT OF GUARANTOR

The undersigned ("Guarantor") hereby: (a) acknowledges receipt of the Sixth Amendment to Lease (the "Amendment"; capitalized terms used herein with definition having the meanings set forth in the Amendment), dated as of September 30, 2020, by and among the entities listed on Schedule A attached thereto, as Landlord, and the entities listed on Schedule B attached thereto, as Tenant and the other parties party thereto; (b) consents to the terms and execution thereof; (c) ratifies and reaffirms Guarantor's obligations to Landlord pursuant to the terms of that certain Guaranty of Lease, dated as of July 20, 2020 (the "Guaranty"), by and between Guarantor and Landlord, and agrees that, except as expressly set forth in Section 2.A.ii of the Amendment, nothing in the Amendment in any way impairs or lessens the Guarantor's obligations under the Guaranty; and (d) acknowledges and agrees that the Guaranty is in full force and effect and is valid, binding and enforceable in accordance with its terms.

IN WITNESS WHEREOF, the undersigned has caused this Acknowledgment and Agreement of Guarantor to be duly executed as of September 30, 2020.

CAESARS ENTERTAINMENT, INC.

By: /s/ Bret D. Yunker

Name: Bret D. Yunker

Title: Chief Financial Officer

[Signature page to Reaffirmation of Guaranty]

Schedule A

LANDLORD ENTITIES

Horseshoe Council Bluffs LLC
Harrah's Council Bluffs LLC
Harrah's Metropolis LLC
Horseshoe Southern Indiana LLC
New Horseshoe Hammond LLC
Horseshoe Bossier City Prop LLC
Harrah's Bossier City LLC
New Harrah's North Kansas City LLC
Grand Biloxi LLC
Horseshoe Tunica LLC
New Tunica Roadhouse LLC
Caesars Atlantic City LLC
Bally's Atlantic City LLC
Harrah's Lake Tahoe LLC
Harvey's Lake Tahoe LLC
Harrah's Reno LLC
Bluegrass Downs Property Owner LLC
Vegas Development LLC
Vegas Operating Property LLC
Miscellaneous Land LLC
Propco Gulfport LLC
Philadelphia Propco LLC
Harrah's Atlantic City LLC
New Laughlin Owner LLC
Harrah's New Orleans LLC

Schedule A

Schedule B

TENANT ENTITIES

CEOC, LLC, successor in interest by merger to Caesars Entertainment Operating Company, Inc.
HBR Realty Company LLC
Harveys Iowa Management Company LLC
Southern Illinois Riverboat/Casino Cruises LLC
Caesars Riverboat Casino LLC
Roman Holding Company of Indiana LLC
Horseshoe Hammond, LLC
Horseshoe Entertainment
Harrah's Bossier City Investment Company, LLC
Harrah's North Kansas City LLC
Grand Casinos of Biloxi, LLC
Robinson Property Group LLC
Tunica Roadhouse LLC
Boardwalk Regency LLC
Caesars New Jersey LLC
Bally's Park Place LLC
Harveys Tahoe Management Company LLC
Players Bluegrass Downs LLC
Casino Computer Programming, Inc.
Harveys BR Management Company, Inc.
Hole in the Wall, LLC
Chester Downs and Marina, LLC
Harrah's Atlantic City Operating Company, LLC
Harrah's Laughlin, LLC
Jazz Casino Company, L.L.C.

Schedule B

Annex A

Harrah's Reno Leased Property

All that certain real property situate in the County of Washoe, State of Nevada, described as follows:

PARCEL 1A:

Lot 13, in Block P of ORIGINAL TOWN, NOW CITY OF RENO, according to the map thereof, filed in the office of the County Recorder of Washoe County, State of Nevada, on June 27, 1871.

PARCEL 1B:

All that portion of East Douglas Alley granted by Order of Abandonment recorded February 22, 2000, as Document No. 2423996, Official Records Washoe County, State of Nevada.

APN: 011-052-37

PARCEL 2A:

Lots 14 and 15, in Block P of ORIGINAL TOWN, NOW CITY OF RENO, according to the map thereof, filed in the office of the County Recorder of Washoe County, State of Nevada, on June 27, 1871.

PARCEL 2B:

All that portion of East Douglas Alley granted by Order of Abandonment recorded February 22, 2000, as Document No. 2423996, Official Records Washoe County, State of Nevada.

APN: 011-052-38

PARCEL 3A:

Lot 16, in Block P of ORIGINAL TOWN, NOW CITY OF RENO, according to the map thereof, filed in the office of the County Recorder of Washoe County, State of Nevada, on June 27, 1871.

PARCEL 3B:

All that portion of East Douglas Alley granted by Order of Abandonment recorded February 22, 2000, as Document No. 2423996, Official Records Washoe County, State of Nevada.

APN: 011-052-39

PARCEL 4A:

Lot 17, in Block P of ORIGINAL TOWN, NOW CITY OF RENO, according to the map thereof, filed in the office of the County Recorder of Washoe County, State of Nevada, on June 27, 1871.

PARCEL 4B:

All that portion of East Douglas Alley granted by Order of Abandonment recorded February 22, 2000, as Document No. 2423996, Official Records Washoe County, State of Nevada.

APN: 011-052-40

PARCEL 5A:

Lot 18 and the West ½ of Lot 19, in Block P of ORIGINAL TOWN, NOW CITY OF RENO, according to the map thereof, filed in the office of the County Recorder of Washoe County, State of Nevada, on June 27, 1871.

PARCEL 5B:

All that portion of East Douglas Alley granted by Order of Abandonment recorded February 22, 2000, as Document No. 2423996, Official Records Washoe County, State of Nevada.

APN: 011-052-41

PARCEL 6A:

The East one-half of Lot 19 and the West 4 feet of Lot 20, in Block P of ORIGINAL TOWN, NOW CITY OF RENO, according to the map thereof, filed in the office of the County Recorder of Washoe County, State of Nevada, on June 27, 1871. The East 21 feet of Lot 20, in Block P of ORIGINAL TOWN, NOW CITY OF RENO, according to the map thereof, filed in the office of the County Recorder of Washoe County, State of Nevada, on June 27, 1871.

PARCEL 6B:

All that portion of East Douglas Alley granted by Order of Abandonment recorded February 22, 2000, as Document No. 2423996, Official Records Washoe County, State of Nevada.

APN: 011-052-42

PARCEL 7A:

Lots 21 through 24, in Block P of ORIGINAL TOWN, NOW CITY OF RENO, according to the map thereof, filed in the office of the County Recorder of Washoe County, State of Nevada, on June 27, 1871.

PARCEL 7B:

All that portion of East Douglas Alley granted by Order of Abandonment recorded February 22, 2000, as Document No. 2423996, Official Records Washoe County, State of Nevada.

APN: 011-052-43

PARCEL 8A:

The North 15 feet of Lot 3 and the South 32 feet of Lot 4, in Block P of ORIGINAL TOWN, NOW CITY OF RENO, according to the map thereof, filed in the office of the County Recorder of Washoe County, State of Nevada, on June 27, 1871.

PARCEL 8B:

All that portion of Lincoln Alley granted by Order of Abandonment recorded February 22, 2000, as Document No.2423996, Official Records Washoe County, State of Nevada.

APN: 011-052-45

PARCEL 9A:

The North 18 feet of Lot 4, in Block P of ORIGINAL TOWN, NOW CITY OF RENO, according to the map thereof, filed in the office of the County Recorder of Washoe County, State of Nevada, on June 27, 1871.

PARCEL 9B:

All that portion of Lincoln Alley granted by Order of Abandonment recorded February 22, 2000, as Document No. 2423996, Official Records Washoe County, State of Nevada.

APN: 011-052-46

PARCEL 10A:

The South half of Lot 5 and the North 6 inches (10 inches more or less per Survey) of Lot 4, in Block P of ORIGINAL TOWN, NOW CITY OF RENO, according to the map thereof, filed in the office of the County Recorder of Washoe County, State of Nevada, on June 27, 1871. The North half of Lot 5, in Block P of ORIGINAL TOWN, NOW CITY OF RENO, according to the map thereof, filed in the office of the County Recorder of Washoe County, State of Nevada, on June 27, 1871.

PARCEL 10B:

All that portion of Lincoln Alley granted by Order of Abandonment recorded February 22, 2000, as Document No. 2423996, Official Records Washoe County, State of Nevada.

APN: 011-052-47

PARCEL 11A:

Lot 6, in Block P of ORIGINAL TOWN, NOW CITY OF RENO, according to the map thereof, filed in the office of the County Recorder of Washoe County, State of Nevada, on June 27, 1871.

PARCEL 11B:

All that portion of East Douglas Alley and Lincoln Alley granted by Order of Abandonment recorded February 22, 2000, as Document No. 2423996, Official Records Washoe County, State of Nevada.

APN: 011-052-48

PARCEL 12:

Parcel 2 as shown on "Parcel Map 3531 for G and S Investment Company, a Nevada Limited Partnership a portion of Original Reno Townsite Between Blocks H and P-Section 11, T19N, R19E, MDM, Reno, Washoe County, Nevada", recorded June 18, 1999, Document No. 2352376 in the Office of the County Recorder of Washoe County, Nevada.

APN: 011-370-50

PARCEL 13A: The Northerly 36 feet of Lot 2, and the Southerly 35 feet of Lot 3 in Block P of ORIGINAL TOWN, NOW CITY OF RENO, according to the map thereof, filed in the office of the County Recorder of Washoe County, State of Nevada, on June 27, 1871.

PARCEL 13B: All that portion of Lincoln Alley granted by Order of Abandonment recorded March 19, 1990, as Document No. 1386768, Official Records Washoe County, State of Nevada. APN: 011-052-32

PARCEL 14A: Lot 1 and the South 14 feet of Lot 2, in Block P of ORIGINAL TOWN, NOW CITY OF RENO, according to the map thereof, filed in the office of the County Recorder of Washoe County, State of Nevada, on June 27, 1871.

PARCEL 14B: All that portion of Lincoln Alley granted by Order of Abandonment recorded March 19, 1990, as Document No. 1386768, Official Records Washoe County, State of Nevada. APN: 011-052-33

PARCEL 15A: Lots 7, 8, 9, 10, 11 and 12 in Block P of ORIGINAL TOWN, NOW CITY OF RENO, according to the map thereof, filed in the office of the County Recorder of Washoe County, State of Nevada, on June 27, 1871.

PARCEL 15B: All that portion of East Douglas Alley and Lincoln Alley granted by Order of Abandonment recorded February 22, 2000, as Document No. 2423996, and Lincoln Alley granted by Order of Abandonment recorded March 19, 1990, as Document No. 1386768, Official Records Washoe County, State of Nevada APN: 011-052-35, 36 and 44

PARCEL 16: Portions of public streets within the City of Reno, as shown on the official map of Town of Reno, Washoe County, Nevada, August 1, 1868, being more particularly described as follows: Beginning at the southwesterly corner of Lot 13 of Block P of the Town of Reno and proceeding thence in a southerly direction along the westerly line of said Block to the southwesterly corner of said Block; Thence proceeding along the southerly line of said Block in an easterly direction to the southeasterly corner of said Block; Thence proceeding along the easterly line of said block corner in a northerly direction to the southeasterly of Lot 24 of said

Block; Thence proceeding along the easterly prolongation of the southerly line of said Lot 24 to the centerline of North Center Street; Thence along said line in a southerly direction to the centerline of East Second Street; Thence along said line in a westerly direction to the centerline of North Virginia Street; Thence along said line a northerly direction to the westerly prolongation of the southerly line of said Lot 13; Thence along said line in an easterly direction to the TRUE POINT OF BEGINNING. Document Number 2910777 is provided pursuant to the requirements of Section 6.NRS 111.312

PARCEL 17: Portions of public streets and alleys within the City of Reno as shown on the Official Map of the Town of Reno, Washoe County, Nevada, August 1, 1868, being more particularly described as follows: Beginning at the southwesterly corner of Block Q of the Town of Reno and proceeding thence in an easterly direction along southerly line of said Block to the southeasterly corner of said Block; Thence along the easterly line of said Block in a northerly direction 230 feet; Thence in a westerly direction along a line parallel to the southerly line of said block 160 feet; Thence along a line parallel to the easterly line of said Block in a northerly direction 90 feet, to a point on the southerly line of Lot 16 of said Block; Thence in an easterly direction along the southerly lines of Lots 16, 17, 18, 19, 20, 21 and 22, 160 feet to the southeasterly corner of Lot 22 of said Block; Thence along the easterly line of said Lot in a northerly direction 50 feet; Thence along the line parallel to the southerly line of said Block in an easterly direction to a point on the centerline of Lake Street; Thence along said line in a southerly direction 60 feet; Thence in a westerly direction along the line parallel to the southerly line of said Block 190 feet; Thence along a line parallel to the easterly line of said Block in a southerly direction 70 feet; Thence along a line parallel with the southerly line of said Block in an easterly direction 190 feet, to a point on the centerline of Lake Street; Thence along said line in a southerly direction to the center line of East Second Street; Thence along said line in a westerly direction to the centerline of North Center Street; Thence along said line in a northerly direction 320 feet; Thence easterly along a line parallel to the southerly line of said Block to a point on the westerly of said Block; Thence along said line in a southerly direction 320 feet to the TRUE POINT OF BEGINNING. Document Number 2910777 is provided pursuant to the requirements of Section 6.NRS 111.312

PARCEL 18: Commencing at the Northeast corner of Second Street and Center Street, the same being the Southwest corner of Block Q of ORIGINAL TOWN, NOW CITY OF RENO, according to the map thereof, filed in the office of the County Recorder of Washoe County, State of Nevada, on June 27, 1871; Thence Northerly along the East line of North Center Street, a distance of 51'3"; Thence Easterly a distance of 86 feet to a point 52'6" North of the North side line of Second Street; Thence Easterly parallel with the North side line of Second Street, 54 feet to the West line of an alley running Northerly and Southerly through said Block Q; Thence Southerly along the West line of said alley to the North side line of Second Street; Thence Westerly along the North side line of said Second Street a distance of 140 feet to the point of beginning. APN: 011-071-09

PARCEL 19A: Lot 3 in Block Q of ORIGINAL TOWN, NOW CITY OF RENO, according to the map thereof, filed in the office of the County Recorder of Washoe County, State of Nevada, on June 27, 1871.

PARCEL 19B: The West one-half of that portion of the North-South alley vacated by the City of Reno, by Order of Abandonment recorded October 29, 1979 in Book 1445, Page 215, File No. 638561, Official Records, and re-recorded November 8, 1979 in Book 1448, Page 951, File No. 640621, Official Records which lies Easterly of the Northerly and Southerly extension of the Easterly line of Lot 3 in Block Q of ORIGINAL TOWN, NOW CITY OF RENO, according to the map thereof, filed in the office of the County Recorder of Washoe County, State of Nevada, on June 27, 1871. APN: 011-071-25

PARCEL 20A: Portion of Block Q of ORIGINAL TOWN, NOW CITY OF RENO, according to the map thereof, filed in the office of the County Recorder of Washoe County, State of Nevada, on June 27, 1871, being more particularly described as follows: Beginning at a point on the Easterly line of Center Street, 1'3" Northerly from the Southwest corner of Lot 2 of said Block Q; Thence Easterly 86 feet to a point 52'6" Northerly from the North line of Second Street; Thence Easterly parallel with the North line of Second Street, 54 feet to the West line of an alley running Northerly and Southerly through said Block Q; Thence Northerly along the West line of said alley 47'6" to the Northeast corner of Lot 2 in said Block Q; Thence Westerly along the North line of said Lot 2 a distance of 140 feet to the East line of Center Street; Thence Southerly along the East line of Center Street, a distance of 48'9" to the point of beginning.

PARCEL 20B: Lots 4 and 5 in Block Q of ORIGINAL TOWN, NOW CITY OF RENO, according to the map thereof, filed in the office of the County Recorder of Washoe County, State of Nevada, on June 27, 1871.

PARCEL 20C: Lots 8, 9 and 10 in Block Q of ORIGINAL TOWN, NOW CITY OF RENO, according to the map thereof, filed in the office of the County Recorder of Washoe County, State of Nevada, on June 27, 1871. EXCEPTING THEREFROM that portion of Lot 10 conveyed to the City of Reno and described in Deed of Dedication recorded January 19, 1995 in Book 4231, Page 972 as Document No. 1865294 of Official Records.

PARCEL 20D: Lot 7 in Block Q of ORIGINAL TOWN, NOW CITY OF RENO, according to the map thereof, filed in the office of the County Recorder of Washoe County, State of Nevada, on June 27, 1871. EXCEPTING THEREFROM the North 20 feet of said Lot 7, conveyed to the City of Reno, by Quitclaim Deed recorded September 18, 1979 in Book 1430, page 962, File No. 630152, Official Records.

PARCEL 20E: Lots 11 through 22, inclusive in Block Q of ORIGINAL TOWN, NOW CITY OF RENO, according to the map thereof, filed in the office of the County Recorder of Washoe County, State of Nevada, on June 27, 1871.

PARCEL 20F: That portion of the North-South alley vacated by the City of Reno, by Order of Abandonment, recorded October 29, 1979 in Book 1445, Page 215, File No. 638561, Official Records, and re-recorded November 8, 1979 in Book 1448, page 951, File No. 640621, Official Records, described as follows: Beginning at the Southeast corner of Lot 1 in Block Q of ORIGINAL TOWN, NOW CITY OF RENO, according to the map thereof, filed in the office of the County Recorder of Washoe County, State of Nevada, on June 27, 1871; Thence along the Easterly ends of the tier of lots to a point in the Easterly end of Lot 4, 180 feet Northerly of said

point of beginning; Thence Easterly at a right angle 20 feet to a point in the Westerly end of Lot 7, 20 feet Southerly of the Northwest corner thereof; Thence along the Westerly ends of the tier of lots, 180 feet to the Southwesterly corner of Lot 10 in said block; Thence at a right angle of 20 feet to the point of beginning. EXCEPTING THEREFROM that portion of the West one-half of said vacated alley which lies Easterly of the Northerly and Southerly extension of the Easterly line of Lot 3 in Block Q of ORIGINAL TOWN, NOW CITY OF RENO, according to the map thereof, filed in the office of the County Recorder of Washoe County, State of Nevada, on June 27, 1871.

PARCEL 20G: That portion of the East-West alley vacated by the City of Reno by Order of Abandonment, recorded October 29, 1979 in Book 1445, page 215, File No. 638561 and re-recorded November 8, 1979 in Book 1448, page 951, File No. 640621, Official Records, described as follows: Beginning at the Southwest corner of Lot 11 in Block Q of ORIGINAL TOWN, NOW CITY OF RENO, according to the map thereof, filed in the office of the County Recorder of Washoe County, State of Nevada, on June 27, 1871; Thence along the Southerly ends of the tier of lots to a point in the Southerly end of Lot 16, 140 feet Easterly of said point of beginning; Thence Southerly at a right angle 20 feet to the Northeasterly corner of Lot 5 of said Block; Thence along the Northerly line of said Lot 5, 140 feet to the Northwesterly corner of said Lot 5; Thence at right angle 20 feet to the point of beginning. APN: 011-071-26 Document Number 3715997 is provided pursuant to the requirements of Section 6.NRS 111.312

All that certain real property situate in the County of Washoe, State of Nevada, described as follows:

Lot 5, 6, 7 and 8 in Block 5 as shown on the map of Evans North Addition, Tract Map No. 24, according to the map thereof, filed in the office of the County Recorder of Washoe County, State of Nevada on December 16, 1879.

APN: 007-501-10, 11, 12 and 13

Annex A-7

Annex B

Billboard Parcel

All that certain real property situate in the County of Washoe, State of Nevada, described as follows:

PARCEL 21: Parcel B as shown on the Record of Survey Showing a Lot Line Adjustment for Embassy Suites, Inc., Record of Survey Map No. 3197, according to the map thereof, filed in the office of the County Recorder of Washoe County, State of Nevada, on March 5, 1997, as File No. 2077500, Official Records, being more particularly described as follows: A parcel of land situate in Section 8 and 17, Township 19 North, Range 19 East, M.D.B.&M., Reno, Washoe County, Nevada, and more particularly described as follows: Beginning at a point on the Northerly line of the 14.08 acre parcel as shown on Record of Survey Map No. 2064, from which the Southeast corner of said Section 8 bears South 67°24'08" East a distance of 1405.89 feet; Thence South 55°38'00" West a distance of 217.88 feet; Thence along a tangent circular curve to the right with a radius of 7134.00 feet and a central angle of 16°01'58" an arc length of 1996.27 feet; Thence with a non-tangent line South 36°02'00" East a distance of 78.94 feet; Thence North 56°46'58" East a distance of 196.19 feet; Thence North 69°43'20" East a distance of 171.00 feet; Thence South 82°14'25" East a distance of 41.99 feet; Thence North 82°01'20" East a distance of 283.00 feet; Thence North 66°29'50" East a distance of 101.00 feet; Thence North 38°02'00" East a distance of 209.52 feet; Thence North 62°19'19" East a distance of 379.08 feet; Thence South 87°25'20" East a distance of 174.84 feet; Thence North 88°23'00" East a distance of 96.00 feet; Thence North 55°47'10" East a distance of 642.94 feet; Thence North 34°12'50" West a distance of 159.50 feet to the Point of Beginning. APN: 039-170-24 Document No. 2077499 is provided pursuant to the requirements of Section 6.NRS 111.312.

Annex B-1

THIRD AMENDMENT TO LEASE

This **THIRD AMENDMENT TO LEASE** (this “Amendment”) is entered into as of September 30, 2020, by and among **HARRAH’S JOLIET LANDCO LLC**, a Delaware limited liability company (together with its successors and assigns, “Landlord”), **DES PLAINES DEVELOPMENT LIMITED PARTNERSHIP**, a Delaware limited partnership (together with its successors and assigns, “Tenant”) and, solely for the purposes of the last paragraph of Section 1.1 of the Lease (as defined below), Propco TRS LLC, a Delaware limited liability company (“Propco TRS”).

RECITALS

WHEREAS, Landlord, Tenant and, solely for the purposes of the last paragraph of Section 1.1 of the Lease, Propco TRS are parties to that certain Lease (Joliet) dated as of October 6, 2017, as amended by that certain First Amendment to Lease (Joliet), dated as of December 26, 2018, as amended by that certain Omnibus Amendment to Leases, dated as of June 1, 2020, and as amended by that certain Second Amendment to Lease (Joliet), dated as of July 20, 2020 (collectively, as amended, the “Lease”), pursuant to which Landlord leases to Tenant, and Tenant leases from Landlord, certain real property as more particularly described in the Lease;

WHEREAS, on the date hereof, Harrah’s Reno LLC, being an Affiliate of Landlord, and CEOC, LLC, being an Affiliate of Tenant, together as sellers, and Reno City Center, LLC, as purchaser, are closing a purchase and sale transaction under that certain Purchase and Sale Agreement and Joint Escrow Instructions, dated as of December 31, 2019, as amended by that certain First Amendment to Purchase and Sale Agreement and Joint Escrow Instructions, dated as of May 29, 2020, with respect to certain real property and FF&E (as defined therein) associated with the gaming and entertainment facility known as “Harrah’s Reno Hotel & Casino” located in Reno, Nevada (the “Harrah’s Reno Transaction”); and

WHEREAS, in connection with the Harrah’s Reno Transaction, the parties hereto desire to amend the Lease as set forth herein.

NOW THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound hereby, agree as follows:

1. Definitions. Except as otherwise defined herein, all capitalized terms used herein without definition shall have the meanings applicable to such terms, respectively, as set forth in the Lease.

2. **Amendments to the Lease.**

- a. **Annual Minimum Cap Ex Amount.** Article II of the Lease is hereby amended such that the definition of “Annual Minimum Cap Ex Amount” is hereby revised and modified to replace the reference therein to “One Hundred Twenty Million Nine Hundred Thousand and No/100 Dollars (\$120,900,000.00)” with a reference to “One Hundred Nineteen Million Three Hundred Thousand and No/100 Dollars (\$119,300,000.00)”.
- b. **Annual Minimum Per-Lease B&I Cap Ex Requirement.** The Annual Minimum Per-Lease B&I Cap Ex Requirement shall be unchanged by this Amendment. Further, Landlord and Tenant hereby acknowledge, for the avoidance of doubt, that the Net Revenue attributable to the Harrah’s Reno Facility (as defined in the Sixth Amendment to the Regional Lease being entered into concurrently with this Amendment) during the period the Harrah’s Reno Facility was included in the Regional Lease (i.e., during the period from the “Commencement Date” (as defined in the Regional Lease) until the date of this Amendment) shall be included for purposes of calculating the Capital Expenditures required under Section 10.5(a)(ii) of the Lease (i.e., the Annual Minimum Per-Lease B&I Cap Ex Requirement).
- c. **Triennial Allocated Minimum Cap Ex Amount B Floor.** Article II of the Lease is hereby amended such that the definition of “Triennial Allocated Minimum Cap Ex Amount B Floor” is hereby revised and modified to replace the reference therein to “Three Hundred Thirty-Three Million Six Hundred Thousand and No/100 Dollars (\$333,600,000.00)” with a reference to “Three Hundred Twenty-Seven Million Eight Hundred Thousand and No/100 Dollars (\$327,800,000.00)”.
- d. **Triennial Minimum Cap Ex Amount A.** Article II of the Lease is hereby amended such that the definition of “Triennial Minimum Cap Ex Amount A” is hereby revised and modified to replace the reference therein to “Five Hundred Ninety-Eight Million Four Hundred Thousand and No/100 Dollars (\$598,400,000.00)” with a reference to “Five Hundred Ninety Million Three Hundred Thousand and No/100 Dollars (\$590,300,000.00)”.
- e. **Triennial Minimum Cap Ex Amount B.** Article II of the Lease is hereby amended such that the definition of “Triennial Minimum Cap Ex Amount B” is hereby revised and modified to replace the reference therein to “Four Hundred Twenty-Seven Million Seven Hundred Thousand and No/100 Dollars (\$427,700,000.00)” with a reference to “Four Hundred Twenty-One Million Nine Hundred Thousand and No/100 Dollars (\$421,900,000.00)”.
- f. **Partial Periods.**
 - i. Section 10.5(a)(v)(b) of the Lease is hereby amended to (a) replace the reference therein to “Five Hundred Ninety-Eight Million Four Hundred Thousand and No/100 Dollars (\$598,400,000.00)” with a reference to “Five Hundred Ninety Million Three Hundred Thousand and No/100 Dollars

(\$590,300,000.00)” and (b) replace the reference therein to “One Hundred Ninety-Nine Million Four Hundred Sixty-Six Thousand Six Hundred Sixty-Six and 67/100 Dollars (\$199,466,666.67)” with a reference to “One Hundred Ninety-Six Million Seven Hundred Sixty-Six Thousand Six Hundred Sixty-Six and 67/100 Dollars (\$196,766,666.67)”, Section 10.5(a)(v)(c) of the Lease is hereby amended to (a) replace the reference therein to “Four Hundred Twenty-Seven Million Seven Hundred Thousand and No/100 Dollars (\$427,700,000.00)” with a reference to “Four Hundred Twenty-One Million Nine Hundred Thousand and No/100 Dollars (\$421,900,000.00)” and (b) replace the reference therein to “One Hundred Forty-Two Million Five Hundred Sixty-Six Thousand Six Hundred Sixty-Six and 67/100 Dollars (\$142,566,666.67)” with a reference to “One Hundred Forty Million Six Hundred Thirty-Three Thousand Three Hundred Thirty-Three and 33/100 Dollars (\$140,633,333.33)”, and

- ii. The second sentence of Section 10.5(a)(v) of the Lease is hereby amended to (a) replace the reference therein to “Five Hundred Ninety-Eight Million Four Hundred Thousand and No/100 Dollars (\$598,400,000.00)” with a reference to “Five Hundred Ninety Million Three Hundred Thousand and No/100 Dollars (\$590,300,000.00)”, (b) replace the reference therein to “One Hundred Ninety-Nine Million Four Hundred Sixty-Six Thousand Six Hundred Sixty-Six and 67/100 Dollars (\$199,466,666.67)” with a reference to “One Hundred Ninety-Six Million Seven Hundred Sixty-Six Thousand Six Hundred Sixty-Six and 67/100 Dollars (\$196,766,666.67)”, (c) replace the reference therein to “Four Hundred Twenty-Seven Million Seven Hundred Thousand and No/100 Dollars (\$427,700,000.00)” with a reference to “Four Hundred Twenty-One Million Nine Hundred Thousand and No/100 Dollars (\$421,900,000.00)” and (d) replace the reference therein to “One Hundred Forty-Two Million Five Hundred Sixty-Six Thousand Six Hundred Sixty-Six and 67/100 Dollars (\$142,566,666.67)” with a reference to “One Hundred Forty Million Six Hundred Thirty-Three Thousand Three Hundred Thirty-Three and 33/100 Dollars (\$140,633,333.33)”.
- iii. The second sentence of Section 10.5(a)(v) of the Lease is hereby amended to (a) replace the reference therein to “Five Hundred Ninety-Eight Million Four Hundred Thousand and No/100 Dollars (\$598,400,000.00)” with a reference to “Five Hundred Ninety Million Three Hundred Thousand and No/100 Dollars (\$590,300,000.00)”, (b) replace the reference therein to “One Hundred Ninety-Nine Million Four Hundred Sixty-Six Thousand Six Hundred Sixty-Six and 67/100 Dollars (\$199,466,666.67)” with a reference to “One Hundred Ninety-Six Million Seven Hundred Sixty-Six Thousand Six Hundred Sixty-Six and 67/100 Dollars (\$196,766,666.67)”, (c) replace the reference therein to “Four Hundred Twenty-Seven Million Seven Hundred Thousand and No/100 Dollars (\$427,700,000.00)” with a reference to “Four Hundred Twenty-One Million Nine Hundred Thousand and No/100 Dollars (\$421,900,000.00)” and (d) replace the reference therein to “One Hundred

Forty-Two Million Five Hundred Sixty-Six Thousand Six Hundred Sixty-Six and 67/100 Dollars (\$142,566,666.67)” with a reference to “One Hundred Forty Million Six Hundred Thirty-Three Thousand Three Hundred Thirty-Three and 33/100 Dollars (\$140,633,333.33)”.

g. Regional Lease Section 22.2(ix) Transfer.

- i. Landlord and Tenant hereby acknowledge and agree that the Harrah’s Reno Transaction shall be deemed to be, and treated as, a transfer and sale of the entire “Leased Property” (as defined in the Regional Lease) with respect to a “Facility” (as defined in the Regional Lease) pursuant to Section 22.2(ix) of the Regional Lease.
- ii. The 2018 Facility EBITDAR of Regional Tenant for the Harrah’s Reno Facility is equal to [****].
- iii. The amount of the 2018 EBITDAR Pool shall not be reduced as a result of the Harrah’s Reno Facility no longer being a Regional Facility under the Regional Lease.

3. No Other Modification or Amendment to the Lease. The Lease shall remain in full force and effect except as expressly amended or modified by this Amendment. From and after the date of this Amendment, all references in the Lease to the “Lease” shall be deemed to refer to the Lease as amended by this Amendment.

4. Governing Law; Jurisdiction. This Amendment shall be construed according to and governed by the laws of the jurisdiction(s) specified by the Lease without regard to its or their conflicts of law principles. The parties hereto hereby irrevocably submit to the jurisdiction of any court of competent jurisdiction located in such applicable jurisdiction in connection with any proceeding arising out of or relating to this Amendment.

5. Counterparts. This Amendment may be executed by one or more of the parties hereto on any number of separate counterparts, and all of such counterparts taken together shall be deemed to constitute one and the same instrument. Facsimile and/or .pdf signatures shall be deemed to be originals for all purposes.

6. Effectiveness. This Amendment shall be effective, as of the date hereof, only upon execution and delivery by each of the parties hereto.

7. Miscellaneous. If any provision of this Amendment is adjudicated to be invalid, illegal or unenforceable, in whole or in part, it will be deemed omitted to that extent and all other provisions of this Amendment will remain in full force and effect. Neither this Amendment nor any provision hereof may be changed, modified, waived, discharged or terminated orally, but only by an instrument in writing signed by the party against whom enforcement of such change, modification, waiver, discharge or termination is sought. The paragraph headings and captions contained in this Amendment are for convenience of reference only and in no event define,

describe or limit the scope or intent of this Amendment or any of the provisions or terms hereof. This Amendment shall be binding upon and inure to the benefit of the parties and their respective heirs, legal representatives, successors and permitted assigns.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed by their duly authorized representatives, all as of the date hereof.

LANDLORD:

HARRAH'S JOLIET LANDCO LLC,
a Delaware limited liability company

By: /s/ David Kieske
Name: David Kieske
Title: Treasurer

[Signatures Continue on Following Pages]

[Signature Page to Third Amendment to Joliet Lease]

TENANT:

**DES PLAINES DEVELOPMENT
LIMITED PARTNERSHIP,**

a Delaware limited partnership

By: Harrah's Illinois LLC,
a Nevada limited liability company,

its general partner

By: /s/ Bret D. Yunker

Name: Bret D. Yunker

Title: Chief Financial Officer

[Signatures Continue on Following Pages]

[Signature Page to Third Amendment to Joliet Lease]

Acknowledged and agreed, solely for the purposes of the last paragraph of Section 1.1 of the Lease:

PROPCO TRS LLC,
a Delaware limited liability company

By: /s/ David Kieske
Name: David Kieske
Title: Treasurer

[Signatures Continue on Following Pages]

[Signature Page to Third Amendment to Joliet Lease]

CEOC, LLC hereby acknowledges this Amendment and reaffirms its joinder attached to the Lease.

CEOC, LLC,
a Delaware limited liability company

By: /s/ Bret D. Yunker

Name: Bret D. Yunker

Title: Chief Financial Officer

[Signature Page to Third Amendment to Joliet Lease]

ACKNOWLEDGMENT AND AGREEMENT OF GUARANTOR

The undersigned ("Guarantor") hereby: (a) acknowledges receipt of the Third Amendment to Lease (the "Amendment"; capitalized terms used herein with definition having the meanings set forth in the Amendment), dated as of September 30, 2020, by and among Harrah's Joliet Landco LLC, a Delaware limited liability company, as Landlord, Des Plaines Development Limited Partnership, a Delaware limited partnership, as Tenant, and the other parties party thereto; (b) consents to the terms and execution thereof; (c) ratifies and reaffirms Guarantor's obligations to Landlord pursuant to the terms of that certain Guaranty of Lease, dated as of July 20, 2020 (the "Guaranty"), by and between Guarantor and Landlord, and agrees that nothing in the Amendment in any way impairs or lessens the Guarantor's obligations under the Guaranty; and (d) acknowledges and agrees that the Guaranty is in full force and effect and is valid, binding and enforceable in accordance with its terms.

IN WITNESS WHEREOF, the undersigned has caused this Acknowledgment and Agreement of Guarantor to be duly executed as of September 30, 2020.

CAESARS ENTERTAINMENT, INC.

By: /s/ Bret D. Yunker

Name: Bret D. Yunker

Title: Chief Financial Officer

[Signature Page to Reaffirmation of Guaranty]

THIRD AMENDMENT TO LEASE

This **THIRD AMENDMENT TO LEASE** (this "**Amendment**") is entered into as of September 30, 2020, by and among **CPLV PROPERTY OWNER LLC** and **CLAUDINE PROPCO LLC**, each a Delaware limited liability company (collectively, and together with their respective successors and assigns, "**Landlord**"), **DESERT PALACE LLC**, a Nevada limited liability company, **CEOC, LLC**, a Delaware limited liability company (for itself and as successor by merger to Caesars Entertainment Operating Company, Inc., a Delaware corporation), and **HARRAH'S LAS VEGAS, LLC**, a Nevada limited liability company (collectively, and together with their respective successors and assigns, "**Tenant**") and, solely for the purposes of the last paragraph of Section 1.1 of the Lease (as defined below), Propco TRS LLC, a Delaware limited liability company ("**Propco TRS**").

RECITALS

WHEREAS, Landlord, Tenant and, solely for the purposes of the last paragraph of Section 1.1 of the Lease, Propco TRS are parties to that certain Lease (CPLV) dated as of October 6, 2017, as amended by that certain First Amendment to Lease (CPLV), dated as of December 26, 2018, as amended by that certain Omnibus Amendment to Leases, dated as of June 1, 2020, and as amended by that certain Second Amendment to Lease (CPLV), dated as of July 20, 2020 (collectively, as amended, the "**Lease**"), pursuant to which Landlord leases to Tenant, and Tenant leases from Landlord, certain real property as more particularly described in the Lease;

WHEREAS, on the date hereof, Harrah's Reno LLC, being an Affiliate of Landlord, and CEOC, LLC, together as sellers, and Reno City Center, LLC, as purchaser, are closing a purchase and sale transaction under that certain Purchase and Sale Agreement and Joint Escrow Instructions, dated as of December 31, 2019, as amended by that certain First Amendment to Purchase and Sale Agreement and Joint Escrow Instructions, dated as of May 29, 2020, with respect to certain real property and FF&E (as defined therein) associated with the gaming and entertainment facility known as "Harrah's Reno Hotel & Casino" located in Reno, Nevada (the "**Harrah's Reno Transaction**"); and

WHEREAS, in connection with the Harrah's Reno Transaction, the parties hereto desire to amend the Lease as set forth herein.

NOW THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound hereby, agree as follows:

1. Definitions. Except as otherwise defined herein, all capitalized terms used herein without definition shall have the meanings applicable to such terms, respectively, as set forth in the Lease.

2. **Amendments to the Lease**

- a. **Triennial Minimum Cap Ex Amount B. Article II** of the Lease is hereby amended such that the definition of “Triennial Minimum Cap Ex Amount B” is hereby revised and modified to replace the reference therein to “Four Hundred Twenty-Seven Million Seven Hundred Thousand and No/100 Dollars (\$427,700,000.00)” with a reference to “Four Hundred Twenty-One Million Nine Hundred Thousand and No/100 Dollars (\$421,900,000.00)”.
- b. **Partial Periods.**
- i. Section 10.5(a)(v)(b) of the Lease is hereby amended to (a) replace the reference therein to “Four Hundred Twenty-Seven Million Seven Hundred Thousand and No/100 Dollars (\$427,700,000.00)” with a reference to “Four Hundred Twenty-One Million Nine Hundred Thousand and No/100 Dollars (\$421,900,000.00)” and (b) replace the reference therein to “One Hundred Forty-Two Million Five Hundred Sixty-Six Thousand Six Hundred Sixty-Six and 67/100 Dollars (\$142,566,666.67)” with a reference to “One Hundred Forty Million Six Hundred Thirty-Three Thousand Three Hundred Thirty-Three and 33/100 Dollars (\$140,633,333.33)” and
 - ii. The second sentence of Section 10.5(a)(v) of the Lease is hereby amended to (a) replace the reference therein to “Four Hundred Twenty-Seven Million Seven Hundred Thousand and No/100 Dollars (\$427,700,000.00)” with a reference to “Four Hundred Twenty-One Million Nine Hundred Thousand and No/100 Dollars (\$421,900,000.00)” and (b) replace the reference therein to “One Hundred Forty-Two Million Five Hundred Sixty-Six Thousand Six Hundred Sixty-Six and 67/100 Dollars (\$142,566,666.67)” with a reference to “One Hundred Forty Million Six Hundred Thirty-Three Thousand Three Hundred Thirty-Three and 33/100 Dollars (\$140,633,333.33)”.

3. **No Other Modification or Amendment to the Lease.** The Lease shall remain in full force and effect except as expressly amended or modified by this Amendment. From and after the date of this Amendment, all references in the Lease to the “Lease” shall be deemed to refer to the Lease as amended by this Amendment.

4. **Governing Law; Jurisdiction.** This Amendment shall be construed according to and governed by the laws of the jurisdiction(s) specified by the Lease without regard to its or their conflicts of law principles. The parties hereto hereby irrevocably submit to the jurisdiction of any court of competent jurisdiction located in such applicable jurisdiction in connection with any proceeding arising out of or relating to this Amendment.

5. **Counterparts.** This Amendment may be executed by one or more of the parties hereto on any number of separate counterparts, and all of such counterparts taken together shall be deemed to constitute one and the same instrument. Facsimile and/or .pdf signatures shall be deemed to be originals for all purposes.

6. **Effectiveness.** This Amendment shall be effective, as of the date hereof, only upon execution and delivery by each of the parties hereto.

7. **Miscellaneous.** If any provision of this Amendment is adjudicated to be invalid, illegal or unenforceable, in whole or in part, it will be deemed omitted to that extent and all other provisions of this Amendment will remain in full force and effect. Neither this Amendment nor any provision hereof may be changed, modified, waived, discharged or terminated orally, but only by an instrument in writing signed by the party against whom enforcement of such change, modification, waiver, discharge or termination is sought. The paragraph headings and captions contained in this Amendment are for convenience of reference only and in no event define, describe or limit the scope or intent of this Amendment or any of the provisions or terms hereof. This Amendment shall be binding upon and inure to the benefit of the parties and their respective heirs, legal representatives, successors and permitted assigns.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed by their duly authorized representatives, all as of the date hereof.

LANDLORD:

CPLV PROPERTY OWNER LLC,
a Delaware limited liability company

By: /s/ David Kieske
Name: David Kieske
Title: Treasurer

CLAUDINE PROPCO LLC,
a Delaware limited liability company

By: /s/ David Kieske
Name: David Kieske
Title: Treasurer

[Signatures Continue on Following Pages]

[Signature Page to Third Amendment to Las Vegas Lease]

TENANT:

DESERT PALACE LLC,
a Nevada limited liability company

By: /s/ Bret D. Yunker
Name: Bret D. Yunker
Title: Chief Financial Officer

CEOC, LLC,
a Delaware limited liability company

By: /s/ Bret D. Yunker
Name: Bret D. Yunker
Title: Chief Financial Officer

HARRAH'S LAS VEGAS, LLC,
a Nevada limited liability company

By: /s/ Bret D. Yunker
Name: Bret D. Yunker
Title: Chief Financial Officer

[Signatures Continue on Following Pages]

[Signature Page to Third Amendment to Las Vegas Lease]

Acknowledged and agreed, solely for the purposes of the last paragraph of Section 1.1 of the Lease:

PROPCO TRS LLC,
a Delaware limited liability company

By: /s/ David Kieske

Name: David Kieske

Title: Treasurer

[Signature Page to Third Amendment to Las Vegas Lease]

ACKNOWLEDGMENT AND AGREEMENT OF GUARANTOR

The undersigned ("Guarantor") hereby: (a) acknowledges receipt of the Third Amendment to Lease (the "Amendment"; capitalized terms used herein with definition having the meanings set forth in the Amendment), dated as of September 30, 2020, by and among CPLV Property Owner LLC and Claudine Propco LLC, each a Delaware limited liability company, collectively as Landlord, Desert Palace LLC, a Nevada limited liability company, CEOC, LLC, a Delaware limited liability company (for itself and as successor by merger to Caesars Entertainment Operating Company, Inc., a Delaware corporation), and Harrah's Las Vegas, LLC, a Nevada limited liability company, collectively as Tenant, and the other parties party thereto; (b) consents to the terms and execution thereof; (c) ratifies and reaffirms Guarantor's obligations to Landlord pursuant to the terms of that certain Guaranty of Lease, dated as of July 20, 2020 (the "Guaranty"), by and between Guarantor and Landlord, and agrees that nothing in the Amendment in any way impairs or lessens the Guarantor's obligations under the Guaranty; and (d) acknowledges and agrees that the Guaranty is in full force and effect and is valid, binding and enforceable in accordance with its terms.

IN WITNESS WHEREOF, the undersigned has caused this Acknowledgment and Agreement of Guarantor to be duly executed as of September 30, 2020.

CAESARS ENTERTAINMENT, INC.

By: /s/ Bret D. Yunker

Name: Bret D. Yunker

Title: Chief Financial Officer

[Signature Page to Reaffirmation of Guaranty]

AMENDED AND RESTATED OMNIBUS AMENDMENT TO LEASES

THIS AMENDED AND RESTATED OMNIBUS AMENDMENT TO LEASES (this “**Amendment**”), is dated as of October 27, 2020 (the “**Effective Date**”) by and among the entities listed on Schedule A attached hereto (collectively, and together with their respective successors and assigns, “**Non-CPLV Landlord**”), CPLV Property Owner LLC, a Delaware limited liability company (together with its successors and assigns, “**CPLV Landlord**”), Claudine Propco LLC, a Delaware limited liability company (together with its successors and assigns, “**HLV Landlord**”), Harrah’s Joliet Landco LLC, a Delaware limited liability company (together with its successors and assigns, “**Joliet Landlord**” and, together with Non-CPLV Landlord, CPLV Landlord and HLV Landlord, collectively or individually as the context may require, “**Landlord**”), CEOC, LLC, a Delaware limited liability company (“**CEOC**”), the entities listed on Schedule B attached hereto (collectively with CEOC, and together with their respective successors and assigns, “**Non-CPLV Tenant**”), Desert Palace LLC, a Nevada limited liability company (collectively with CEOC (for itself, and as successor by merger to Caesars Entertainment Operating Company, Inc., a Delaware corporation), and together with their respective successors and assigns, “**CPLV Tenant**”), Harrah’s Las Vegas, LLC, a Nevada limited liability company (together with its successors and assigns, “**HLV Tenant**”), and Des Plaines Development Limited Partnership, a Delaware limited partnership (together with its successors and assigns, “**Joliet Tenant**” and, together with Non-CPLV Tenant, CPLV Tenant and HLV Tenant, collectively or individually as the context may require, “**Tenant**”).

RECITALS

A. Certain of the parties hereto are party to that certain Omnibus Amendment to Leases, dated as of June 1, 2020 (the “Existing Omnibus Amendment”).

B. Non-CPLV Landlord and Non-CPLV Tenant are parties to that certain LEASE (NON-CPLV) dated October 6, 2017 (as amended by (i) that certain First Amendment to Lease (Non-CPLV) dated December 22, 2017, (ii) that certain Second Amendment to Lease (Non-CPLV) and Ratification of SNDA dated February 16, 2018, (iii) that certain Third Amendment to Lease (Non-CPLV) dated April 2, 2018, (iv) that certain Fourth Amendment to Lease (Non-CPLV) dated December 26, 2018, (v) the Existing Omnibus Amendment, (vi) that certain Fifth Amendment to Lease (Non-CPLV) dated July 20, 2020 (the “Non-CPLV July 2020 Amendment”), and (vii) that certain Sixth Amendment to Lease, dated as of September 30, 2020, and as further amended, restated, supplemented or otherwise modified from time to time, the “**Non-CPLV Lease**”);

C. CPLV Landlord, HLV Landlord, CPLV Tenant and HLV Tenant are parties to that certain LEASE (CPLV) dated October 6, 2017 (as amended by (i) that certain First Amendment to Lease (CPLV) dated December 26, 2018, (ii) the Existing Omnibus Amendment, (iii) that certain Second Amendment to Lease (CPLV) dated July 20, 2020, and (iv) that certain Third Amendment to Lease, dated September 30, 2020, and as further amended restated, supplemented or otherwise modified from time to time, the “**CPLV Lease**”);

D. Joliet Landlord and Joliet Tenant are parties to that certain LEASE (JOLIET) dated October 6, 2017 (as amended by (i) that certain First Amendment to Lease (JOLIET) dated December 26, 2018, (ii) the Existing Omnibus Amendment, (iii) that certain Second Amendment to Lease (Joliet) dated July 20, 2020 (the “Joliet July 2020 Amendment”), and (iv) that certain Third Amendment to Lease, dated

as of September 30, 2020, and as further amended, restated, supplemented or otherwise modified from time to time, the “**Joliet Lease**” and, together with the Non-CPLV Lease and the CPLV Lease, collectively, the “**Leases**” and each a “**Lease**”); and

E. As a result of the addition of the Fifth Amendment Additional Property to the Non-CPLV Lease, the parties hereto desire to amend and restate the Existing Omnibus Amendment.

F. Capitalized terms used in this Amendment and not otherwise defined herein shall have the meanings ascribed to such terms in the applicable Lease, respectively. The term “Minimum Cap Ex Requirements” as used herein shall mean, collectively, the Minimum Cap Ex Requirements (as defined in the Non-CPLV Lease and the Joliet Lease) and the Minimum Cap Ex Requirements (CPLV) (as defined in the CPLV Lease).

NOW THEREFORE, in consideration of the premises and the mutual covenants hereinafter contained, the parties hereto do hereby stipulate, covenant and agree as follows:

1. **Amendments to Leases.**

(a) **Deemed Satisfaction of 2020 Minimum Cap Ex Requirements and Deemed 2020 Capital Expenditure Amounts.** Notwithstanding the terms of Sections 10.5(a)(iii) and (iv) of the CPLV Lease and Sections 10.5(a)(i) – (iv) of each of the Non-CPLV Lease and the Joliet Lease, if, and for so long as, (x) from the Effective Date until and including January 1, 2024 (the “**Compliance Period**”) (a) each Tenant, as applicable, pays each monthly installment of Rent no later than (i) six (6) days following the date such payment is due under the CPLV Lease and (ii) ten (10) days following the date such payment is due under the Non-CPLV Lease and the Joliet Lease (“**Punctual Payment of Rent Condition**”) and (b) no Tenant Event of Default occurs under any of the Leases (“**No Default Condition**”, and together with the Punctual Payment of Rent Condition, collectively, the “**Tenant Compliance Conditions**”) and (y) the 2020 Cap Ex Conditions (as defined below) are satisfied, Tenant shall be deemed to have:

(i) expended Capital Expenditures in an amount and of a nature sufficient to satisfy each of the Minimum Cap Ex Requirements under each Lease for the 2020 Fiscal Year and any Triennial Period ending December 31, 2020, as applicable, and

(ii) expended Capital Expenditures during the 2020 Fiscal Year in an amount equal to (x) Two Hundred Sixty Million Two Hundred Thousand and No/100 Dollars (\$260,200,000.00) to be applied against the Triennial Minimum Cap Ex Requirement A under each of the Non-CPLV Lease and the Joliet Lease in respect of the Triennial Periods ending on December 31, 2020, December 31, 2021 and December 31, 2022, as the case may be and (y) Two Hundred Thirty-Two Million Seven Hundred Thousand and No/100 Dollars \$232,700,000.00) to be applied against the Triennial Minimum Cap Ex Requirement B under each of the Leases (and, for purposes of determining compliance with the Triennial Allocated Minimum Cap Ex Amount B Floors, allocated twenty percent (20%) to the Triennial Allocated Minimum Cap Ex Amount B Floor set forth in the CPLV Lease and eighty percent (80%) to the Triennial Allocated Minimum Cap Ex Amount B Floor set forth in the Non-CPLV Lease and Joliet Leases) in respect of the

Triennial Periods ending on December 31, 2020, December 31, 2021 and December 31, 2022, as the case may be.

(b) **2020 Cap Ex Conditions.** The following shall collectively constitute the “**2020 Cap Ex Conditions**”:

(i) During the 2020 Fiscal Year, Tenant shall collectively expend Capital Expenditures pursuant to Section 10.5(a)(ii) of each of the Non-CPLV Lease and the Joliet Lease and Section 10.5(a)(iii) of the CPLV Lease that, in each case, constitute installation or restoration and repair or other improvements of items with respect to the Leased Property thereunder, in an aggregate amount among the Leases equal to no less than Forty-One Million Five Hundred Thousand and No/100 Dollars (\$41,500,000.00); and

(ii) During the 2020 Fiscal Year, Tenant shall collectively expend Capital Expenditures under the Leases pursuant to Section 10.5(a)(iii) of each of the Non-CPLV Lease and the Joliet Lease in an aggregate amount equal to no less than One Hundred Four Million One Hundred Thousand and No/100 Dollars (\$104,100,000.00) (the “**2020 Triennial Cap Ex Amount**”) (provided, that, notwithstanding anything to the contrary herein or in the Leases, for purposes of calculating the 2020 Triennial Cap Ex Amount pursuant to this Amendment, Capital Expenditures expended during the 2020 Fiscal Year (x) may count and include Services Co Capital Expenditures (as defined in the Non-CPLV Lease and the Joliet Lease prior to giving effect to the Non-CPLV July 2020 Amendment and the Joliet July 2020 Amendment, as applicable) but (y) shall not include Services Co Capital Expenditures or Capital Expenditures in respect of the London Clubs in an aggregate amount in excess of Eleven Million and No/100 Dollars (\$11,000,000.00) comprising at least Ninety-Three Million One Hundred Thousand and No/100 Dollars (\$93,100,000.00) in the aggregate collectively expended by Tenant pursuant to Section 10.5(a)(iv) of each of the Leases (provided, that, for purposes of calculating such amount, (1) the proviso in the first sentence in the definition of “Triennial Minimum Cap Ex Amount B” of the applicable Lease shall apply, and (2) Services Co Capital Expenditures shall not be included).

For the avoidance of doubt the provisions of Section 10.5(a)(viii) of the respective Leases shall apply to the foregoing Capital Expenditures.

(c) **Failure to Satisfy 2020 Cap Ex Conditions and Tenant Compliance Conditions.**

(i) Any failure to satisfy any of the Tenant Compliance Conditions during the Compliance Period is referred to herein as a “**Tenant Non Compliance Trigger Event**” and any failure to satisfy any of the 2020 Cap Ex Conditions as of January 1, 2021 is referred to herein as a “**Cap Ex Trigger Event.**”

(ii) If, during the 2020 Fiscal Year, any Tenant Compliance Condition is not satisfied, then, in any such case, without the need for notice or any other precondition, the terms of this Amendment shall immediately become null and void and of no further force or effect.

(iii) If (a) any Cap Ex Trigger Event occurs as of January 1, 2021, or (b) any Tenant Non Compliance Trigger Event occurs at any time from and including January 1, 2021 until and including December 31, 2021, then (x) Tenant shall be obligated, within five (5) Business Days after such Trigger Event Date (as defined below), to deposit funds into the Cap Ex Reserve under

each applicable Lease in an aggregate amount equal to the difference between (A) the amount of Capital Expenditures each Tenant would have been required to expend in the 2020 Fiscal Year (determined pursuant to the terms of the Leases then in effect without giving effect to this Amendment or the Existing Omnibus Amendment) in order to satisfy the respective Minimum Cap Ex Requirements under each Lease (calculated as of December 31, 2020), and (B) the amount of Capital Expenditures each Tenant actually expended in the 2020 Fiscal Year with respect to such Minimum Cap Ex Requirements (the “**2020 Cap Ex Shortfall Amount**”), (y) Tenant shall be required to expend the 2020 Cap Ex Shortfall Amount on Capital Expenditures within six (6) months of the date of such Cap Ex Trigger Event or Tenant Non Compliance Trigger Event (“**Trigger Event Date**”), in each case, as necessary to satisfy the respective Minimum Cap Ex Requirements for the 2020 Fiscal Year, as applicable (calculated as of December 31, 2020), and (z) it is understood that compliance with the requirements of this clause (iii) shall not be deemed to relieve Tenant of compliance with (a) the Triennial Minimum Cap Ex Requirement A and the Triennial Minimum Cap Ex Requirement B, in each case with respect to the Triennial Periods ending December 31, 2021 and December 31, 2022; provided, however, such shortfall deposit shall be applied towards such Minimum Cap Ex Requirements, as applicable, in accordance with the provisions of the respective Leases as if the amount of such shortfall deposit was expended for applicable Capital Expenditures in the year in respect of which such shortfall deposit was made and (b) the Annual Minimum Per-Lease B&I Cap Ex Requirement and, if applicable, the Annual Minimum Cap Ex Requirement, in each case with respect to the 2021 Fiscal Year.

(iv) If a Tenant Non Compliance Trigger Event occurs at any time from and including January 1, 2022 until and including December 31, 2022, then (x) Tenant shall be obligated, within five (5) Business Days after such Trigger Event Date, to immediately deposit funds into the Cap Ex Reserve under each applicable Lease in an aggregate amount equal to the sum of (I) the 2020 Cap Ex Shortfall Amount, and (II) the difference between (A) the amount of Capital Expenditures each Tenant would have been required to expend in the 2021 Fiscal Year pursuant to the terms of the Leases (determined pursuant to the terms of the Leases then in effect without giving effect to this Amendment or the Existing Omnibus Amendment), in order to satisfy the respective Minimum Cap Ex Requirements under each Lease (calculated as of December 31, 2021, and determined after giving effect to the deposit of the 2020 Cap Ex Shortfall Amount into the Cap Ex Reserve, and as if such deposited 2020 Cap Ex Shortfall Amount had been expended in Fiscal Year 2020), and (B) the amount of Capital Expenditures each Tenant actually expended in the 2021 Fiscal Year with respect to such Minimum Cap Ex Requirements (the “**2021 Cap Ex Shortfall Amount**”), (y) Tenant shall be required to expend at least fifty percent (50%) of each of the 2020 Cap Ex Shortfall Amount and 2021 Cap Ex Shortfall Amount on Capital Expenditures within six (6) months of the Trigger Event Date with the remaining portions of such amounts to be expended within twelve (12) months of the Trigger Event Date, in each case, as necessary to satisfy the respective Minimum Cap Ex Requirements for the 2020 and 2021 Fiscal Years, as applicable (calculated as of December 31, 2020 and December 31, 2021, respectively), and (z) it is understood that compliance with the requirements of this clause (iv) shall not be deemed to relieve Tenant of compliance with (a) the Triennial Minimum Cap Ex Requirement A and the Triennial Minimum Cap Ex Requirement B, in each case with respect to the Triennial Periods ending December 31, 2022 and December 31, 2023; provided, however, such shortfall deposit shall be applied towards such Minimum Cap Ex Requirements, as applicable, in accordance with the provisions of the respective Leases as if the amount of such shortfall deposit was expended for applicable Capital Expenditures in the applicable year(s) in respect of which such shortfall deposit was made and (b) the Annual Minimum Per-Lease B&I Cap Ex Requirement and, if

applicable, the Annual Minimum Cap Ex Requirement, in each case with respect to the 2021 and 2022 Fiscal Years.

(v) If a Tenant Non Compliance Trigger Event occurs on or after January 1, 2023 and prior to the expiration of the Compliance Period, then (x) Tenant shall be obligated, within five (5) Business Days after such Trigger Event Date, to immediately deposit funds into the Cap Ex Reserve under each applicable Lease in an aggregate amount equal to the sum of (I) the 2020 Cap Ex Shortfall Amount, (II) the 2021 Cap Ex Shortfall Amount, and (III) the difference between (A) the amount of Capital Expenditures each Tenant would have been required to expend in the 2022 Fiscal Year (determined pursuant to the terms of the Leases then in effect without giving effect to this Amendment or the Existing Omnibus Amendment) in order to satisfy the respective Minimum Cap Ex Requirements under each Lease (calculated as of December 31, 2022, and determined after giving effect to the deposit of the 2020 Cap Ex Shortfall Amount and the 2021 Cap Ex Shortfall Amount into the Cap Ex Reserve, and as if such deposited 2020 Cap Ex Shortfall Amount and 2021 Cap Ex Shortfall Amount had been expended in Fiscal Years 2020 or 2021, as applicable), and (B) the amount of Capital Expenditures each Tenant actually expended in the 2022 Fiscal Year with respect to such Minimum Cap Ex Requirements (the “**2022 Cap Ex Shortfall Amount**” and together with the 2020 Cap Ex Shortfall Amount and 2021 Cap Ex Shortfall Amount, collectively, the “**Cap Ex Shortfall Amount**”), (y) Tenant shall be required to expend at least fifty percent (50%) of the Cap Ex Shortfall Amount on Capital Expenditures within six (6) months of the Trigger Event Date with the remaining portion of such amount to be expended within twelve (12) months of the Trigger Event Date, in each case, as necessary to satisfy the respective Minimum Cap Ex Requirements for the 2020, 2021 and 2022 Fiscal Years, as applicable (calculated as of December 31, 2020, December 31, 2021 and December 31, 2022, respectively), and (z) it is understood that compliance with the requirements of this clause (v) shall not be deemed to relieve Tenant of compliance with (a) the Triennial Minimum Cap Ex Requirement A and the Triennial Minimum Cap Ex Requirement B, in each case with respect to the Triennial Periods ending December 31, 2023 and December 31, 2024; provided, however, such shortfall deposit shall be applied towards such Minimum Cap Ex Requirements, as applicable, in accordance with the provisions of the respective Leases as if the amount of such shortfall deposit was expended for applicable Capital Expenditures in the applicable year(s) in respect of which such deposit was made and (b) the Annual Minimum Per-Lease B&I Cap Ex Requirement and, if applicable, the Annual Minimum Cap Ex Requirement, in each case with respect to (I) the 2021 and 2022 Fiscal Years and (II) the Fiscal Year in which the Tenant Non Compliance Trigger Event occurs.

(vi) Any portion of the Cap Ex Shortfall Amount expended by Tenant shall be credited against (and shall count towards satisfaction of) the applicable Minimum Cap Ex Requirements that include the Fiscal Year for which such funds were deposited. It is further understood that if Tenant is required to deposit and expend a Cap Ex Shortfall Amount pursuant to this Section 1(c), then for so long as Tenant is in compliance with the provisions of this Section 1(c), then any Tenant Event of Default that may otherwise exist as a result of Section 1(a) no longer being in effect shall be deemed cured.

(d) **Unavoidable Delay.** The provisions of Section 10.5(a)(ix) of the respective Leases shall not apply to any Unavoidable Delay directly or indirectly resulting from the coronavirus (COVID-19) pandemic.

2. **No Waiver.** Except to the extent expressly set forth in this Amendment, Landlord is not waiving any obligations of Tenants under their respective Leases or any rights of Landlord under the Leases or at law, nor is Landlord waiving or consenting to any other events that may have occurred under or in relation to any of the Leases.

3. **Incorporation into the Lease.** The provisions of this Amendment applicable to each Lease are hereby incorporated into each such Lease and made an integrated, non-severable part thereof.

4. **Other Documents.** Any and all agreements entered into in connection with any Lease which make reference therein to “the Lease” shall be intended to, and are deemed hereby, to refer to such Lease as amended by this Amendment.

5. **Miscellaneous.**

(a) This Amendment shall be construed according to and governed by the laws of the jurisdiction(s) which are specified by the Leases without regard to its conflicts of law principles. The parties hereto hereby irrevocably submit to the jurisdiction of any court of competent jurisdiction located in such applicable jurisdiction in connection with any proceeding arising out of or relating to this Amendment.

(b) If any provision of this Amendment is adjudicated to be invalid, illegal or unenforceable, in whole or in part, it will be deemed omitted to that extent and all other provisions of this Amendment will remain in full force and effect.

(c) Neither this Amendment nor any provision hereof may be changed, modified, waived, discharged or terminated orally, but only by an instrument in writing signed by the party against whom enforcement of such change, modification, waiver, waiver, discharge or termination is sought.

(d) The paragraph headings and captions contained in this Amendment are for convenience of reference only and in no event define, describe or limit the scope or intent of this Amendment or any of the provisions or terms hereof.

(e) This Amendment shall be binding upon and inure to the benefit of the parties and their respective heirs, legal representatives, successors and permitted assigns.

(f) This Amendment may be executed in any number of counterparts with the same effect as if all parties hereto had signed the same document. All such counterparts shall be construed

together and shall constitute one instrument, but in making proof hereof it shall only be necessary to produce one such counterpart.

(g) Except as specifically modified in this Amendment, all of the provisions of the Leases remain unchanged and continue in full force and effect.

(h) This Amendment amends, restates, replaces and supersedes the Existing Omnibus Amendment.

(i) This Amendment shall not be effective unless and until (i) all requisite notices in respect hereof have been filed with all applicable Gaming Authorities, (ii) any advance notice period with respect to Gaming Authorities applicable hereto shall have expired and (iii) all approvals from all applicable Gaming Authorities required for the parties hereto to consummate the amendments to the Leases hereunder shall have been obtained, whereupon this Amendment shall be effective retroactive as of the Effective Date. Each of Tenant and Landlord hereby agrees to give prompt written notice to the other upon the satisfaction of the foregoing clauses (i) through (iii) with respect to such party.

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IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed by their duly authorized representatives, all as of the Effective Date.

LANDLORD:

**HORSESHOE COUNCIL BLUFFS LLC
HARRAH'S COUNCIL BLUFFS LLC
HARRAH'S METROPOLIS LLC
HORSESHOE SOUTHERN INDIANA LLC
NEW HORSESHOE HAMMOND LLC
NEW HARRAH'S NORTH KANSAS CITY LLC
GRAND BILOXI LLC
HORSESHOE TUNICA LLC
NEW TUNICA ROADHOUSE LLC
CAESARS ATLANTIC CITY LLC
BALLY'S ATLANTIC CITY LLC
HARRAH'S LAKE TAHOE LLC
HARVEY'S LAKE TAHOE LLC
HARRAH'S RENO LLC
BLUEGRASS DOWNS PROPERTY OWNER LLC
VEGAS DEVELOPMENT LLC
VEGAS OPERATING PROPERTY LLC
MISCELLANEOUS LAND LLC
PROPCO GULFPORT LLC
PHILADELPHIA PROPCO LLC
CPLV PROPERTY OWNER LLC
HARRAH'S JOLIET LANDCO LLC
HARRAH'S ATLANTIC CITY LLC
NEW LAUGHLIN OWNER LLC
HARRAH'S NEW ORLEANS LLC
CLAUDINE PROPCO LLC,**
each, a Delaware limited liability company

By: /s/ David A. Kieske
Name: David A. Kieske
Title: Treasurer

**HORSESHOE BOSSIER CITY PROP LLC
HARRAH'S BOSSIER CITY LLC,**
each, a Louisiana limited liability company

By: /s/ David A. Kieske
Name: David A. Kieske
Title: Treasurer

[Signature Page to Amended and Restated Omnibus Amendment]

TENANT:

CEOC, LLC, a Delaware limited liability company,
HBR REALTY COMPANY LLC, a Nevada limited liability company,
HARVEYS IOWA MANAGEMENT COMPANY LLC, a Nevada limited liability company,
SOUTHERN ILLINOIS RIVERBOAT/CASINO CRUISES LLC, an Illinois limited liability company,
CAESARS RIVERBOAT CASINO, LLC, an Indiana limited liability company,
ROMAN HOLDING COMPANY OF INDIANA LLC, an Indiana limited liability company,
HORSESHOE HAMMOND, LLC, an Indiana limited liability company,
HARRAH'S BOSSIER CITY INVESTMENT COMPANY, L.L.C., a Louisiana limited liability company,
HARRAH'S NORTH KANSAS CITY LLC, a Missouri limited liability company,
GRAND CASINOS OF BILOXI, LLC, a Minnesota limited liability company,
ROBINSON PROPERTY GROUP LLC, a Mississippi limited liability company,
TUNICA ROADHOUSE LLC, a Delaware limited liability company,
CAESARS NEW JERSEY LLC, a New Jersey limited liability company,
HARVEYS TAHOE MANAGEMENT COMPANY LLC, a Nevada limited liability company,
PLAYERS BLUEGRASS DOWNS LLC, a Kentucky limited liability company,
CASINO COMPUTER PROGRAMMING, INC., an Indiana corporation,
HARVEYS BR MANAGEMENT COMPANY, INC., a Nevada corporation,
HARRAH'S LAUGHLIN, LLC, a Nevada limited liability company,
JAZZ CASINO COMPANY, L.L.C., a Louisiana limited liability company,
DESERT PALACE LLC, a Nevada limited liability company,
HARRAH'S LAS VEGAS, LLC, a Nevada limited liability company

By: /s/ Edmund L. Quatmann, Jr.

Name: Edmund L. Quatmann, Jr.

Title: Executive Vice President, Chief Legal Officer and Secretary

[Signature Page to Amended and Restated Omnibus Amendment]

HORSESHOE ENTERTAINMENT,
a Louisiana limited partnership

By: New Gaming Capital Partnership,
a Nevada limited partnership,
its general partner

By: Horseshoe GP, LLC,
a Nevada limited liability company,
its general partner

By: /s/ Edmund L. Quatmann, Jr.
Name: Edmund L. Quatmann, Jr.
Title: Executive Vice President, Chief Legal Officer and Secretary

BOARDWALK REGENCY LLC,
a New Jersey limited liability company

By: Caesars New Jersey LLC,
a New Jersey limited liability company,
its sole member

By: /s/ Edmund L. Quatmann, Jr.
Name: Edmund L. Quatmann, Jr.
Title: Executive Vice President, Chief Legal Officer and Secretary

BALLY'S PARK PLACE LLC,
a New Jersey limited liability company

By: CEOC, LLC,
a Delaware limited liability company,
its sole member

By: /s/ Edmund L. Quatmann, Jr.
Name: Edmund L. Quatmann, Jr.
Title: Executive Vice President, Chief Legal Officer and Secretary

[Signature Page to Amended and Restated Omnibus Amendment]

HOLE IN THE WALL, LLC,
a Nevada limited liability company

By: CEOC, LLC,
a Delaware limited liability company,
its sole member

By: /s/ Edmund L. Quatmann, Jr.

Name: Edmund L. Quatmann, Jr.

Title: Executive Vice President, Chief Legal Officer and Secretary

CHESTER DOWNS AND MARINA, LLC,
a Pennsylvania limited liability company

By: Harrah's Chester Downs Investment Company, LLC,
its sole member

By: /s/ Edmund L. Quatmann, Jr.

Name: Edmund L. Quatmann, Jr.

Title: Executive Vice President, Chief Legal Officer and Secretary

HARRAH'S ATLANTIC CITY OPERATING COMPANY, LLC,
a New Jersey limited liability company

By: Caesars Resort Collection, LLC,
a Delaware limited liability company,
its sole member

By: /s/ Edmund L. Quatmann, Jr.

Name: Edmund L. Quatmann, Jr.

Title: Executive Vice President, Chief Legal Officer and Secretary

[Signature Page to Amended and Restated Omnibus Amendment]

DES PLAINES DEVELOPMENT LIMITED PARTNERSHIP,
a Delaware limited partnership

By: Harrah's Illinois Corporation,
an Illinois corporation,
its general partner

By: /s/ Edmund L. Quatmann, Jr.

Name: Edmund L. Quatmann, Jr.

Title: Executive Vice President, Chief Legal Officer and Secretary

[Signature Page to Amended and Restated Omnibus Amendment]

ACKNOWLEDGED AND AGREED:

PROPCO TRS LLC,
a Delaware limited liability company

By: /s/ David A. Kieske
Name: David A. Kieske
Title: Treasurer

[Signature Page to Amended and Restated Omnibus Amendment]

CONSENT AND RATIFICATION

By executing this Amendment in the space provided below, Guarantor hereby: (i) consents to each Tenant's execution and delivery of this Amendment; and (ii) ratifies and confirms that the Guaranty executed by Guarantor is in full force and effect.

CAESARS ENTERTAINMENT, INC.,
a Delaware corporation

By: /s/ Edmund L. Quatmann, Jr.

Name: Edmund L. Quatmann, Jr.

Title: Executive Vice President, Chief Legal Officer and Secretary

[Signature Page to Amended and Restated Omnibus Amendment]

Schedule A

NON-CPLV LANDLORD ENTITIES

Horseshoe Council Bluffs LLC
Harrah's Council Bluffs LLC
Harrah's Metropolis LLC
Horseshoe Southern Indiana LLC
New Horseshoe Hammond LLC
Horseshoe Bossier City Prop LLC
Harrah's Bossier City LLC
New Harrah's North Kansas City LLC
Grand Biloxi LLC
Horseshoe Tunica LLC
New Tunica Roadhouse LLC
Caesars Atlantic City LLC
Bally's Atlantic City LLC
Harrah's Lake Tahoe LLC
Harvey's Lake Tahoe LLC
Harrah's Reno LLC
Bluegrass Downs Property Owner LLC
Vegas Development LLC
Vegas Operating Property LLC
Miscellaneous Land LLC
Propco Gulfport LLC
Philadelphia Propco LLC
Harrah's Atlantic City LLC
New Laughlin Owner LLC
Harrah's New Orleans LLC

Schedule A

Schedule B

NON-CPLV TENANT ENTITIES

CEOC, LLC, successor in interest by merger to Caesars Entertainment Operating Company, Inc.
HBR Realty Company LLC
Harveys Iowa Management Company LLC
Southern Illinois Riverboat/Casino Cruises LLC
Caesars Riverboat Casino LLC
Roman Holding Company of Indiana LLC
Horseshoe Hammond, LLC
Horseshoe Entertainment
Harrah's Bossier City Investment Company, LLC
Harrah's North Kansas City LLC
Grand Casinos of Biloxi, LLC
Robinson Property Group LLC
Tunica Roadhouse LLC
Boardwalk Regency LLC
Caesars New Jersey LLC
Bally's Park Place LLC
Harveys Tahoe Management Company LLC
Players Bluegrass Downs LLC
Casino Computer Programming, Inc.
Harveys BR Management Company, Inc.
Hole in the Wall, LLC
Chester Downs and Marina, LLC
Harrah's Atlantic City Operating Company, LLC
Harrah's Laughlin, LLC
Jazz Casino Company, L.L.C.

Schedule B

I, Edward B. Pitoniak, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of VICI Properties Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 28, 2020

By: _____ /s/ EDWARD B. PITONIAK

Edward B. Pitoniak
Chief Executive Officer

I, David Kieske, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of VICI Properties Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 28, 2020

By: _____ /s/ DAVID A. KIESKE

David A. Kieske
Chief Financial Officer

Certification of Principal Executive Officer

Pursuant to 18 U.S.C. § 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of VICI Properties Inc. (the "Company"), hereby certifies, to such officer's knowledge, that:

(i) the accompanying Quarterly Report on Form 10-Q of the Company for the quarterly period ended September 30, 2020 (the "Report") fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

(ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: October 28, 2020

By: _____ /s/ EDWARD B. PITONIAK

Edward B. Pitoniak
Chief Executive Officer

The foregoing certification is being furnished solely to accompany the Report pursuant to 18 U.S.C. § 1350, and is not being filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and is not to be incorporated by reference into any filing of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

Certification of Principal Financial Officer

Pursuant to 18 U.S.C. § 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of VICI Properties Inc. (the "Company"), hereby certifies, to such officer's knowledge, that:

(i) the accompanying Quarterly Report on Form 10-Q of the Company for the quarterly period ended September 30, 2020 (the "Report") fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

(ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: October 28, 2020

By: _____ /s/ DAVID A. KIESKE

David A. Kieske
Chief Financial Officer

The foregoing certification is being furnished solely to accompany the Report pursuant to 18 U.S.C. § 1350, and is not being filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and is not to be incorporated by reference into any filing of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing.