

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

FORM 10-Q

(Mark One)

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

For the Quarterly Period Ended June 30, 2018
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: 000-55791

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.)

430 Park Avenue, 8th Floor New York, New York 10022

(Address of Principal Executive Offices) (Zip Code)

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

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 and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted 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 type="radio"/>	Accelerated filer	<input type="radio"/>
Non-accelerated filer	<input checked="" type="radio"/> (Do not check if a smaller reporting company)	Smaller reporting company	<input type="radio"/>
		Emerging growth company	<input type="radio"/>

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 August 1, 2018, the registrant had 370,151,498 shares of its \$0.01 par value common stock outstanding.

VICI PROPERTIES INC.
FORM 10-Q
FOR THE QUARTER ENDED JUNE 30, 2018
TABLE OF CONTENTS

	Page
<u>PART I.</u>	<u>FINANCIAL INFORMATION</u>
<u>Item 1.</u>	<u>Financial Statements (Unaudited)</u>
	<u>VICI Properties Inc.</u>
	<u>Consolidated Balance Sheets as of June 30, 2018 and December 31, 2017</u>
	<u>Consolidated Statements of Operations and Comprehensive Income for the Three and Six Months Ended June 30, 2018</u>
	<u>Consolidated Statement of Stockholders' Equity for the Six Months Ended June 30, 2018</u>
	<u>Consolidated Statement of Cash Flows for the Six Months Ended June 30, 2018</u>
	<u>Notes to Consolidated Financial Statements</u>
	<u>Caesars Entertainment Outdoor (Debtor-in-Possession)</u>
	<u>Combined Statements of Operations for the Three and Six Months Ended June 30, 2017</u>
	<u>Combined Statement of Cash Flows for the Six Months Ended June 30, 2017</u>
	<u>Notes to Combined Financial Statements</u>
<u>Item 2.</u>	<u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>
<u>Item 3.</u>	<u>Quantitative and Qualitative Disclosures About Market Risk</u>
<u>Item 4.</u>	<u>Controls and Procedures</u>
<u>PART II.</u>	<u>OTHER INFORMATION</u>
<u>Item 1.</u>	<u>Legal Proceedings</u>
<u>Item 1A.</u>	<u>Risk Factors</u>
<u>Item 2.</u>	<u>Unregistered Sales of Equity Securities and Use of Proceeds</u>
<u>Item 3.</u>	<u>Defaults Upon Senior Securities</u>
<u>Item 4.</u>	<u>Mine Safety Disclosures</u>
<u>Item 5.</u>	<u>Other Information</u>
<u>Item 6.</u>	<u>Exhibits</u>
<u>Signatures</u>	<u>42</u>

PART I FINANCIAL INFORMATION
Item 1. Financial Statements

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

	June 30, 2018	December 31, 2017
Assets		
Real estate portfolio:		
Investments in direct financing leases, net	\$ 8,294,753	\$ 8,268,643
Investments in operating leases	1,110,400	1,110,400
Land	73,600	73,600
Property and equipment used in operations, net	73,029	74,300
Cash and cash equivalents	940,740	183,646
Restricted cash	13,808	13,760
Short-term investments	39,906	—
Other assets	18,467	15,363
Total assets	\$ 10,564,703	\$ 9,739,712
Liabilities		
Debt, net	\$ 4,120,141	\$ 4,785,756
Accrued interest	14,254	21,595
Deferred financing liability	73,600	73,600
Deferred revenue	71,961	68,117
Dividends payable	97,107	—
Other liabilities	10,979	10,562
Deferred income taxes	3,718	3,718
Total liabilities	4,391,760	4,963,348
Commitments and Contingencies (Note 11)		
Stockholders' equity		
Common stock, \$0.01 par value, 700,000,000 shares authorized and 370,149,921 and 300,278,938 shares issued and outstanding at June 30, 2018 and December 31, 2017, respectively	3,701	3,003
Additional paid-in capital	5,953,104	4,645,824
Accumulated other comprehensive income	(4,640)	—
Retained earnings	137,444	42,662
Total VICI stockholders' equity	6,089,609	4,691,489
Non-controlling interests	83,334	84,875
Total stockholders' equity	6,172,943	4,776,364
Total liabilities and stockholders' equity	\$ 10,564,703	\$ 9,739,712

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 June 30, 2018	Six Months Ended June 30, 2018
Revenues		
Income from direct financing leases	\$ 182,319	\$ 364,355
Income from operating leases	12,209	24,418
Tenant reimbursement of property taxes	18,932	36,175
Golf operations	7,515	14,303
Revenues	<u>220,975</u>	<u>439,251</u>
Operating expenses		
General and administrative	7,160	14,468
Depreciation	922	1,828
Property taxes	18,932	36,175
Golf operations	4,513	8,608
Total operating expenses	<u>31,527</u>	<u>61,079</u>
Operating income	189,448	378,172
Interest expense	(51,440)	(104,314)
Interest income	3,799	5,477
Loss from extinguishment of debt	—	(23,040)
Income before income taxes	<u>141,807</u>	<u>256,295</u>
Income tax expense	(448)	(832)
Net income	<u>\$ 141,359</u>	<u>\$ 255,463</u>
Less: Net income attributable to non-controlling interests	<u>(2,315)</u>	<u>(4,297)</u>
Net income attributable to common stockholders	<u>\$ 139,044</u>	<u>\$ 251,166</u>
Net income per common share		
Basic	\$ 0.38	\$ 0.70
Diluted	\$ 0.38	\$ 0.70
Dividends declared per common share	\$ 0.2625	\$ 0.4225
Weighted average number of common shares outstanding		
Basic	369,932,843	356,454,441
Diluted	369,991,738	356,491,047
Other comprehensive income		
Net income attributable to common stockholders	\$ 139,044	\$ 251,166
Unrealized loss on cash flow hedges	(4,640)	(4,640)
Comprehensive income attributable to common stockholders	<u>\$ 134,404</u>	<u>\$ 246,526</u>

See accompanying Notes to Consolidated Financial Statements.

VICI PROPERTIES INC.
CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY
(UNAUDITED)
(In thousands)

	Common Stock	Additional Paid- in Capital	Accumulated Other Comprehensive Income	Retained Earnings	Total VICI Stockholders' Equity	Non- controlling Interests	Total Stockholders' Equity
Balance at December 31, 2017	\$ 3,003	\$ 4,645,824	\$ —	\$ 42,662	\$ 4,691,489	\$ 84,875	\$ 4,776,364
Net income	—	—	—	251,166	251,166	4,297	255,463
Issuance of common stock from Initial Public Offering	695	1,306,424	—	—	1,307,119	—	1,307,119
Distributions to non-controlling interests	—	—	—	—	—	(5,838)	(5,838)
Dividends declared	—	—	—	(156,384)	(156,384)	—	(156,384)
Share-based compensation	3	856	—	—	859	—	859
Unrealized loss on cash flow hedges	—	—	(4,640)	—	(4,640)	—	(4,640)
Balance at June 30, 2018	<u>\$ 3,701</u>	<u>\$ 5,953,104</u>	<u>\$ (4,640)</u>	<u>\$ 137,444</u>	<u>\$ 6,089,609</u>	<u>\$ 83,334</u>	<u>\$ 6,172,943</u>

See accompanying Notes to Consolidated Financial Statements.

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

	Six Months Ended June 30, 2018
Cash flows from operating activities	
Net income	\$ 255,463
Adjustments to reconcile net income to cash flows provided by operating activities:	
Direct financing lease adjustments	(26,110)
Share-based compensation	859
Depreciation	1,828
Amortization of debt issuance costs and original issue discount	2,982
Loss on extinguishment of debt	23,040
Change in operating assets and liabilities:	
Other assets	(3,679)
Accrued interest	(7,341)
Deferred revenue	3,844
Other liabilities	(4,223)
Net cash provided by operating activities	246,663
Cash flows from investing activities	
Investments in short-term commercial paper	(39,906)
Acquisition of property and equipment, net of change in related payables	(557)
Net cash used in investing activities	(40,463)
Cash flows from financing activities	
Proceeds from initial public offering of common stock	1,307,119
Payment of Term Loan B Facility	(100,000)
Payment of Revolving Credit Facility	(300,000)
Payment of Second Lien Notes	(290,058)
Debt issuance costs	(1,003)
Distributions to non-controlling interests	(5,838)
Dividends paid	(59,278)
Net cash provided by financing activities	550,942
Net increase in cash, cash equivalents and restricted cash	757,142
Cash, cash equivalents and restricted cash, beginning of period	197,406
Cash, cash equivalents and restricted cash, end of period	\$ 954,548
Supplemental cash flow information:	
Cash paid for interest	\$ 107,822
Cash paid for income taxes	\$ 1,024
Supplemental non-cash investing and financing activity:	
Dividends declared, not paid	\$ 97,107

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.

"CEOC" refers to Caesars Entertainment Operating Company, Inc., a Delaware corporation, and its subsidiaries, prior to October 6, 2017 (the "Formation Date"), and following the Formation Date, CEOC, LLC, a Delaware limited liability company and its subsidiaries. CEOC is a subsidiary of Caesars.

"Caesars" or "CEC" refers to Caesars Entertainment Corporation and its subsidiaries.

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

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

"CPLV Lease" refers to the lease agreement for Caesars Palace Las Vegas; "Joliet Lease" refers to the lease agreement for the facilities in Joliet, Illinois; and the "Non-CPLV Lease" refers to the lease agreement for regional properties other than the facilities in Joliet, Illinois (collectively, the "Formation Lease Agreements"); "HLV Lease" refers to the lease agreement for the Harrah's Las Vegas facilities. "Lease Agreements" refer collectively to the CPLV Lease, the Non-CPLV Lease, the Joliet Lease and the HLV Lease, unless the context otherwise requires.

Note 1 — Business and Basis of Presentation

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. Our national, geographically diverse portfolio consists of 20 market-leading properties, including Caesars Palace Las Vegas and Harrah's Las Vegas. We currently lease our properties to subsidiaries of Caesars. We also own and operate four championship golf courses located near certain of our properties.

We intend to make an election on our federal income tax return for the taxable year ended December 31, 2017 to be treated as a real estate investment trust ("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 LLC ("VICI Golf").

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.

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

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 six months ended June 30, 2018 are not necessarily indicative of the results that may be expected for the year ending December 31, 2018.

Principles of Consolidation

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.

Note 2 — Summary of Significant Accounting Policies**Cash, Cash Equivalents, Restricted Cash and Short-Term Investments**

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.

Restricted cash is comprised of funds paid monthly by Caesars for the CPLV rent that are held in a restricted cash management account for the purpose of funding debt service or impositions related to CPLV debt issued by us. Once all debt service and impositions are paid out of restricted cash, the remaining funds are returned to our unrestricted operating 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>	June 30, 2018	December 31, 2017
Cash and cash equivalents	\$ 940,740	\$ 183,646
Restricted cash	13,808	13,760
Total cash, cash equivalents and restricted cash shown in the Statement of Cash Flows	<u>\$ 954,548</u>	<u>\$ 197,406</u>

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.

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

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 income 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.

Investments in Direct Financing and Operating Leases

Upon lease inception, we assess lease classification under ASC 840 "Leases" ("ASC 840") to determine if the lease should be classified as capital or operating. If a lease is determined to be a capital lease, we further assess if it is a direct financing or sales-type lease as defined in ASC 840. For leases determined to be direct financing capital leases, upon execution of the lease transaction, the asset is classified to Investments in direct financing leases, net. For direct financing leases where the land represents greater than 25% of the fair value of the underlying asset, the land and building components of the lease are bifurcated and separately assessed for classification.

We have determined that all of our leases meet the definition of direct financing leases under ASC 840, with the exception of the land component of our investment in Caesars Palace Las Vegas and certain parcels of land contained in the Non-CPLV lease. We recognize the related income from our direct financing leases 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 will not equal income from direct financing leases. Rather, a portion of the cash rent we receive is recorded as Income from direct financing leases in our Statement of Operations and a portion is recorded as a change to the Investments in direct financing leases, net.

Initial direct costs incurred in connection with direct financing lease transactions are included in the balance of Investments in direct financing leases, net. Such amounts will be recognized as a reduction to Income from direct financing leases over the life of the lease using the effective interest method.

If and when an investment in direct financing leases is identified for impairment evaluation, we will apply the guidance in both ASC 310 "Receivables" ("ASC 310") and ASC 360 "Property, Plant and Equipment" ("ASC 360"). Under ASC 310, the lease receivable portion of the net investment in direct financing lease is identified for impairment when it becomes probable that we will be unable to collect all rental payments associated with our investment in direct financing leases. Under ASC 360, the residual value portion of the net investment in direct financing leases is monitored for impairment under the same method we apply to real estate investments.

Under the operating lease model, as the lessor, at lease inception the land is recorded as Investments in operating leases in our Balance Sheet and we record income from operating leases 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, is determined by applying our incremental borrowing rate to the value of the land. We record this lease income as Income from operating leases in our Statement of Operations. The land is assessed for impairment on a quarterly basis under ASC 360.

There were no impairments identified on our real estate portfolio as of June 30, 2018.

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

Concentrations of Credit Risk

All of our real estate holdings (other than VICI Golf) are currently leased by us to CEOC or other affiliates of Caesars, and most of our revenues are derived from the Lease Agreements that we have with CEOC or other affiliates of Caesars. Other than having a single tenant from which we will derive most of our revenue, we do not believe there are any other significant concentrations of credit risk.

Note 3 — Recently Issued Accounting Pronouncements

Accounting Standard Update (“ASU”) No. 2017-12 - Derivatives and Hedging (Topic 815) - August 2017: The amendments refine and expand hedge accounting for both financial (e.g., interest rate) and commodity risks. Its provisions create more transparency around how economic results are presented, both on the face of the financial statements and in the footnotes. It also makes certain targeted improvements to simplify the application of hedge accounting guidance. The transition guidance provides the option of early adoption using a modified retrospective transition method in any interim period after issuance of the update, or alternatively requires adoption for fiscal years beginning after December 15, 2018. We adopted this guidance in the current quarter in connection with the cash flow hedges that we entered into in April 2018. Since we did not hold any derivatives prior to the quarter ended June 30, 2018, the adoption of this guidance had no impact on our Financial Statements.

ASU No. 2016-02 - Leases (Topic 842) - February 2016 (as amended through July 2018): The amended guidance requires most lease obligations to be recognized as a right-of-use asset with a corresponding liability on the balance sheet. The guidance also requires additional qualitative and quantitative disclosures to assess the amount, timing, and uncertainty of cash flows arising from leases. This guidance is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2018. The guidance should be implemented for the earliest period presented using a modified retrospective approach, which includes optional practical expedients primarily focused on leases that commence before the effective date. We are evaluating the impact of adopting this new standard on our Financial Statements but do not expect the adoption of the new guidance to have a material impact on the accounting treatment of our triple-net tenant leases, which are the primary source of our revenues.

Note 4 — Property Transactions**2018 Transactions**

Our significant activities in 2018, in reverse chronological order, are as follows:

Purchase of Octavius Tower and Harrah’s Philadelphia

On May 8, 2018, we entered into a non-binding letter of intent (the “Letter of Intent”) with Caesars related to our acquisition of two real estate assets owned by Caesars, as well as certain modifications to the Formation Lease Agreements. Subsequent to the end of the quarter, on July 11, 2018, we completed the previously announced transaction with Caesars to acquire, and lease back, all of the land and real estate assets associated with the Octavius Tower at Caesars Palace (“Octavius Tower”) for a purchase price of \$507.5 million in cash. Octavius Tower is operated pursuant to a stand-alone lease, which provides for annual rent of \$35.0 million payable in equal consecutive monthly installments and has an initial term that expires on October 31, 2032, with four five-year renewal options. In addition, on July 11, 2018, we entered into a definitive agreement with respect to the other transactions contemplated by the Letter of Intent, including the acquisition of all of the land and real estate assets associated with Harrah’s Philadelphia Casino and Racetrack (“Harrah’s Philadelphia”) from Caesars for \$241.5 million, which purchase price will be reduced by \$159.0 million to reflect the aggregate net present value of the contemplated modifications to the Lease Agreements, resulting in cash consideration of \$82.5 million. In connection with the closing of the acquisition of Harrah’s Philadelphia, each of the Non-CPLV Lease and the CPLV Lease will be amended to, among other things, include Harrah’s Philadelphia and Octavius Tower, respectively, and Caesars will continue to operate both properties under the terms of such leases as amended. The HLV Lease and the Joliet Lease will also be modified at such time to achieve consistency with the other Lease Agreements.

The acquisition of Harrah’s Philadelphia and the entry into the contemplated modifications to the Lease Agreements are expected to close during the fourth quarter of 2018, and are subject to certain customary closing conditions, including obtaining certain regulatory approvals and requisite lender and holder consents under the documents governing certain of our outstanding debt obligations. We can provide no assurances that the acquisition of Harrah’s Philadelphia and the contemplated modifications to the Lease Agreements will be consummated on the terms or timeframe described herein, or at all. Further, the definitive documentation

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

governing these acquisitions contemplates a put right held by us and a call right held by Caesars, pursuant to which Caesars may reacquire Octavius Tower under certain circumstances in the event that the acquisition of Harrah's Philadelphia is not consummated.

Purchase of Margaritaville Resort Casino

On June 18, 2018, we entered into definitive agreements pursuant to which we will acquire the land and real estate assets of the Margaritaville Resort Casino ("Margaritaville"), located in Bossier City, Louisiana, for \$261.1 million. Penn National Gaming, Inc. ("Penn National") will acquire the operating assets of Margaritaville for \$114.9 million. Simultaneous with the closing of this transaction, we will enter into a triple-net lease agreement with a subsidiary of Penn National. The lease will have an initial annual rent of \$23.2 million and an initial term of 15 years, with four five-year renewal options. The tenant's obligations under the lease will be guaranteed by Penn National and certain of its subsidiaries. The transaction is subject to regulatory approvals and customary closing conditions and is expected to close in the second half of 2018. However, we can provide no assurances that the transaction will be consummated on the terms or timeframe described herein, or at all.

2017 Transactions

Our significant activities in 2017, in reverse chronological order, are as follows:

Purchase of Harrah's Las Vegas Real Estate

In December 2017, we completed a transaction with Caesars, pursuant to which we acquired all of the land and real property improvements associated with the property commonly known as Harrah's Las Vegas Hotel & Casino ("Harrah's Las Vegas" or "HLV") for a purchase price of \$1.1 billion.

At closing, we entered into the HLV Lease, whereby Caesars leased back Harrah's Las Vegas from us. Under the terms of the HLV Lease, Caesars is responsible for ongoing costs relating to the property, including property taxes, insurance, and maintenance and repair costs that arise from the use of the property and are required to continue to invest in the property and related equipment. The HLV Lease has an initial 15-year term with four five-year renewal terms exercisable at the option of the lessee (subject to certain conditions) and provides for a fixed base rent for each of the first seven years of the lease term equal to \$87.4 million annually. We recorded this purchase using the direct financing lease method on our Balance Sheet.

Sale of Eastside Property

In December 2017, we sold to Caesars approximately 18.4 acres of certain parcels located in Las Vegas, Nevada, east of Harrah's Las Vegas ("Eastside Property"). The sales price for the Eastside Property was \$73.6 million.

Pursuant to this agreement, Caesars is responsible for the remediation of the flood plain mechanism on the Eastside Property. The costs of the remediation work will be borne fifty percent (50%) by us and fifty percent (50%) by Caesars, *pari passu*, until such time as the total cost incurred in connection with the remediation work is equal to \$12.0 million. Any costs in excess of \$12.0 million incurred in connection with the remediation work shall be the sole responsibility of Caesars.

Due to the put/call option on the land parcels, as described below, it was determined that the transaction does not meet the requirements of a completed sale for accounting purposes. As a result, at December 31, 2017, we reclassified \$73.6 million from Investment in operating leases to Land. Additionally, we recorded a \$73.6 million Deferred financing liability on our Balance Sheet.

Put/Call Agreement

The Eastside Property may in the future be improved by a convention center (the "Convention Center Property"). Accordingly, we entered into a put/call agreement with Caesars, which provides both parties with certain rights and obligations including: (i) 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 Convention Center Property (the "Put Right"); (ii) if Caesars exercises the Put Right and, among other things, the sale of the Convention Center Property to us does not close for certain reasons more particularly described in the put/call agreement, then a repurchase right in favor of Caesars, which, if exercised, would result in the sale of Harrah's Las Vegas by us to Caesars; and (iii) 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 Convention Center Property.

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

Amended and Restated Right of First Refusal Agreement

Simultaneously with the sale of the Eastside Property, we also entered into an Amended and Restated Right of First Refusal Agreement with Caesars pursuant to which we will have a right, subject to certain exclusions, (i) to acquire (and lease to Caesars) any of the gaming facilities of Centaur Holdings, LLC, which are proposed to be acquired by Caesars, (ii) to acquire (and lease to Caesars) any domestic gaming facilities located outside of the Gaming Enterprise District of Clark County, Nevada, proposed to be acquired or developed by Caesars, and (iii) to acquire certain income-producing improvements if built by Caesars in lieu of a large-scale convention center on the Eastside Property, subject to certain exclusions.

The Amended and Restated Right of First Refusal Agreement also contains a right of first refusal in favor of Caesars, pursuant to which Caesars will have the right to lease and manage any domestic gaming facility located outside of Greater Las Vegas, proposed to be acquired or developed by us that is not: (i) any asset that is then subject to a pre-existing lease, management agreement or other contractual restriction that was not entered into in contemplation of such acquisition or development and which (x) was entered into on arms' length terms and (y) would not be terminated upon or prior to closing of such transaction, (ii) any transaction for which the opco/propco structure would be prohibited by applicable laws, rules or regulations or which would require governmental consent, approval, license or authorization (unless already received), (iii) any transaction structured by the seller as a sale-leaseback, (iv) any transaction in which we and/or our affiliates will not own at least 50% of, or control, the entity that will own the gaming facility, and (v) any transaction in which we or our affiliates propose to acquire a then-existing gaming facility from ourselves or our affiliates.

In the event that the foregoing rights are not exercised by us or Caesars and CEOC, as applicable, each party will have the right to consummate the subject transaction without the other's involvement, provided the same is on terms no more favorable to the counterparty than those presented to us or Caesars and CEOC, as applicable, for consummating such transaction.

Option Properties

Call Right Agreements

On the Formation Date, we entered into certain call right agreements, which provide us with the opportunity to acquire Harrah's Atlantic City, Harrah's New Orleans and Harrah's Laughlin from Caesars. We can exercise the call rights within five years from the Formation Date by delivering a request to the applicable owner of the property containing evidence of our ability to finance the call right. The purchase price for each property will be 10 multiplied by the initial property lease rent for the respective property, with the initial property lease rent for each property being the amount that causes the ratio of (x) EBITDAR of the property for the most recently ended four-quarter period for which financial statements are available to (y) the initial property lease rent to equal 1.67.

Note 5 — Real Estate Portfolio

Our real estate portfolio consisted of the following as of June 30, 2018 and December 31, 2017:

<i>(In thousands)</i>	June 30, 2018	December 31, 2017
Minimum lease payments receivable under direct financing leases ⁽¹⁾	\$ 28,963,921	\$ 29,302,166
Estimated residual values of leased property (not guaranteed)	1,987,651	1,987,651
Gross investment in direct financing leases	30,951,572	31,289,817
Unamortized initial direct costs	—	—
Less: Unearned income	(22,656,819)	(23,021,174)
Investment in direct financing leases, net	8,294,753	8,268,643
Investment in operating leases ⁽²⁾	1,110,400	1,110,400
Land ⁽³⁾	73,600	73,600
Total Real estate portfolio	\$ 9,478,753	\$ 9,452,643

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

⁽²⁾ 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 land parcels contained in the Non-CPLV lease.

⁽³⁾ Represents our investment in the Eastside Property. Refer to Note 4—Property Transactions.

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

The following table details the components of our income from direct financing and operating leases:

<i>(In thousands)</i>	Three Months Ended June 30, 2018	Six Months Ended June 30, 2018
Income from direct financing leases	\$ 182,319	\$ 364,355
Income from operating leases	12,209	24,418
Total leasing revenue	194,528	388,773
Less: Direct financing lease adjustment ⁽¹⁾	(13,197)	(26,110)
Total contractual leasing revenue	<u>\$ 181,331</u>	<u>\$ 362,663</u>

⁽¹⁾ Amounts represent the adjustment to income from direct financing leases in order to recognize income on an effective interest basis at a constant rate of return over the term of the leases.

At June 30, 2018, minimum lease payments owed to us for each of the five succeeding years under direct financing and operating leases are as follows:

<i>(In thousands)</i>	Minimum Lease Payments ⁽¹⁾
2018 (remaining)	\$ 363,213
2019	730,060
2020	734,320
2021	738,656
2022	744,647
Thereafter	27,329,701
Total	<u>\$ 30,640,597</u>

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

The weighted average remaining lease term, including renewal options, for both operating and direct financing leases at June 30, 2018 was 34.4 years.

Rent Escalators

The Lease Agreements each provide for an initial term of 15 years with four, five-year renewal options. The rent payable under each of the Lease Agreements is subject to escalation, as follows (i) with respect to the CPLV Lease and HLV Lease, the rent escalation begins in lease year two; and (ii) with respect to the Joliet Lease and Non-CPLV Lease, rent escalation begins in lease year six. After commencement of the lease escalation in the applicable lease year, the amount by which the rent is increased under each Lease Agreement is determined at the start of each lease year. Calculation of the rent escalation under the Formation Leases is based upon a consumer price index (as specified in the relevant Lease Agreement, "CPI"), subject to a 2.0% floor. Rent escalation under the HLV Lease is fixed at 1.0% in years two through five and, thereafter, is calculated based upon CPI, subject to a 2.0% floor (contingent upon satisfaction of an EBITDAR to rent ratio). In addition, each of the Lease Agreements provides for a portion of the rent thereunder to be designated as variable rent with periodic variable rent resets following lease year seven and lease year ten, and at the commencement of any renewal term, in each case, based on the net revenue of the Tenant (as defined under the applicable Lease Agreement) at such time, and with the balance of the rent amount designated as base rent and continuing to be subject to the annual escalators as described above.

Any amounts representing rents in excess of the CPI floors specified above, or the variable portion of rent, are considered contingent rent in accordance with GAAP. No such rent has been recognized for the three and six months ended June 30, 2018.

The lease provisions as described here are subject to change based upon modifications to the Lease Agreements contemplated in connection with the closing of the acquisition of Harrah's Philadelphia, as described in Note 4.

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

Note 6 — Property and Equipment Used in Operations, Net

Property and equipment used in operations is primarily attributable to golf operations land, building and improvements and consists of the following:

<i>(In thousands)</i>	June 30, 2018	December 31, 2017
Land and land improvements	\$ 58,223	\$ 57,901
Buildings and improvements	14,572	14,572
Furniture and equipment	2,813	2,578
Total property and equipment used in operations	75,608	75,051
Less: accumulated depreciation	(2,579)	(751)
Total property and equipment used in operations, net	\$ 73,029	\$ 74,300

<i>(In thousands)</i>	Three Months Ended June 30, 2018	Six Months Ended June 30, 2018
Depreciation expense	\$ 922	\$ 1,828

Note 7 — Other Liabilities

The following table details the components of our other liabilities:

<i>(In thousands)</i>	June 30, 2018	December 31, 2017
Accounts payable	\$ 1,317	\$ 5,207
Accrued payroll and other compensation	2,506	2,559
Derivative liability	4,640	—
Other accrued expenses	2,516	2,796
Total other liabilities	\$ 10,979	\$ 10,562

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

Note 8— Debt

The following tables detail our debt obligations as of June 30, 2018 and December 31, 2017:

(\$ in thousands)

Description of Debt	June 30, 2018			
	Final Maturity	Interest Rate	Face Value	Carrying Value ⁽¹⁾
VICI PropCo Senior Secured Credit Facilities				
Senior Secured Revolving Credit Facility (“Revolving Credit Facility”) ⁽²⁾	2022	L + 2.00%	\$ —	\$ —
First Lien Senior Secured Term Loan (“Term Loan B Facility”) ⁽³⁾⁽⁴⁾	2024	L + 2.00%	2,100,000	2,071,661
Second Priority Senior Secured Notes (“Second Lien Notes”) ⁽⁵⁾	2023	8.00%	498,480	498,480
CPLV Debt				
CMBS Debt (the “CPLV CMBS Debt”) ⁽⁶⁾	2022	4.36%	1,550,000	1,550,000
Total Debt			\$ 4,148,480	\$ 4,120,141

(\$ in thousands)

Description of Debt	December 31, 2017			
	Final Maturity	Interest Rate	Face Value	Carrying Value ⁽¹⁾
VICI PropCo Senior Secured Credit Facilities				
Revolving Credit Facility ⁽²⁾	2022	L + 2.25%	\$ 300,000	\$ 300,000
Term Loan B Facility ⁽³⁾⁽⁴⁾	2024	L + 2.25%	2,200,000	2,168,864
Second Lien Notes ⁽⁵⁾	2023	8.00%	766,892	766,892
CPLV Debt				
CPLV CMBS Debt ⁽⁶⁾	2022	4.36%	1,550,000	1,550,000
Total Debt			\$ 4,816,892	\$ 4,785,756

(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. Any unused balance is subject to a 0.5% commitment fee paid quarterly.

(3) Interest is payable monthly. 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. The interest rate swaps are designated as cash flow hedges that effectively fix the LIBOR component of the interest rate on a portion of the outstanding debt at 2.8297%.

(4) Final maturity is December 2024 or, to the extent the Second Lien Notes remain outstanding, July 2023 (three months prior to the maturity of the Second Lien Notes).

(5) Interest is payable semi-annually.

(6) Interest is payable monthly.

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

The following table is a schedule of future minimum repayments of our debt obligations as of June 30, 2018:

<i>(In thousands)</i>	Future Minimum Repayments
2018 (remaining)	\$ —
2019	—
2020	—
2021	—
2022	1,560,000
Thereafter	2,588,480
Total minimum repayments	\$ 4,148,480

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, \$300.0 million of which was borrowed (the Term Loan B Facility and the Revolving Credit Facility together, 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.

The Credit Agreement contains customary covenants that, 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 important exceptions and qualifications, including, with respect to the restricted payments covenant, the ability to make unlimited restricted payments to maintain our REIT status. Commencing with the first full fiscal quarter ended after December 22, 2017, the closing date under the Credit Agreement, if there is 30% utilization of the Revolving Credit Facility, VICI PropCo and its restricted subsidiaries on a consolidated basis is required to maintain a maximum Total Net Debt to Adjusted Total Assets Ratio, as defined in the Credit Agreement.

The Senior Secured Credit Facilities are collateralized by 17 of our properties and one parcel of land. The Senior Secured Credit Facilities may be voluntarily prepaid at VICI PropCo’s option, in whole or in part, at any time, and are 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 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 in February 2018 the next principal payment due on the Term Loan B Facility is September 2022.

Refer to Note 9—Derivatives for further discussion of our interest rate swap agreements related to the Term Loan B Facility.

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

CPLV CMBS Debt

The CPLV CMBS Debt was incurred in October 2017 pursuant to a loan agreement (the “CMBS Loan Agreement”), and is secured by a first priority lien on all of the assets of CPLV Property Owner LLC, as borrower (“CPLV Borrower”), subject only to certain encumbrances as set forth in the CMBS Loan Agreement and including CPLV Borrower’s (1) fee interest (except as provided in (2)) in and to Caesars Palace Las Vegas, (2) leasehold interest with respect to Octavius Tower, and (3) interest in the CPLV Lease and all related agreements, including the Lease Agreements. The CPLV CMBS Debt bears interest at 4.36% per annum. The CPLV CMBS Debt is evidenced by one or more promissory notes and secured by, among other things, a mortgage, deed of trust or other similar security instrument that creates a mortgage lien on the fee and/or leasehold interest of the CPLV Borrower.

The CMBS Loan Agreement contains certain covenants limiting CPLV Borrower’s ability to, among other things: (i) incur additional debt; (ii) enter into certain transactions with its affiliates; (iii) consolidate, merge, sell or otherwise dispose of its assets; and (iv) allow transfers of its direct or indirect equity interests.

Second Lien Notes

The Second Lien Notes were issued in October 2017, pursuant to an indenture (the “Indenture”) by and among VICI PropCo and its wholly owned subsidiary, VICI FC Inc. (together, the “Issuers”), the subsidiary guarantors party thereto, and UMB Bank National Association, as trustee. The Second Lien Notes are guaranteed by each of the Issuers’ existing and subsequently acquired wholly-owned material domestic restricted subsidiaries and secured by a second priority lien on substantially all of the Issuers’ and such restricted subsidiaries’ material assets, including mortgages on their respective real estate, subject to customary exclusions. None of VICI or certain subsidiaries of VICI PropCo, including CPLV Borrower, are subject to the covenants of the Indenture or are guarantors of the Second Lien Notes.

The Indenture contains 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.

The Second Lien Notes were redeemable at the option of the Issuers, with the option to redeem up to 35% of the original aggregate principal amount thereof with the net cash proceeds of certain issuances of common or preferred equity by VICI PropCo or VICI, at a price equal to 108% of such principal amount of the Second Lien Notes redeemed. In February 2018, we used a portion of the proceeds from our initial public offering to redeem \$268.4 million of the Second Lien Notes, which represented 35% of the original aggregate principal amount, at a redemption price of 108% plus accrued and unpaid interest to the date of redemption. Due to the paydown of the debt, we recognized a loss on extinguishment of debt of \$23.0 million during the three months ended March 31, 2018, the majority of which relates to the premium paid on the redemption price.

Financial Covenants

As described above, 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 June 30, 2018, we are in compliance with all required covenants under our debt obligations.

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

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. 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%.

The following table details our outstanding interest rate derivatives that were designated as cash flow hedges of interest rate risk:

(\$ in thousands)

Instrument	June 30, 2018				
	Number of Instruments	Fixed Rate	Notional	Index	Maturity
Interest Rate Swaps	4	2.8297%	\$1,500,000	USD LIBOR	April 22, 2023

As of June 30, 2018, the interest rate swaps are in net unrealized loss positions and are recognized within Other liabilities. For the three and six months ended June 30, 2018 the amount recorded in other comprehensive income related to the derivative instruments was an unrealized loss of \$4.6 million. For the three and six months ended June 30, 2018, we recorded interest expense of \$1.4 million related to the swap agreements.

Note 10 — Fair Value

The estimated fair values of our financial instruments that are measured on a recurring basis at June 30, 2018 are as follows:

(In thousands)

	June 30, 2018	
	Carrying Amount	Fair Value
Financial assets:		
Short-term investments	39,906	39,906
Financial liabilities:		
Derivative instruments - interest rate swaps	\$ 4,640	\$ 4,640

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. Short-term investments approximate their carrying value due to the short term maturity of these instruments.

The estimated fair values of our financial instruments that are not measured at fair value on a recurring basis at June 30, 2018 and December 31, 2017 are as follows:

(In thousands)

	June 30, 2018		December 31, 2017	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets:				
Cash and cash equivalents	\$ 940,740	\$ 940,740	\$ 183,646	\$ 183,646
Restricted cash	13,808	13,808	13,760	13,760
Financial liabilities:				
Debt				
Revolving Credit Facility	\$ —	\$ —	\$ 300,000	\$ 300,000
Term Loan B Facility	2,071,661	2,086,875	2,168,864	2,200,000
Second Lien Notes	498,480	550,820	766,892	853,167
CPLV CMBS Debt	1,550,000	1,546,167	1,550,000	1,559,486

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

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. The fair value of our cash, cash equivalents and restricted cash approximate their carrying value due to the short term maturity of these instruments.

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 June 30, 2018, 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 2039 and (ii) offices in Las Vegas, Nevada; New Orleans, Louisiana; and New York, New York, which expire in 2018, 2019 and 2020, respectively. Total rental expense under these agreements, included in golf operations and general and administrative expenses in our Statement of Operations, was approximately \$0.3 million and \$0.6 million for the three and six months ended June 30, 2018, respectively.

The future minimum lease commitments relating to the base lease rent portion of noncancelable operating leases at June 30, 2018 are as follows:

<i>(In thousands)</i>	Lease Commitments
2018 (remaining)	\$ 672
2019	1,242
2020	983
2021	933
2022	951
Thereafter	17,865
Total minimum lease commitments	<u>\$ 22,646</u>

Other golf operations commitments

VICI Golf utilizes a third-party golf maintenance company for its Rio Secco and Cascata golf courses. The agreements are for five years and expire in February 2019 and include all labor and equipment necessary to maintain both golf course grounds. Expenses under these agreements are recorded as a component of golf operation expenses in our Statement of Operations and were approximately \$0.8 million and \$1.6 million for the three and six months ended June 30, 2018, respectively.

Total commitments relating to golf operations maintenance agreements at June 30, 2018 are as follows:

<i>(In thousands)</i>	Golf Operations Maintenance Agreements
2018 (remaining)	\$ 1,396
2019	225
Total golf operations maintenance agreement commitments	<u>\$ 1,621</u>

Other Contractual Commitments

As discussed in Note 4—Property Transactions, pursuant to the Eastside Property sale agreement, Caesars is responsible for the remediation of the flood plain mechanism on the Eastside Property. The costs of the remediation work will be borne fifty percent (50%) by us and fifty percent (50%) by Caesars, *pari passu*, until such time as the total cost incurred in connection with the remediation work is equal to \$12.0 million. Any costs in excess of \$12.0 million incurred in connection with the remediation work shall be the sole responsibility of Caesars.

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

Note 12 — Stockholders' Equity

Stock

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.

Initial Public Offering

On February 5, 2018, we completed an initial public offering of 69,575,000 shares of common stock at an offering price of \$20.00 per share for an aggregate offering value of \$1.4 billion, resulting in net proceeds of approximately \$1.3 billion after commissions and expenses. After giving effect to the initial public offering and the issuance of certain unvested restricted shares under the 2017 Stock Incentive Plan (the "Plan"), we have 370,149,921 shares of Common Stock issued and outstanding as of June 30, 2018.

Distributions

On June 14, 2018, we declared a cash dividend of \$0.2625 per share of common stock for the period from April 1, 2018 to June 30, 2018. The dividend was paid on July 13, 2018 to stockholders of record as of the close of business on June 28, 2018.

On March 15, 2018, we declared a pro-rated quarterly cash dividend of \$0.16 per share of common stock for the period from February 5, 2018 to March 31, 2018. The dividend was pro-rated for the period commencing upon the closing of our initial public offering and ending on March 31, 2018, based on a quarterly distribution rate of \$0.2625 per share. The dividend was paid on April 13, 2018 to stockholders of record as of the close of business on March 29, 2018.

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 common shares 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 and unvested performance-based restricted shares. The following table reconciles the weighted-average common shares outstanding used in the calculation of basic earnings per share to the weighted-average common shares outstanding used in the calculation of diluted earnings per share for the three and six months ended June 30, 2018:

<i>(In thousands)</i>	Three Months Ended June 30, 2018	Six Months Ended June 30, 2018
Determination of shares:		
Weighted-average common shares outstanding	369,933	356,454
Assumed conversion of restricted stock	59	37
Diluted weighted-average common shares outstanding	<u>369,992</u>	<u>356,491</u>

Basic and Diluted Earnings Per Share

<i>(In thousands, except per share data)</i>	Three Months Ended June 30, 2018	Six Months Ended June 30, 2018
Basic:		
Net income attributable to common stockholders	\$ 139,044	\$ 251,166
Weighted-average common shares outstanding	369,933	356,454
Basic EPS	<u>\$ 0.38</u>	<u>\$ 0.70</u>
Diluted:		
Net income attributable to common stockholders	\$ 139,044	\$ 251,166
Diluted weighted-average common shares outstanding	369,992	356,491
Diluted EPS	<u>\$ 0.38</u>	<u>\$ 0.70</u>

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

Note 14 — Share-Based Compensation

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.

Total share-based compensation expense recorded as General and administrative expense in the Statement of Operations totaled \$0.5 million and \$0.9 million for the three and six months ended June 30, 2018, respectively. Compensation expense is recognized on a straight-line basis for awards with only service conditions.

The following table details our restricted stock activity:

<i>(In thousands, except per share data)</i>	Shares	Weighted Average Grant Date Fair Value
Outstanding as of December 31, 2017	124	\$ 15.61
Granted	121	19.79
Vested	(28)	19.97
Forfeited	—	—
Canceled	—	—
Outstanding as of June 30, 2018	217	\$ 17.38

As of June 30, 2018, there was \$2.8 million of unrecognized compensation cost related to non-vested share-based compensation arrangements under the Plan. This cost is expected to be recognized over a weighted average period of 2.8 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 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, which is a consolidated view that adjusts for the impact of certain transactions between our reportable segments, as described below.

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

The following table presents certain information with respect to our segments:

<i>(In thousands)</i>	Three Months Ended June 30, 2018			Six Months Ended June 30, 2018		
	Real Property Business	Golf Course Business	VICI Consolidated	Real Property Business	Golf Course Business	VICI Consolidated
Revenues	\$ 213,460	\$ 7,515	\$ 220,975	\$ 424,948	\$ 14,303	\$ 439,251
Operating income	187,367	2,081	189,448	374,303	3,869	378,172
Interest expense	(51,440)	—	(51,440)	(104,314)	—	(104,314)
Loss on extinguishment of debt	—	—	—	(23,040)	—	(23,040)
Income before income taxes	139,726	2,081	141,807	252,426	3,869	256,295
Income tax expense	—	(448)	(448)	—	(832)	(832)
Net income	139,726	1,633	141,359	252,426	3,037	255,463
Depreciation	2	920	922	2	1,826	1,828
Total assets	\$ 10,482,823	\$ 81,880	\$ 10,564,703	\$ 10,482,823	\$ 81,880	\$ 10,564,703

Note 16 — Subsequent Events

We have evaluated subsequent events and except for the purchase of Octavius Tower on July 11, 2018, as described in Note 4, and the payment of dividends on July 13, 2018, as described in Note 12, there were no other events relative to the Financial Statements that require additional disclosure.

The following sets forth the historical combined financial statements of Caesars Entertainment Outdoor as our predecessor, the operations of which were contributed to VICI Golf on October 6, 2017 as part of our Formation Transactions.

**CAESARS ENTERTAINMENT OUTDOOR
(DEBTOR-IN-POSSESSION)
COMBINED STATEMENT OF OPERATIONS
(UNAUDITED)
(In thousands)**

	Three Months Ended June 30, 2017	Six Months Ended June 30, 2017
Revenues		
Golf (\$1,628 and \$2,670 attributable to related parties)	\$ 3,894	\$ 7,464
Food and beverage	580	1,105
Retail and other	618	1,156
Net revenues	<u>5,092</u>	<u>9,725</u>
Operating expenses		
Direct		
Golf	1,831	3,627
Food and beverage	468	884
Retail and other	469	856
Property costs	1,030	1,709
Depreciation	796	1,601
Administrative and other	498	1,048
Total operating expenses	<u>5,092</u>	<u>9,725</u>
Net income	<u>\$ —</u>	<u>\$ —</u>

See accompanying Notes to Combined Financial Statements.

**CAESARS ENTERTAINMENT OUTDOOR
(DEBTOR-IN-POSSESSION)
COMBINED STATEMENT OF CASH FLOWS
(UNAUDITED)
(In thousands)**

	Six Months Ended June 30, 2017
Cash flows from operating activities	
Net income (loss)	\$ —
Adjustments to reconcile net income to cash flows provided by operating activities:	
Depreciation	1,601
Provisions for (recoveries of) bad debt	12
Change in current assets and liabilities:	
Receivables	13
Inventories	21
Prepayments	(72)
Accounts payable	(13)
Accrued expenses	74
Cash flows provided by operating activities	1,636
Cash flows from investing activities	
Acquisitions of property and equipment, net of change in related payables	(200)
Cash flows used in investing activities	(200)
Cash flows from financing activities	
Repayments for capital leases	(14)
Transactions with parent, net	(2,167)
Cash flows used in financing activities	(2,181)
Net increase (decrease) in cash and cash equivalents	(745)
Cash and cash equivalents, beginning of period	920
Cash and cash equivalents, end of period	\$ 175
Supplemental Cash Flow Information:	
Cash paid for interest	\$ —

See accompanying Notes to Combined Financial Statements.

**CAESARS ENTERTAINMENT OUTDOOR
(DEBTOR-IN-POSSESSION)
NOTES TO COMBINED FINANCIAL STATEMENTS
(UNAUDITED)**

In these notes, the words “Caesars Entertainment Outdoor,” “Business,” “Outdoor Business,” “we,” “our,” and “us” refer to the business and operation of the golf courses listed in Note 1 that are wholly-owned by Caesars Entertainment Operating Company, Inc.

“CEOC” refers to the Caesars Entertainment Operating Company, Inc. “CEC,” “Caesars” and “Caesars Entertainment” refer to Caesars Entertainment Corporation. On October 6, 2017 (the “Formation Date”), CEOC merged with and into CEOC LLC, a Delaware limited liability company (“New CEOC”) with New CEOC surviving the merger.

We also refer to (i) our Combined Financial Statements as our “Financial Statements,” and (ii) our Combined Statements of Operations as our “Statements of Operations.”

Note 1 — Business and Basis of Presentation

Organization

At June 30, 2017, the Outdoor Business was a wholly-owned business of CEOC, and included the operations of the Cascata golf course in Boulder City, Nevada, the Rio Secco golf course in Henderson, Nevada, the Grand Bear golf course in Biloxi, Mississippi, and the Chariot Run golf course in Elizabeth, Indiana. Caesars Entertainment Golf, Inc., Rio Development Company, Inc., Grand Casinos of Biloxi, LLC, and Riverboat Casino, LLC, directly owned these golf courses, respectively, and were debtor-in-possession subsidiaries of CEOC. The golf courses generated revenue through fees charged for general golf course usage (including green fees, golf club rentals, and cart charges), annual or corporate memberships (at Rio Secco, Grand Bear and Chariot Run), a school of golf (at Rio Secco), and food, beverage, and merchandise sales.

Bankruptcy

On January 15, 2015, CEOC and certain of its subsidiaries (the “Caesars Debtors”) voluntarily filed for relief under Chapter 11 of the United States Bankruptcy Code (the “Bankruptcy Code”) with the United States Bankruptcy Court for the Northern District of Illinois (the “Bankruptcy Court”). As a result of this filing, CEOC operated as a debtor-in-possession under the Bankruptcy Code. Because each of the four golf courses are owned by Caesars Debtor entities, the Outdoor Business was also considered a debtor-in-possession prior to the Formation Date. CEOC’s plan of reorganization (the “Plan”) was confirmed by the Bankruptcy Court on January 17, 2017.

Transfer of Operations and Assets to VICI

On the Formation Date, pursuant to the Bankruptcy Plan, subsidiaries of CEOC contributed the ownership of the Business to VICI Properties Inc. (“VICI”). Following the Formation, the assets, liabilities and operations of the Business are now included in VICI Golf LLC (“VICI Golf”), a Delaware limited-liability company. VICI Golf is a wholly-owned subsidiary of VICI. VICI is a separate entity initially owned by certain former creditors of CEOC.

In addition, on the Formation Date, subsidiaries of VICI Golf entered into a golf course use agreement (the “Golf Course Use Agreement”) with New CEOC and Caesars Enterprise Services, LLC (“CES”) (collectively, the “users”), whereby the users were granted certain priority rights and privileges with respect to access and use of certain golf course properties. Payments under the Golf Course Use Agreement are comprised of a \$10.0 million annual membership fee, \$3.0 million in annual use fees and minimum rounds fees of at least \$1.1 million. The annual membership fee, use fees and minimum round fees are subject to an annual escalator beginning at the times provided under the Golf Course Use Agreement.

Basis of Presentation

The Business’ Financial Statements do not include all information and footnotes necessary for complete financial statements in conformity with accounting principles generally accepted in the United States (“GAAP”). The results for the interim periods reflect all adjustments (consisting of normal recurring adjustments) that management considers necessary for a fair presentation of results of operations and cash flows.

The Business’ Financial Statements were derived from the financial statements of CEOC, prepared on a “carve-out” basis, to present the results of operations of the Outdoor Business on a stand-alone basis. The legal entities that own the Grand Bear and the Chariot Run golf courses also include non-golf course operations that are excluded from these carve-out financial statements.

**CAESARS ENTERTAINMENT OUTDOOR
(DEBTOR-IN-POSSESSION)
NOTES TO COMBINED FINANCIAL STATEMENTS (continued)
(UNAUDITED)**

The Financial Statements include allocations of certain revenue amounts and general corporate expenses among affiliated entities. Such allocated revenue and expenses may not reflect the results we would have incurred if we had operated as a stand-alone company nor are they necessarily indicative of our future results.

Management believes the assumptions and methodologies used in the allocation of these revenues and expenses are reasonable.

Each of the golf courses represents a separate operating segment and we aggregate all such operations into one reportable segment.

Going Concern

Our Financial Statements have been prepared on a going concern basis, which assumes continuity of operations and realization of assets and liabilities in the ordinary course of business. The following information reflects the results of management's assessment of Business' ability to continue as a going concern.

The Business relies on funding from affiliates of CEOC and CEC to fund capital improvements, management fees, insurance programs and other miscellaneous charges. Although CEOC's plan of reorganization was confirmed by order of the Bankruptcy Court in January 2017, several issues must be resolved before CEOC successfully emerges from bankruptcy. The ability of the Business to continue as a going concern continues to be dependent upon CEOC's ability to complete the restructure of its indebtedness, the ability of the Debtors, including entities that own the golf courses, to emerge from bankruptcy and a favorable resolution to the continued ability to use cash collateral. These uncertainties raise substantial doubt about the Outdoor Business to continue as a going concern. The Financial Statements do not include any adjustments that might result from the outcome of uncertainties, including the possibility that the Business loses some or substantially all of its assets to foreclosure as a result of these uncertainties.

Golf Revenue

Golf revenue from CEOC and Caesars' affiliates includes reimbursement for below market-rate golf tee times and free play for certain casino guests. Included in golf revenue are market-rate fees received from public customers as well as discounted fees received from CEOC and Caesars-affiliated customers or associates. In addition, certain VIP casino guests play the golf courses for free. In these cases, the golf course receives amounts paid by CEOC and Caesars' affiliates at an agreed upon rate for the free play provided to their VIP guests. The reimbursement for free play was approximately \$284,000 and \$454,000 for the three and six months ended June 30, 2017, respectively.

There are additional variable golf fees provided by CEOC and Caesars' affiliates based on revenue shortfalls necessary to cover the cost of operating the courses at a high level appropriate for casino guests. The variable fee is dependent upon the number of rounds played, the types of rounds played (market-rate or discounted rate), and costs incurred to allow the golf course to continue to offer golf as an amenity to its gaming customers. Variable golf fees included in golf revenue were approximately \$1,142,000 and \$1,875,000 for the three and six months ended June 30, 2017, respectively.

The Business' Financial Statements reflect the application of Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 852, *Reorganizations*. This guidance requires that transactions and events directly associated with the reorganization be distinguished from the ongoing operations of the business. In addition, the guidance provides for changes in the accounting and presentation of liabilities.

Note 2 — Liabilities Subject to Compromise

On March 25, 2015, the Bankruptcy Court entered an order establishing May 26, 2015 as the bar date for potential general creditors to file proofs of claims and established the required procedures with respect to filing such claims. A bar date is the deadline by which creditors must file a proof of claim against the Debtors for the claim to be allowed. In addition, a bar date of July 14, 2015 was established as a deadline for claims from governmental units.

As of June 30, 2017, the Business had received 55 proofs of claim, a portion of which assert, in part or in whole, unliquidated claims. These proofs of claims include 9 claims that were carved out of the legal entities that own the Business and that have additional claims, which do not correspond to the Business. In addition, the Business has been assigned by the court an additional 12 claims. In the aggregate, total asserted liquidated proofs of claim for approximately \$122.2 million had been filed against or assigned to the Business. Based on reasonable current estimates, the Business expects to ask the Bankruptcy Court to disallow 21 claims representing approximately \$121.0 million of such claims. These claims are classified by the Business as amended and

**CAESARS ENTERTAINMENT OUTDOOR
(DEBTOR-IN-POSSESSION)
NOTES TO COMBINED FINANCIAL STATEMENTS (continued)
(UNAUDITED)**

replaced, duplicate, redundant or non-Debtor claims. New and amended claims may be filed in the future, including claims amended to assign values to claims originally filed with no designated value.

On October 6, 2017, the Business settled claims included in liabilities subject to compromise for \$125,000 recognizing a reorganization gain of \$124,000. In addition, approximately \$5.1 million of claims are still disputed and unresolved and have been transferred to New CEOC for final resolution.

Note 3 — Income Taxes

Since Caesars Entertainment Outdoors did not have a formal tax sharing agreement in place with Caesars Entertainment for federal income tax purposes, Caesars Entertainment paid all of Caesars Entertainment Outdoors' federal income taxes.

The tax benefit/expense for the three and six months ended June 30, 2017 is primarily related to the federal and state tax impact of the pre-tax book income/loss. As there was no pre-tax book income/loss recorded for the three and six months ended June 30, 2017, no tax benefit/expense was recorded for those periods.

Note 4 — Related Party Transactions

We had transactions with CEOC resulting in net distributions of approximately \$2,167,000 for the six months ended June 30, 2017. The net distributions were the result of cash generated by the operations of the Business and proceeds from the sale of assets, partially offset by amounts contributed by CEOC to fund capital improvements and capital lease obligations.

Related Party Fees and Expenses

The following amounts were recorded with respect to the related-party transactions described in this section:

Transaction type	Recorded as:	(In thousands)	
		Three Months Ended June 30, 2017	Six Months Ended June 30, 2017
Insurance expense	Administrative and other	\$ 11	\$ 25
Allocation of indirect expenses from CEOC and Caesars' affiliates ⁽¹⁾	Administrative and other	90	174
Golf revenue from CEOC and Caesars' affiliates ⁽²⁾	Golf revenue	1,426	2,329
Pass-through revenue with CEOC and Caesars' affiliates ⁽³⁾	Golf revenue	202	341
	Food and beverage revenue	79	95
	Retail and other revenue	63	88

⁽¹⁾ The Statement of Operations included allocated overhead costs for certain functions historically performed by CEOC and Caesars' affiliates, including allocations of direct and indirect operating and maintenance costs and expenses for procurement, logistics and general and administrative costs and expenses related to executive oversight, marketing, information technology, accounting, treasury, tax, and legal. These costs were allocated on the basis of either revenue or payroll costs.

⁽²⁾ See Business and Basis of Presentation - Golf Revenue.

⁽³⁾ Primarily includes transactions where CEOC and Caesars affiliates' customers charge their golf, food and beverage and retail purchases directly to their hotel bill. Amounts collected from the customer by the hotel are remitted to the golf course.

Savings and Retirement Plans

CEOC maintained a defined contribution savings and retirement plan that allows certain employees of the Business to make pre-tax and after-tax contributions. Under the plan, participating employees could elect to contribute up to 50% of their eligible earnings, subject to IRS rules and regulations, and be eligible to receive a company match of up to \$600. Participating employees became vested in matching contributions on a pro-rata basis over five years of credited service. Our contribution expense was approximately \$10,000 and \$26,000 for the three and six months ended June 30, 2017, respectively, and is included as a component of administrative and other on the Statement of Operations.

**CAESARS ENTERTAINMENT OUTDOOR
(DEBTOR-IN-POSSESSION)
NOTES TO COMBINED FINANCIAL STATEMENTS (continued)
(UNAUDITED)**

Note 5 — Litigation, Contractual Commitments and Contingent Liabilities

Litigation

The Business and its operations may be subject to litigation involving employment matters, personal injuries, and other matters that arise in the normal course of business. We do not expect the outcome of such ordinary and routine litigation to have a material effect on our combined financial position, results of operations, or cash flows.

Contingent Liabilities

In January 2015, a majority of the Trustees of the National Retirement Fund (“NRF”), a multi-employer defined benefit pension plan, voted to expel Caesars and certain of its affiliates from the plan. The NRF has advised Caesars and Caesars Entertainment Resort Properties, LLC (“CERP”) that this expulsion triggered a withdrawal liability with a present value of approximately \$360 million, payable in 80 quarterly payments of about \$6 million. The NRF filed a similar claim against each Caesars Debtor in CEOC’s bankruptcy. Although the Business’ employees did not participate in this plan, because the entities that own the Business are a member of the Caesars Group (as defined below), such entities are jointly and severally liable with Caesars and CEOC for any liability under the NRF’s claims.

On March 13, 2017, CEOC, CEC, CERP, the Caesars employers that contribute to the NRF, and the NRF and certain of its related parties entered into a settlement agreement resolving all issues related to the disputes with the NRF. Under the terms of the settlement, CEC, or a person on CEC’s behalf, was required to pay a total of \$45 million to the NRF on the Formation Date. Under the Caesars Debtors’ Plan, the NRF is barred from asserting any claims against the Business and its subsidiaries to the extent such claims arose prior to the Formation Date.

Operating Lease Commitments

The Business is liable under operating leases for land at the Cascata golf course, equipment and other miscellaneous assets, which expire at various dates through 2039. Total rental expense under these agreements included in direct golf operating expenses and property costs in our Statement of Operations was approximately \$215,000 and \$426,000 for the three and six months ended June 30, 2017, respectively.

The future minimum lease commitments relating to the base lease rent portion of noncancelable operating leases at June 30, 2017 are as follows:

	<u>(In thousands)</u>
	<u>Operating Leases</u>
2017 (remaining)	\$ 430
2018	873
2019	891
2020	908
2021	926
Thereafter	20,234
Total minimum rental commitments	<u>\$ 24,262</u>

**CAESARS ENTERTAINMENT OUTDOOR
(DEBTOR-IN-POSSESSION)
NOTES TO COMBINED FINANCIAL STATEMENTS (continued)
(UNAUDITED)**

Other Commitments

The Business utilizes a third-party golf maintenance company for its Rio Secco and Cascata golf courses. The agreements are for five years and expire in February 2019 and include all labor and equipment necessary to maintain both golf course grounds. Total expense under these agreements included in direct golf operating expenses in the Statements of Operations were approximately \$753,000 and \$1,549,000 for the three and six months ended June 30, 2017, respectively.

The future commitments relating to these agreements at June 30, 2017 are as follows:

	<u>(In thousands)</u>	
	<u>Maintenance Agreements</u>	
2017	\$	1,375
2018		2,969
2019		225
Total maintenance agreement commitments	\$	<u>4,569</u>

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 six months ended June 30, 2018 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 period ended December 31, 2017, which were included in our Annual Report on Form 10-K for the year ended December 31, 2017. 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.

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 expressed in or by the forward-looking statements and may be affected by a variety of risks and other factors, including, among others; risks that the recently announced acquisitions or transactions may not be consummated on the terms or timeframes described herein, or at all; our dependence on subsidiaries of Caesars as tenant of our properties and Caesars or its subsidiaries as guarantor of the lease payments and the consequences any material adverse effect on their business could have on 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 the 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’ historical results may not be a reliable indicator of its future results; our historical financial information may not be reliable indicators of future results of operations and financial condition; our inability to achieve the expected benefits from operating as a company independent of Caesars; our reliance on distributions received from our Operating Partnership to make distributions to our stockholders due to our being a holding company; our dividend yield could be reduced if we were to sell any of our properties in the future; there can be no assurance that we will be able to make distributions to stockholders of our common stock or maintain anticipated level of distributions over time; 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 of our properties if we are unable to meet required debt service payments; the impact of a rise in interest rates on us; our substantial amount of indebtedness and ability to service and refinance such indebtedness; limits on our operational and financial flexibility imposed by our debt agreements; our inability to successfully pursue investments in, and acquisitions of, additional properties; the impact of natural disasters or terrorism on our properties; 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 qualify or maintain our qualification for taxation as a REIT; our management team’s limited experience operating as a company that intends to qualify for taxation as a REIT; competition for acquisition opportunities from other REITs and gaming companies that may have greater resources and access to capital and a lower cost of capital 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 reports on Form 10-K and Form 8-K and subsequent reports on Form 10-Q.

Accordingly, you are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date on which they are made. Except as required by law, we do not undertake any obligation to update or revise any forward-looking

statements, whether as a result of new information, future events, or otherwise. 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 a Maryland corporation that was created to hold certain real estate assets owned by CEOC, upon CEOC's emergence from bankruptcy. Pursuant to CEOC's Plan of Reorganization, on October 6, 2017, the historical business of CEOC was separated by means of a spin-off transaction whereby the real property assets of CEOC and certain of its subsidiaries, including four golf course businesses, were transferred to us through a series of transactions.

We are an owner and acquirer of experiential real estate assets across leading gaming, hospitality, entertainment and leisure destinations. Our national, geographically diverse portfolio consists of 20 market leading properties, 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 more than 36 million square feet, our well-maintained properties are located in nine states, contain nearly 14,500 hotel rooms and feature over 150 restaurants, bars and nightclubs.

Assuming the closing of the acquisitions of the Margaritaville and Harrah's Philadelphia properties, each as discussed in "Significant Activities During 2018" below, our portfolio will be diversified with two tenants and consist of 22 market leading properties with 39 million square feet, containing nearly 14,900 hotel rooms and featuring over 160 restaurants, bars and nightclubs.

Our portfolio also includes approximately 34 acres of undeveloped land 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. As a growth focused public real estate company, we expect our relationship with our partners will position us for the acquisition of additional properties across leisure and hospitality.

We believe we have a mutually beneficial relationship with Caesars, a leading owner and operator of gaming, entertainment and leisure properties. Our long-term triple-net Lease Agreements with subsidiaries of Caesars 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 assets and allocating capital diligently, maintaining a highly productive tenant base, and optimizing our capital structure to support external growth.

Our portfolio is competitively positioned and well-maintained. Pursuant to the terms of the Lease Agreements, which require Caesars to invest in our properties, and in line with its commitment to build guest loyalty, we anticipate Caesars 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 to augment growth.

We intend to elect and qualify to be taxed as a REIT for U.S. Federal income tax purposes commencing with our taxable year ending December 31, 2017. 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.

The financial information included in this Form 10-Q are our consolidated results (including the real property business and the golf course business) for the three and six months ended June 30, 2018. Other financial information included in Part I Item 1 of this Quarterly Report on Form 10-Q are the historical combined Financial Statements of Caesars Entertainment Outdoor, the golf course business owned by CEOC until October 6, 2017. The financial information included for Caesars Entertainment Outdoor includes the three and six months ended June 30, 2017.

SIGNIFICANT ACTIVITIES DURING 2018

Our significant activities in 2018, in reverse chronological order, are as follows:

Purchase of Octavius Tower and Harrah's Philadelphia

On May 8, 2018, we entered into a non-binding Letter of Intent with Caesars related to our acquisition of two real estate assets owned by Caesars, as well as certain modifications to the Formation Lease Agreements. Subsequent to the end of the quarter, on

July 11, 2018, we completed the previously announced transaction with Caesars to acquire, and lease back, all of the land and real estate assets associated with Octavius Tower for a purchase price of \$507.5 million in cash. Octavius Tower is operated pursuant to a stand-alone lease, which provides for annual rent of \$35.0 million payable in equal consecutive monthly installments and has an initial term that expires on October 31, 2032, with four five-year renewal options. In addition, on July 11, 2018, we entered into a definitive agreement with respect to the other transactions contemplated by the Letter of Intent, including the acquisition of all of the land and real estate assets associated with Harrah's Philadelphia from Caesars for \$241.5 million, which purchase price will be reduced by \$159.0 million to reflect the aggregate net present value of certain contemplated modifications to the Lease Agreements, resulting in cash consideration of \$82.5 million. In connection with the closing of the acquisition of Harrah's Philadelphia, each of the Non-CPLV Lease and the CPLV Lease will be amended to, among other things, include Harrah's Philadelphia and Octavius Tower, respectively, and Caesars will continue to operate both properties under the terms of such leases as amended. The HLV Lease and the Joliet Lease will also be modified at such time to achieve consistency with the other Lease Agreements.

The acquisition of Harrah's Philadelphia and the entry into the contemplated modifications to the Lease Agreements are expected to close during the fourth quarter of 2018, and are subject to certain customary closing conditions, including obtaining certain regulatory approvals and requisite lender and holder consents under the documents governing certain of our outstanding debt obligations. We can provide no assurances that the acquisition of Harrah's Philadelphia and the contemplated modifications to the Lease Agreements will be consummated on the terms or timeframe described herein, or at all. Further, the definitive documentation governing these acquisitions contemplates a put right held by us and a call right held by Caesars, pursuant to which Caesars may reacquire Octavius Tower under certain circumstances in the event that the acquisition of Harrah's Philadelphia is not consummated.

Purchase of Margaritaville Resort Casino

On June 18, 2018, we entered into definitive agreements pursuant to which we will acquire the land and real estate assets of the Margaritaville property, located in Bossier City, Louisiana, for \$261.1 million. Penn National will acquire the operating assets of Margaritaville for \$114.9 million. Simultaneous with the closing of this transaction, we will enter into a triple-net lease agreement with a subsidiary of Penn National. The lease will have an initial total annual rent of \$23.2 million and an initial term of 15 years, with four five-year renewal options. The tenant's obligations under the lease will be guaranteed by Penn National and certain of its subsidiaries.

Built in 2013, the resort is the premier venue for gaming, lodging, dining and entertainment experiences in Northern Louisiana. The property comprises approximately 4 acres of fee land and nearly 30 acres of leased land. The hotel and casino built on the fee land contain approximately 26,500 square feet of casino space featuring 1,215 slot machines and 50 gaming tables, 395 hotel rooms, an island-style escape theme, 6 restaurants and food and beverage outlets and a 15,000 square foot 1,000-seat theater. Approximately 1,500 parking spaces are located on the leased land.

The transaction is subject to regulatory approvals and customary closing conditions and is expected to close in the second half of 2018. However, we can provide no assurances that the transaction will be consummated on the terms or timeframe described herein, or at all.

Interest Rate Swaps

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. The interest rate swap agreements each have an effective date of May 22, 2018 and a termination date of April 22, 2023. The interest rate swap agreements were 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%.

Impact of Initial Public Offering

On February 5, 2018, we completed an initial public offering of 69,575,000 shares of common stock (which included 9,075,000 shares of common stock related to the overallotment option exercised by the underwriters in full) at an offering price of \$20.00 per share for gross proceeds of \$1.4 billion, resulting in net proceeds of approximately \$1.3 billion after commissions and expenses. We utilized a portion of the net proceeds from the stock offering to: (a) pay down \$300.0 million of indebtedness outstanding under the Revolving Credit Facility; (b) redeem \$268.4 million in aggregate principal amount of the Second Lien Notes at a redemption price of 108% plus accrued and unpaid interest to the date of the redemption; and (c) repay \$100.0 million in aggregate principal amount of the Term Loan B Facility. In addition, in July 2018, we used a portion of the proceeds to purchase Octavius Tower for total cash consideration of \$507.5 million.

After taking into account the paydown of debt in connection with our initial public offering, as well as the interest rate swap transaction, as of June 30, 2018, 86% of our outstanding debt balance incurs interest at a fixed rate, while the remaining 14% incurs interest at a variable rate.

DISCUSSION OF OPERATING RESULTS

Segments

Our real property business and our golf course business represent two reportable segments. The real property business segment consists of leased real property 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, which is a consolidated view that adjusts for the impact of certain transactions between our reportable segments.

Revenue

For the three and six months ended June 30, 2018, our revenue was \$221.0 million and \$439.3 million, respectively, and was comprised as follows:

<i>(In thousands)</i>	Three Months Ended June 30, 2018	Six Months Ended June 30, 2018
Real property business revenue	\$ 213,460	\$ 424,948
Golf course business revenue	7,515	14,303
Total revenue	<u>\$ 220,975</u>	<u>\$ 439,251</u>

Real Property Business Revenue

Real property business revenue for the three and six months ended June 30, 2018 of \$213.5 million and \$425.0 million, respectively, was generated from rent and reimbursements of property taxes, pursuant to the Lease Agreements with Caesars. Real property business revenue for the three and six months ended June 30, 2018, was comprised of (i) \$182.3 million and \$364.4 million, respectively, of income from direct financing leases; (ii) \$12.2 million and \$24.4 million, respectively, of income from operating leases; and (iii) \$18.9 million and \$36.2 million, respectively, of property taxes paid by our tenants on the leased properties.

The following table details the components of our income from direct financing and operating leases:

<i>(In thousands)</i>	Three Months Ended June 30, 2018	Six Months Ended June 30, 2018
Income from direct financing leases	\$ 182,319	\$ 364,355
Income from operating leases	12,209	24,418
Total leasing revenue	194,528	388,773
Less: Direct financing lease adjustment ⁽¹⁾	(13,197)	(26,110)
Total contractual leasing revenue	<u>\$ 181,331</u>	<u>\$ 362,663</u>

⁽¹⁾ Amounts represent the adjustment to income from direct financing leases in order to recognize income on an effective interest basis at a constant rate of return over the term of the leases.

Golf Course Business Revenue

For the three months ended June 30, 2018 and 2017, golf course business revenue was \$7.5 million and \$5.1 million, respectively. In October 2017, we entered into a Golf Course Use Agreement with Caesars. Revenue for the three months ended June 30, 2018 earned pursuant to that agreement included \$2.5 million from the Caesars membership fee and accounted for most of the increase. Revenue for the three months ended June 30, 2018 and 2017 also included \$0.6 million and \$0.6 million, respectively, of food and beverage; and \$0.5 million and \$0.6 million, respectively, from merchandise sales and other.

For the six months ended June 30, 2018 and 2017, golf course business revenue was \$14.3 million and \$9.7 million, respectively. In October 2017, we entered into a Golf Course Use Agreement with Caesars. Revenue for the six months ended June 30, 2018 earned pursuant to that agreement included \$5.0 million from the Caesars membership fee and accounted for most of the increase.

Revenue for the six months ended June 30, 2018 and 2017 also included \$1.1 million and \$1.1 million, respectively, of food and beverage; and \$0.9 million and \$1.2 million, respectively, from merchandise sales and other.

Operating Expenses

General and Administrative Expenses

For the three months ended June 30, 2018, general and administrative expenses were \$7.2 million and consisted primarily of the following: \$3.5 million of legal and professional fees; \$1.9 million of compensation costs; and \$0.6 million of franchise and other taxes. During the three months ended June 30, 2018, we incurred certain non-recurring costs including \$0.3 million of costs primarily related to the transition and relocation of our corporate headquarters from Las Vegas, NV to New York, NY and \$0.7 million of legal and professional fees related to the filing of a resale registration statement on Form S-11 in May 2018, relating to approximately 54.1 million shares of our common stock held by certain of our investors, which registration statement was filed pursuant to a registration rights agreement entered into by us in connection with our private placement completed in December 2017.

For the six months ended June 30, 2018, general and administrative expenses were \$14.5 million and consisted primarily of the following: \$7.5 million of legal and professional fees; \$3.9 million of compensation costs; and \$1.1 million of franchise and other taxes. During the six months ended June 30, 2018, we incurred certain non-recurring costs including \$1.6 million of costs primarily related to our formation and the transition and relocation of our corporate headquarters from Las Vegas, NV to New York, NY and \$0.7 million of legal professional fees related to the filing of a resale registration statement on Form S-11 in May 2018, relating to approximately 54.1 million shares of our common stock held by certain of our investors, which registration statement was filed pursuant to a registration rights agreement entered into by us in connection with our private placement completed in December 2017.

Loss on Extinguishment of Debt

We recognized a loss on extinguishment of debt of \$23.0 million during the six months ended June 30, 2018, primarily resulting from the redemption of \$268.4 million in aggregate principal of our Second Lien Notes in February 2018 at a redemption price of 108%.

Property Taxes

Property taxes paid or reimbursed by our tenants were \$18.9 million and \$36.2 million for the three and six months ended June 30, 2018, respectively.

Golf Operations Expenses

Golf operations expenses, excluding depreciation, totaled \$4.5 million and \$4.3 million for the three months ended June 30, 2018 and 2017, respectively. In addition, \$0.9 million and \$0.8 million of depreciation expense was incurred by the golf business during the three months ended June 30, 2018 and 2017, respectively.

Golf operations expenses, excluding depreciation, totaled \$8.6 million and \$8.1 million for the six months ended June 30, 2018 and 2017, respectively. In addition, \$1.8 million and \$1.6 million of depreciation expense was incurred by the golf business during the six months ended June 30, 2018 and 2017, respectively.

Interest Expense

During the three and six months ended June 30, 2018, we incurred \$51.4 million and \$104.3 million, respectively, of interest expense from our debt obligations based upon weighted average interest rates of 4.70% and 4.63%, respectively. We paid cash interest costs of \$60.7 million and \$107.8 million during the three and six months ended June 30, 2018, respectively. See "Liquidity and Capital Resources" below for more information.

As of June 30, 2018, the weighted average interest rate on our outstanding debt, including the impact of our interest rate swaps, was 4.93%.

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) (computed in accordance with GAAP) excluding gains (or losses) from sales of property plus real estate depreciation.

AFFO is a non-GAAP measure that is used as a supplemental operating measure to evaluate our performance. We calculate AFFO by adding or subtracting from FFO direct financing lease adjustments, 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, 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), non-impairment charges on non-real estate assets, amortization of capitalized leasing costs and gains (or losses) on debt extinguishment.

We define Adjusted EBITDA as net income as adjusted for gains (or losses) from sales of property, real estate depreciation, direct financing lease adjustments, 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 on non-real estate assets, amortization of capitalized leasing costs, gains (or losses) on debt extinguishment, 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, our ability to make cash distributions, or our ability 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 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 FFO, AFFO and Adjusted EBITDA

<i>(In thousands, except share data and per share data)</i>	Three Months Ended June 30, 2018	Six Months Ended June 30, 2018
Net income attributable to common stockholders	\$ 139,044	\$ 251,166
Real estate depreciation	—	—
FFO	139,044	251,166
Direct financing lease adjustments attributable to common stockholders	(12,863)	(25,776)
Loss on extinguishment of debt	—	23,040
Non-cash stock-based compensation	468	859
Amortization of debt issuance costs and original issue discount	1,489	2,982
Other depreciation	919	1,825
Capital expenditures	(211)	(557)
AFFO	128,846	253,539
Interest expense, net	46,152	95,855
Income tax expense	448	832
Adjusted EBITDA	\$ 175,446	\$ 350,226

Net income per common share		
Basic and diluted	\$ 0.38	\$ 0.70
FFO per common share		
Basic and diluted	\$ 0.38	\$ 0.70
AFFO per common share		
Basic and diluted	\$ 0.35	\$ 0.71
Weighted average number of common shares outstanding		
Basic	369,932,843	356,454,441
Diluted	369,991,738	356,491,047

LIQUIDITY AND CAPITAL RESOURCES
Overview

As of June 30, 2018, our available cash balance was \$940.7 million, our restricted cash balance was \$13.8 million, and \$400.0 million was available for future borrowings under our Revolving Credit Facility. On July 11, 2018, we utilized \$507.5 million of our available cash to purchase Octavius Tower.

Our short-term obligations consist primarily of the lease for our corporate headquarters, 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 contractual commitments refer to Note 11 - Commitments and Contingent Liabilities, in the Notes to our Financial Statements.

Our long-term obligations consist primarily of principal payments on our outstanding debt obligations. We currently have \$4.1 billion of debt obligations outstanding, none of which are maturing in the next twelve months. For a list of principal debt balances and their maturity dates refer to Note 8 - Debt, in the Notes to our Consolidated Financial Statements. We anticipate closing on the Margaritaville and Harrah's Philadelphia assets during the second half of 2018. Dependent on timing of each respective closing, we expect to fund the purchase with cash on hand, or with a combination of cash and draws upon our credit facility. Any future transactions will be funded with a mix of debt, equity and available cash.

We believe that we have sufficient liquidity to meet our liquidity and capital resource requirements primarily through currently available cash and cash equivalents, restricted cash, 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. All of the

Lease Agreements call for an initial term of fifteen years with four, five-year renewal options and are designed to provide us with a reliable and predictable revenue stream. However, 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. In particular, we can provide no assurances that our tenant will not default on its leases or fail to make full rental payments if its business becomes challenged due to, among other things, adverse economic conditions.

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, 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.

Cash Flow Analysis

The table below summarizes our cash flows for the six months ended June 30, 2018:

<i>(In thousands)</i>	Six Months Ended June 30, 2018	
Cash, cash equivalents and restricted cash		
Provided by operating activities	\$	246,663
Used in investing activities		(40,463)
Provided by financing activities		550,942
Net increase in cash, cash equivalents and restricted cash		757,142
Balance at December 31, 2017		197,406
Balance at June 30, 2018	\$	954,548

Cash Flows from Operating Activities

Net cash provided by operating activities totaled \$246.7 million for the six months ended June 30, 2018 with the primary source being from cash rent collected under our direct financing and operating leases of \$362.7 million and the primary uses being (i) \$107.8 million of cash utilized for the payment of interest on our debt obligations and (ii) a \$21.5 million prepayment premium paid on the redemption of a portion of our Second Lien Notes. The remaining change in cash provided by operating activities was amounts paid for our general and administrative costs offset by cash generated by our golf course business.

Cash Flows from Investing Activities

Net cash used in investing activities totaled \$40.5 million for the six months ended June 30, 2018 with the primary use being our investment in short term commercial paper of \$39.9 million. The remaining change in cash used in investing activities was for the purchase of property and equipment used in golf operations of \$0.6 million.

Cash Flows from Financing Activities

Net cash provided by financing activities totaled \$550.9 million for the six months ended June 30, 2018.

The primary sources of cash from financing activities include:

- Gross proceeds from our initial public offering of \$1.4 billion of our common stock

The primary uses of cash from financing activities include:

- Repayment of \$300.0 million on our Revolving Credit Facility;
- Repayment of \$100.0 million on our Term Loan B Facility;
- Redemption of \$268.4 million in aggregate principal amount of our Second Lien Notes;
- Dividend payments of \$59.3 million and
- Costs of \$84.5 million related to our initial public offering.

Capital Expenditures

As described in our leases, capital expenditures for properties under our leases with Caesars are the responsibility of the tenant.

Debt

Activity During 2018

In February 2018, we utilized a portion of the net proceeds from our initial public offering to: (a) pay down \$300.0 million of indebtedness outstanding under the Revolving Credit Facility; (b) redeem \$268.4 million in aggregate principal amount of the Second Lien Notes at a redemption price of 108% plus accrued and unpaid interest to the date of the redemption; and (c) repay \$100.0 million of the Term Loan B Facility.

At their inception, the Revolving Credit Facility and Term Loan B Facility bore interest at LIBOR plus 2.25%; provided that following an underwritten public offering of the equity interests of any parent entity of VICI PropCo that results in such equity interests being listed on a national securities exchange and generates gross cash proceeds of at least \$500.0 million, such interest rate will be reduced by 25 basis points. As a result of our successful initial public offering which generated gross cash proceeds of \$1.4 billion, the interest rate on this debt was reduced to LIBOR plus 2.00% on February 5, 2018.

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. The interest rate swap agreements each have an effective date of May 22, 2018 and a termination date of April 22, 2023. The interest rate swap agreements were 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%.

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 June 30, 2018, we were in compliance with all debt-related covenants.

Distribution Policy

We intend to make regular quarterly distributions to holders of shares of our common stock.

On June 14, 2018, we declared a cash dividend of \$0.2625 per share of common stock for the period from April 1, 2018 to June 30, 2018. The dividend was paid on July 13, 2018 to stockholders of record as of the close of business on June 28, 2018. In our second quarter earnings release, we announced an intention to increase our targeted annualized dividend to \$1.15 per share of common stock, which would represent a 9.5% increase from our previous annualized dividend rate of \$1.05 per share. This proposed increase is subject to declaration by the Company's Board of Directors, which is expected to begin in connection with the Company's third quarter 2018 dividend.

On March 15, 2018, we declared a pro-rated quarterly cash dividend of \$0.16 per share of common stock for the period from February 5, 2018 to March 31, 2018. The dividend was pro-rated for the period commencing upon the closing of our initial public offering and ending on March 31, 2018, based on a quarterly distribution rate of \$0.2625 per share. The dividend was paid on April 13, 2018 to stockholders of record as of the close of business on March 29, 2018.

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 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. In particular, during the first several years of our current leases, rental income will be allocated for tax purposes generally in an amount greater than cash rents. 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 Form 10-K for the period ended December 31, 2017. There have been no significant changes in our critical policies and estimates for the six months ended June 30, 2018.

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 June 30, 2018, we had \$4.1 billion aggregate principal amount of outstanding indebtedness. Approximately \$2.1 billion of our indebtedness has variable interest rates. We manage some 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 expect to manage our exposure to interest rate risk by maintaining a mix of fixed and variable rates for our indebtedness.

At June 30, 2018, we had entered into interest rate swap agreements that hedge \$1.5 billion of our variable rate debt. Accordingly, we have approximately \$600.0 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 \$6.0 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) or 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 that such information 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 as of June 30, 2018. Based on this evaluation required, our principal executive officer and principal financial officer concluded that our disclosure controls and procedures were effective as of June 30, 2018.

Changes in Internal Control Over Financial Reporting

There have not been changes in our internal control over financial reporting during the three months ended June 30, 2018, 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 June 30, 2018, 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, 2017. There have been no material changes to those factors for the six months ended June 30, 2018.

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

Use of Proceeds from Initial Public Offering of Common Stock

On January 31, 2018, our Registration Statement on Form S-11, as amended (Commission File No. 333-221997) and our Registration Statement on Form S-11MEF (Commission File No. 333-222806) were declared effective by the SEC, pursuant to which we sold a total of 69,575,000 shares of our common stock at a price per share of \$20.00, for an aggregate offering price of \$1.4 billion (the "Offering") before fees, expenses and commissions and resulting in net proceeds of approximately \$1.3 billion. Morgan Stanley & Co. LLC, Goldman Sachs & Co. LLC and Merrill Lynch, Pierce, Fenner & Smith Incorporated acted as principal representatives of the underwriters in the Offering. The Offering was completed on February 5, 2018, after sales of all 69,575,000 shares of common stock (inclusive of the full exercise by the underwriters of their overallotment option to purchase 9,075,000 additional shares of common stock). There has been no material change in the planned use of proceeds from the Offering as described in our final prospectus filed with the SEC pursuant to Rule 424(b) under the Securities Act on February 2, 2018, except that on July 11, 2018, we utilized \$507.5 million of the offering proceeds to purchase Octavius Tower.

Issuer Purchases of Equity Securities

None.

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
2.1 +	Agreement and Plan of Merger dated as of June 18, 2018 by and among VICI Properties Inc., Riverview Merger Sub Inc., Penn Tenant II, LLC, Penn National Gaming, Inc., Bossier Casino Venture (HoldCo), Inc. and Silver Slipper Gaming, LLC.	-	8-K	2.1	6/19/2018
2.2 +	Purchase and Sale Agreement dated as of July 11, 2018 by and between Caesars Octavius, LLC and Octavius Propco LLC.	-	8-K	2.1	7/12/2018
2.3 +	Purchase and Sale Agreement dated as of July 11, 2018 by and between Chester Downs and Marina, LLC and Philadelphia Propco LLC.	-	8-K	2.2	7/12/2018
10.1	Membership Interest Purchase Agreement dated as of June 18, 2018 by and among VICI Properties Inc., Riverview Merger Sub Inc., Penn Tenant II, LLC and Penn National Gaming, Inc.	-	8-K	10.1	6/19/2018
10.2†	Employment Agreement dated as of April 24, 2018 by and among VICI Properties Inc. and Samantha Gallagher	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	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			

+ Schedules and exhibits have been omitted pursuant to Item 601(b)(2) of Regulation S-K. The Company hereby undertakes to furnish supplemental copies of any of the omitted schedules and exhibits upon request by the U.S. Securities and Exchange Commission.

† Management contracts and compensation plans and arrangements.

* Furnished herewith.

- Incorporated by reference.

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.

Signature	Title	Date
<hr/> <i>/s/ EDWARD B. PITONIAK</i> <hr/> Edward B. Pitoniak	Chief Executive Officer and Director (Principal Executive Officer)	August 2, 2018
<hr/> <i>/s/ DAVID A. KIESKE</i> <hr/> David A. Kieske	Chief Financial Officer (Principal Financial Officer)	August 2, 2018
<hr/> <i>/s/ GABRIEL F. WASSERMAN</i> <hr/> Gabriel F. Wasserman	Chief Accounting Officer (Principal Accounting Officer)	August 2, 2018

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (this "Agreement"), dated as of April 24, 2018, by and between VICI Properties Inc. ("VICI REIT"), VICI Properties L.P. (the "Company"), each with its principal place of business at 8329 W. Sunset Road, Suite 210, Las Vegas, Nevada 89113, and Samantha Gallagher ("Executive").

WHEREAS, the general partner of the Company, VICI Properties GP LLC, a Delaware limited liability company, is a wholly owned subsidiary of VICI REIT;

WHEREAS, the Company wishes to offer employment to Executive, and Executive wishes to accept such offer, on the terms set forth below.

Accordingly, the parties hereto agree as follows:

1. Term. The Company hereby employs Executive, and Executive hereby accepts such employment, for a term (as the same may be extended, the "Term") commencing as of May 11, 2018 (the "Effective Date") and continuing until December 31, 2020 (the "Initial Period") unless terminated earlier in accordance with the provisions of Section 4. Unless either party notifies the other party of non-renewal in writing, in accordance with Section 10, not less than 90 days prior to the expiration of the Initial Period or any subsequent renewal period, the Term shall automatically be extended for successive one-year periods in accordance with the terms of this Agreement (subject to earlier termination as aforesaid).

2. Duties. During the Term, Executive shall be employed by the Company initially as Special Advisor to the Chief Executive Officer of VICI REIT (the "CEO"), with such title to change to Executive Vice President, General Counsel, and (upon approval of the Board of Directors of VICI REIT (the "Board")) Corporate Secretary of VICI REIT and the Company when Executive receives the regulatory approvals necessary for her to hold and execute such role. Executive shall report to the CEO. The Executive may also hold such directorships and officerships in VICI REIT, the Company and any of their affiliates to which, from time to time, the Executive may be elected or appointed during the Term. Executive shall faithfully perform for the Company the duties of said office and shall perform such other duties of an executive, managerial or administrative nature as shall be specified and designated from time to time by the CEO, which duties shall not be materially inconsistent with the duties performed by executives holding similar offices with comparable companies. Executive shall devote substantially all of her business time and effort to the performance of her duties hereunder, except that Executive may devote reasonable time and attention to civic, charitable, business or social activities so long as such activities do not interfere with Executive's employment duties. In addition, Executive will be permitted to serve, with the prior written consent of the CEO, as a member of the board of directors or advisory boards (or their equivalents, in the case of a non-corporate entity) of non-competing businesses. Executive shall comply with the policies, procedures, standards, and regulations established from time to time by the Company (the "Policies"). Executive shall obtain and keep in full force and effect throughout the Term all gaming licenses or approvals necessary or appropriate for Executive's position. During the Term, Executive shall be based in

the Company's offices in New York, NY, except for reasonably required travel on the Company's business consistent with Executive's position.

3. Compensation.

3.1 Salary. For purposes of this Agreement, a "Contract Year" shall mean each calendar year during the Term. The Company shall pay Executive a base salary at the rate of \$383,000 per annum (as the same may be increased from time to time, the "Annual Salary"), in accordance with the customary payroll practices of the Company applicable to senior executives, but not less frequently than monthly. The CEO shall review Executive's base salary each Contract Year and may recommend to the Compensation Committee of the Board (the "Compensation Committee") an increase in such amount as he may deem advisable, and the Compensation Committee may approve or disapprove of any such recommended increase in its sole discretion. The Annual Salary shall be prorated (on the basis of a 365-day year) for any partial Contract Year.

3.2 Bonus and Incentive Compensation. Executive will be entitled to participate in the Company's annual bonus program as follows:

(a) Annual Bonus Compensation. Executive shall be eligible to receive a bonus each Contract Year commencing with the 2018 Contract Year ("Annual Bonus") with a target amount equal to 85% of Annual Salary ("Target Bonus") and a maximum amount equal to 170% of Annual Salary. Executive's Annual Bonus shall be based on performance goals for the applicable year, all of which shall be determined by the Compensation Committee, which also shall determine the levels of performance below which no bonus will be payable. The Annual Bonus shall be paid in cash on a date within the 74-day period commencing on January 1 of the year following the year in which the applicable performance period ends. The payment of any Annual Bonus following Executive's termination of employment shall be as set forth in Section 4. The Annual Bonus for 2018 shall be prorated (on the basis of a 365-day year) to reflect Executive's period of employment during such year.

(b) Equity Incentive Awards. Executive shall receive each Contract Year commencing with the 2018 Contract Year awards under VICI REIT's equity incentive plan or such other plans or programs as the Compensation Committee shall determine with a target value, as determined by the Compensation Committee, of at least 135% of Annual Salary. The award in respect to the 2018 Contract Year shall not be subject to proration based upon Executive's partial year of employment.

(c) Initial Equity Grant. In order to align the interests of Executive with the interests of VICI REIT's shareholders, on or within 30 days after the Effective Date, Executive shall receive a long-term incentive award under VICI REIT's equity incentive plan consisting of shares of VICI REIT's common stock with a fair market value (without any discount to reflect restrictions) equal to \$200,000, valued as of the Effective Date (the "Initial Equity Grant"). Such award shall vest at the rate of 25% on each of the first four anniversaries of the Effective Date. No portion of such award shall be transferable and no portion may be encumbered until the

earlier of (X) two years after the date of vesting of such portion and (Y) the fourth anniversary of the Effective Date.

(d) Clawback. Notwithstanding any provision in this Agreement to the contrary, amounts payable hereunder shall be subject to clawback or disgorgement, to the extent applicable, under (A) the Policies or any claw-back policy adopted by VICI REIT or the Company, (B) the Dodd-Frank Wall Street Reform and Consumer Protection Act, as amended, and rules, regulations, and binding, published guidance thereunder, which legislation provides for the clawback and recovery of incentive compensation in the event of certain financial statement restatements and (C) the Sarbanes-Oxley Act of 2002. If pursuant to Section 10D of the Securities Exchange Act of 1934, as amended (the "Act"), VICI REIT or any Company Affiliate (as defined below) would not be eligible for continued listing, if applicable, under Section 10D(a) of the Act if it (or they) did not adopt policies consistent with Section 10D(b) of the Act, then, in accordance with those policies that are so required, any incentive-based compensation payable to Executive under this Agreement or otherwise shall be subject to claw-back in the circumstances, to the extent, and in the manner, required by Section 10D(b)(2) of the Act, as interpreted by rules of the Securities Exchange Commission. Nothing in this provision is intended to supersede any existing or future claw-back provision adopted or amended by the Company, including, but not limited to the provision that may be set forth in VICI REIT's equity incentive plan. For purposes of this Agreement a "Company Affiliate" shall mean any individual or entity that directly or indirectly controls, is controlled by, or is under common control with VICI REIT or the Company.

3.3 Benefits. Executive shall be permitted during the Term to participate in any group life, hospitalization or disability insurance plans, health programs, retirement plans, fringe benefit programs and similar benefits that may be available to other senior executives of VICI REIT or the Company generally, on the same terms as such other executives, in each case to the extent that Executive is eligible under the terms of such plans or programs. Executive shall be entitled to paid vacation in accordance with the normal vacation policies of the Company, as applicable to employees at Executive's level.

3.4 Expenses. The Company shall pay or reimburse Executive for all ordinary and reasonable out-of-pocket expenses incurred by Executive during the Term in the performance of Executive's services under this Agreement; provided that such expenses are incurred and accounted for by Executive in accordance with the relevant Company Policies.

3.5 Indemnification Agreement; Directors and Officers Liability Insurance. Executive and VICI REIT shall enter into an Indemnification Agreement in the standard form used by VICI REIT for its directors and officers. Executive will be covered by directors and officers liability insurance on the same basis as generally applied to VICI REIT's directors and other officers.

3.6 Relocation Expenses. The Company shall pay to Executive \$50,000 as reimbursement for reasonable expenses expected to be incurred by Executive in connection with Executive's relocation to the New York metropolitan area, with such amount to be payable within thirty days after the Effective Date.

4. Termination of Employment.

4.1 Termination by the Company for Cause; Termination by Executive without Good Reason.

(a) The Company shall have the right to terminate Executive's employment for Cause. Upon the reasonable belief by the Board that Executive has committed an act (or has failed to act in a manner) which constitutes Cause, the Board may immediately suspend Executive from Executive's duties herein and bar Executive from its premises during the period of the Company's investigation of such acts (or failures to act) (the "Investigation Period") and any such suspension shall not be deemed to be a breach of this Agreement by the Company or the Executive and/or otherwise provide Executive a right to terminate Executive's employment for Good Reason; provided, however, that the Company shall have the right to terminate Executive's employment for Cause immediately and nothing in this Agreement shall require the Company to provide an Investigation Period or otherwise provide advance notice of termination for Cause, except to the extent that a cure period is available as provided for herein. To the extent that the events giving rise to Cause are, in the reasonable determination of the Board, able to be cured, the Company shall provide the Executive with written notice setting out the events giving rise to Cause and provide Executive with a 5-day period in which to cure such events prior to terminating Executive's employment for Cause. For purposes of this Agreement, "Cause" shall mean:

- (i) Executive's commission of, guilty plea or plea of no contest to, a felony or a misdemeanor (or its equivalent under applicable law),
- (ii) conduct by Executive that constitutes fraud or embezzlement, or any acts of dishonesty in relation to Executive's duties with VICI REIT or the Company,
- (iii) Executive's gross negligence, bad faith, or misconduct which causes either reputational or economic harm to VICI REIT, the Company or any Company Affiliate, as determined by the Board in its sole discretion,
- (iv) Executive's willful refusal or failure to perform Executive's duties hereunder, as determined by the Board in its sole discretion,
- (v) Executive's refusal or failure to perform any reasonable directive of VICI REIT or the Company,
- (vi) Executive's knowing misrepresentation of any material fact that the Company reasonably requests,
- (vii) Executive being found unsuitable for, or having been denied, a gaming license, or having such license revoked by a gaming regulatory

authority in any jurisdiction in which the Company or any Company Affiliate conducts operations,

- (viii) Executive's violation, as determined by the Board, of any securities, gaming, or employment laws, rules, or regulations, or
- (ix) Executive's breach of Executive's obligations under this Agreement or violation of the Policies, as determined by the Board in its sole discretion.

For purposes of clause (iii) above, an act or omission shall not be deemed to be bad faith or misconduct if taken or omitted in the good faith belief that such act or omission was in, or not opposed to, the best interests of the Company.

(b) The Company may terminate Executive's employment hereunder for Cause as set forth above, and Executive may, upon 90 days prior written notice to the Company, terminate her employment at any time. If the Company terminates Executive's employment for Cause, or Executive terminates her employment and the termination by Executive is not covered by Section 4.3 or 4.4, then (i) within ten (10) business days following such termination, the Company shall pay to Executive any unpaid Annual Salary earned through the date of termination, (ii) within thirty (30) days following such termination or submission of documentation of such expenses, whichever is later, the Company shall reimburse Executive pursuant to Section 3.4 for reasonable expenses incurred but not paid prior to such termination of employment, and (iii) the Company shall provide to Executive other or additional benefits (if any), in accordance with the then-applicable terms of any then-applicable plan, program, agreement or other arrangement of any of the Company or any Company Affiliates in which Executive participates (the rights, including the time of payment, described in sub-clauses (i), (ii), and (iii) are collectively referred to as the "Accrued Obligations"). Executive shall have no further rights to any other compensation or benefits hereunder on or after the termination of employment, or any other rights hereunder.

4.2 Termination upon Death or Disability. If Executive dies during the Term, the obligations of the Company to or with respect to Executive shall terminate in their entirety except as otherwise provided under this Section 4.2. If Executive becomes "disabled" (defined for purposes of this Agreement, if Executive by virtue of ill health or other disability is unable to perform substantially the duties assigned to her for at least 90 consecutive or non-consecutive days out of any consecutive 12-month period), the Company shall have the right, to the extent permitted by law (including under the Americans with Disabilities Act), to terminate the employment of Executive upon notice in writing to Executive. Upon death or termination of employment by virtue of disability in accordance with this Section 4.2, Executive (or Executive's estate or beneficiaries in the case of the death of Executive) shall have no right to receive any compensation or benefits hereunder on and after the effective date of the termination of employment other than:

- (A) the Accrued Obligations, as set forth in Section 4.1;

(B) any Annual Bonus earned for the Contract Year prior to the year of termination but not yet paid, which shall be paid at the date such Annual Bonus would have been paid had Executive's employment not been terminated (any such entitlement, including the payment date, an "Accrued Bonus");

(C) a cash payment equal to the prorated portion (based on the number of complete months employed during the Contract Year) of the Annual Bonus that Executive would have received had her employment not been terminated (based on the actual level of achievement of the applicable performance goals) for the Contract Year in which Executive's employment hereunder terminates, payable at such time as the Annual Bonus would have been paid had Executive's employment not been terminated, provided, however, that Executive shall not receive the Pro-Rata Bonus if the Company does not pay bonuses to employees generally for such Contract Year (such entitlement, including the payment date, a "Pro-Rata Bonus");

(D) elimination of any time-based vesting conditions on each outstanding unvested restricted stock, stock option or other equity award and other incentive award in VICI REIT or the Company that Executive had been granted and which Executive then continues to hold; and

(F) to the extent that any of Executive's vested equity awards are subject to a restriction on transfer within a specified period following vesting, such restriction shall be lifted as of the date of termination.

Executive (or, in the case of her death, her estate and beneficiaries) shall have no further rights to any other compensation or benefits hereunder on or after the termination of employment, or any other rights hereunder.

4.3 Termination by the Company without Cause or by Executive for Good Reason.

(a) Good Reason. For purposes of this Agreement, Executive shall have "Good Reason" to terminate Executive's employment if, (i) within thirty (30) days after Executive knows (or has reason to know) of the occurrence of any of the following events, Executive provides written notice to the Company requesting that it cure such event, (ii) the Company fails to cure such event, if curable, within sixty (60) days following such notice, except as set forth below, and, (iii) within ten (10) days after the expiration of such cure period, Executive terminates her employment:

- (i) a reduction in Executive's Base Salary or target or maximum bonus opportunity or failure to pay compensation due under this Agreement, which reduction only may be cured within ten (10) days following written notice by Executive;
- (ii) a material diminution in Executive's duties or responsibilities or the assignment to Executive of duties materially inconsistent with Executive's positions, titles, offices, duties, or responsibilities with

VICI REIT or the Company (not including any Investigation Period), which diminution or assignment only may be cured within ten (10) days following written notice by Executive;

- (iii) relocation of Executive's principal business office to any location outside of New York, NY; or
- (iv) any other material breach by VICI REIT or the Company of any of its obligations to the Executive under this Agreement.

(b) Severance. If the Company terminates Executive's employment and the termination is not covered by Section 4.1, 4.2, 4.4, 4.5, or 4.6 or if Executive terminates her employment for Good Reason, the following shall apply:

- (i) The Company shall pay the Accrued Obligations as set forth in Section 4.1.
- (ii) Subject to Executive's delivery of a separation agreement and release in the form attached hereto as Exhibit A (with such changes as may be necessary due to applicable law) (the "Separation Agreement"), which Separation Agreement shall have become irrevocable, and subject to Executive's compliance with the covenants set forth in Section 6, Executive (or Executive's estate or beneficiaries in the case of Executive's death) shall be entitled to:
 - (A) any Accrued Bonus, paid as set forth in Section 4.2(B);
 - (B) a Pro-Rata Bonus, if any, paid as set forth in Section 4.2(C);
 - (C) a cash payment equal to the sum of (i) Executive's Annual Salary (without any proration) and (ii) Executive's Annual Bonus at the target level for the Contract Year in which Executive's employment hereunder terminates (without any proration), payable in equal installments over a 12-month period in accordance with the Company's usual and customary payroll practices;
 - (D) a cash payment of \$27,500;
 - (E) elimination of any time-based vesting conditions on any restricted stock, stock option or other equity awards in VICI REIT or the Company that Executive had been granted and which Executive then continues to hold, to the extent then unvested;
 - (F) a pro-rata portion (based on the number of complete months employed during the applicable performance period and applied separately to each performance goal, to the extent applicable) of outstanding unvested equity awards that are subject to

performance-based vesting conditions (whether or not in tandem with time-based vesting conditions) will not be forfeited as of such termination of employment but will continue to be outstanding until the end of the applicable performance period, at which time they may vest pursuant to achievement of the applicable performance goals;

- (G) to the extent that Executive holds outstanding vested stock options as of the termination of employment (including to the extent vested pursuant to clause (E) above), such stock options shall remain exercisable until the date six months after the effective date of such termination of employment, or the option expiration date, if earlier; and
 - (H) to the extent that any of Executive's vested equity awards are subject to a restriction on transfer within a specified period following vesting, such restriction shall be lifted as of the date the Separation Agreement has become irrevocable;
- (iii) Subject to Section 4.7, amounts payable pursuant to clause (C) of Section 4.3(b)(ii) shall commence, and the amount payable pursuant to clause (D) of Section 4.3(b)(ii) shall be paid, on the 74th day following the separation from service (the "Payment Commencement Date"), provided Executive has delivered the Separation Agreement to the Employer and such Separation Agreement has become irrevocable, and provided, further, that the first such payment with respect to clause (C) shall be equal to the amount that would have been payable under such clauses between the date of termination and the Payment Commencement Date had such payments commenced at the separation from service.
 - (iv) Executive shall have no further rights to any other compensation or benefits hereunder on or after the termination of employment, or any other rights hereunder.

4.4 Termination by the Company without Cause or by Executive for Good Reason in Connection with a Change in Control. If the Company terminates Executive's employment and the termination is not covered by Section 4.1, 4.2, 4.5, or 4.6 or if Executive terminates her employment for Good Reason, and the date of notice of such termination of employment is either within six months before or twelve months after a Change in Control, as defined below, the following shall apply in lieu of the provisions of Section 4.3(b):

- (i) The Company shall pay the Accrued Obligations as set forth in Section 4.1.

- (ii) Subject to Executive's delivery of a Separation Agreement, which shall have become irrevocable, and subject to Executive's compliance with the covenants set forth in Section 6, Executive (or Executive's estate or beneficiaries in the case of the death of Executive) shall be entitled to:
 - (A) any Accrued Bonus, paid as set forth in Section 4.2(B);
 - (B) a Pro-Rata Bonus, if any, paid as set forth in Section 4.2(C) assuming achievement of all performance goals at target and regardless of whether the Company pays bonuses to employees generally for such Contract Year;
 - (C) a cash payment equal to 150% of the sum of (i) Executive's Annual Salary (without any proration) and (ii) Executive's Annual Bonus at the target level for the Contract Year in which Executive's employment hereunder terminates (without any proration), payable in a lump sum;
 - (D) a cash payment of \$40,000;
 - (E) elimination of any time-based vesting conditions on any restricted stock, stock option or other equity awards in VICI REIT or the Company that Executive had been granted and which Executive then continues to hold, to the extent then unvested;
 - (F) all performance-based equity will remain outstanding and eligible to vest, subject solely to achievement of the applicable performance goals prorated through the date of termination;
 - (G) to the extent that Executive holds outstanding stock options as of the termination of employment, such stock options shall remain exercisable until the date six months after the effective date of such termination of employment, or the option expiration date, if earlier; and
 - (H) to the extent that any of Executive's vested equity awards are subject to a restriction on transfer within a specified period following vesting, such restriction shall be lifted as of the date the Separation Agreement has become irrevocable.
- (iii) Subject to Section 4.7, amounts payable pursuant to clauses (B), (C) and (D) of Section 4.4(ii) shall be paid on the Payment Commencement Date, provided Executive has delivered the Separation Agreement to the Employer and such Separation Agreement has become irrevocable.

- (iv) Executive shall have no further rights to any other compensation or benefits hereunder on or after the termination of employment, or any other rights hereunder.
- (v) For purposes of this Agreement, a “Change in Control” shall mean:
 - (A) any transaction or group of related transactions (whether a merger, consolidation, sale or otherwise) pursuant to which any Person, as defined below, (in any case, excluding the Company and any Company Affiliate) or group (within the meaning of Section 13(d)(3) of the Exchange Act) of such Persons acting together pursuant to which such Person or group of Persons acquires a majority of the aggregate voting power of the capital stock ordinarily entitled to elect directors of VICI REIT;
 - (B) any disposition in one transaction or a series of related transactions, of all or substantially all of the assets of VICI REIT and its Subsidiaries (which shall be defined to include any corporation, partnership, limited liability company or other entity of which more than 50% of the economic interest in such entity is owned directly or indirectly by VICI REIT or another subsidiary of VICI REIT), determined on a consolidated basis, to any Person or Persons (in any case, excluding the Company and any Company Affiliate); or
 - (C) within a 12-month period, a majority of the members of the Board cease to be Continuing Directors; as used herein, a “Continuing Director” means any member of the Board who was a member of such Board on the date hereof; provided that any person becoming a director subsequent to such date whose election or nomination for election was supported by a majority of the directors who then comprised the Continuing Directors shall be considered to be a Continuing Director.

For the purposes hereof, the term “Person” shall mean an individual, partnership, corporation, limited liability company, association, joint stock company, trust, joint venture, unincorporated organization, association or other entity or a governmental entity. Notwithstanding the foregoing, to the extent that a Change in Control is the basis for a payment that is subject to Section 409A of the Code, a Change in Control shall be deemed to occur with respect to such payment only if a change in the ownership or effective control of VICI REIT or a change in the ownership of a substantial portion of the assets of VICI REIT shall also be deemed to have occurred under Section 409A of the Code.

4.5 Natural Termination Due to Company Non-Renewal. In the event that Executive’s employment by the Company terminates at the scheduled expiration of the Term because of a non-renewal of the Term as a result of a decision by the Company not to renew as

contemplated by and in accordance with the last sentence of Section 1 (and not theretofore under Section 4.1, 4.2, 4.3 or 4.4),

- (i) Executive shall (subject, in the case of the following clause (C), to Executive's delivery of a Separation Agreement, which shall have become irrevocable and Executive's compliance with the covenants set forth in Section 6) be entitled to:
 - (A) the Accrued Obligations, paid as set forth in Section 4.1;
 - (B) any Accrued Bonus, paid as set forth in Section 4.2(B);
 - (C) elimination of any time-based vesting conditions on any restricted stock, stock option or other equity awards in the Company that Executive had been granted and which Executive then continues to hold, to the extent then unvested;
 - (D) the long-term incentive plan of VICI REIT or the grant documents issued thereunder will set forth the treatment of any performance-based equity in the event of such non-renewal, which treatment will be no less favorable to Executive than the treatment applied to other Executive Vice Presidents of VICI REIT; and
 - (E) to the extent that any of Executive's vested equity awards are subject to a restriction on transfer within a specified period following vesting, such restriction shall be lifted as of the date the Separation Agreement has become irrevocable.
- (ii) Executive shall have no further rights to any other compensation or benefits hereunder on or after the termination of employment, or any other rights hereunder.

4.6 Natural Termination Due to Executive Non-Renewal. In the event that Executive's employment by the Company terminates at the scheduled expiration of the Term because of a non-renewal of the Term as a result of a decision by Executive not to renew as contemplated by and in accordance with the last sentence of Section 1 (and not theretofore under Section 4.1, 4.2, 4.3 or 4.4), Executive shall be entitled to (A) the Accrued Obligations, paid as set forth in Section 4.1; (B) any Accrued Bonus, paid as set forth in Section 4.2(B); and (C) to the extent that any of Executive's vested equity awards are subject to a restriction on transfer within a specified period following vesting, such restriction shall be lifted as of the date the Separation Agreement has become irrevocable. Executive shall have no further rights to any other compensation or benefits hereunder on or after the termination of employment, or any other rights hereunder.

4.7 Delay in Payment to a Specified Employee. If Executive is a "specified employee" within the meaning of Treasury Regulation Section 1.409A-1(i) as of the date of

Executive's separation from service, the provisions of this Section 4.7 shall apply, but only if and to the extent required to avoid the imputation of any tax, penalty or interest pursuant to Section 409A of the Internal Revenue Code of 1986, as amended (the "Code") and the regulations and interpretive guidance promulgated thereunder (collectively, "Section 409A"). No distribution shall be made to Executive under Section 4.2, 4.3 or 4.4 of this Agreement before the date that is six months after her separation from service or, if earlier, the date of Executive's death. Any amounts otherwise payable to Executive upon or in the six month period following Executive's separation from service that are not so paid by reason of this Section 4.7 shall be paid (without interest) as soon as practicable (and in all events within 10 days) after the date that is six months after Executive's separation from service (or, if earlier, as soon as practicable, and in all events within 10 days, after the date of Executive's death).

5. Limitation on Payments.

5.1 General. In the event that the payments and benefits (the "Payments") paid or provided to Executive under this Agreement or otherwise (a) constitute "parachute payments" within the meaning of Section 280G of the Code ("Section 280G"), and (b) but for this Section 5, would be subject to the excise tax imposed by Section 4999 of the Code ("Section 4999"), then the Payments shall be either (x) delivered in full, or (y) delivered as to such lesser extent which would result in no portion of the Payments being subject to excise tax under Section 4999, whichever of the foregoing amounts, taking into account the applicable federal, state and local income taxes and the excise tax imposed by Section 4999, results in the receipt by Executive on an after-tax basis of the greatest amount of the Payments, notwithstanding that all or some portion of the Payments may be taxable under Section 4999. The provisions of this Section 5 shall apply if, at the time of any change in ownership or control of VICI REIT (within the meaning of Section 280G), VICI REIT is an entity whose stock is readily tradable on an established securities market (or otherwise), within the meaning of Section 280G.

5.2 Accountants' Determinations. Unless VICI REIT, the Company and Executive otherwise agree in writing, any determination required under this Section 5 shall be made in writing by VICI REIT's independent public accountants (the "Accountants") immediately prior to the transaction described in Section 280G(b)(2)(A)(i) of the Code, whose determination shall be conclusive and binding upon Executive, VICI REIT and the Company for all purposes. For purposes of making the calculations required by this Section 5, the Accountants may make reasonable assumptions and approximations concerning applicable taxes and may rely on reasonable, good faith interpretations concerning the application of Section 280G and Section 4999. VICI REIT, the Company and Executive shall furnish to the Accountants such information and documents as the Accountants may reasonably request in order to make a determination under this Section 5. The Company shall bear all costs the Accountants may reasonably incur in connection with any calculations contemplated by this Section 5. If a reduction in the Payments constituting "parachute payments" as defined in Section 280G is necessary so that benefits are delivered to a lesser extent, reduction will occur in the following order: (a) reduction of the cash payments and (b) cancellation of accelerated vesting of equity awards. In the event that the accelerated vesting of equity awards is to be cancelled, such vesting acceleration shall be cancelled in the reverse chronological order of Executive's equity awards' grant dates.

6. Non-Competition, Non-Solicitation, and Confidentiality; Certain Other Covenants. Executive acknowledges that: (i) as a result of Executive's employment by the Company, Executive has obtained and will obtain Confidential Information (as defined below); (ii) the Confidential Information has been developed and created by the Company and Company Affiliates at substantial expense and the Confidential Information constitutes valuable proprietary assets of the Company; (iii) the Company and the Company Affiliates will suffer substantial damage and irreparable harm which will be difficult to compute if, during the Term or thereafter, Executive should violate the provisions of this Section 6; (iv) the nature of the Company's and the Company Affiliates' business is such that it can be conducted anywhere in the world and is not limited to a geographic scope or region; (v) the Company and the Company Affiliates will suffer substantial damage which will be difficult to compute if, during the Term or thereafter, Executive should solicit or interfere with the Company's or the Company Affiliates' employees, clients, or customers in violation of the provisions of this Section 6 or should divulge Confidential Information relating to the business of the Company or the Company Affiliates; (vi) the provisions of this Agreement are reasonable and necessary for the protection of the business of the Company and the Company Affiliates; (vii) the Company would not have hired or continued to employ Executive or grant the benefits contemplated under this Agreement unless Executive agreed to be bound by the terms hereof; and (viii) the provisions of this Agreement will not preclude Executive from other gainful employment following Executive's termination from the Company.

6.1 Disclosure of Confidential Information. Executive acknowledges that the Company will provide Executive with confidential and proprietary information regarding the business in which the Company and Company Affiliates are involved, and the Company and the Company Affiliates will provide Executive with trade secrets of the Company and the Company Affiliates (hereinafter all such confidential information and trade secrets referred to as the "Confidential Information"). For purposes of this Agreement, "Confidential Information" includes, but is not limited to:

(a) Information related to the business of the Company and the Company Affiliates, including but not limited to marketing strategies and plans, sales procedures, operating policies and procedures, pricing and pricing strategies, player identification systems (including information gleaned from Total Rewards), business and strategic plans, finances, financial management systems, financial statements and projections, accounting and tax positions and procedures, organizational charts, salary and benefit programs, and other business and financial information of the Company and the Company Affiliates;

(b) Information regarding the customers of the Company and the Company Affiliates which Executive acquired as a result of her employment with the Company, including but not limited to, customer contracts, customer lists, work performed for customers, customer contacts, customer requirements and needs, data used by the Company and the Company Affiliates to formulate customer proposals, customer financial information and other information regarding the customer's business;

(c) Information regarding the vendors of the Company and the Company Affiliates which Executive acquired as a result of her employment with the Company, including but not limited to, product and service information and other information regarding the business activities of such vendors;

(d) Training materials developed by and utilized by the Company and the Company Affiliates;

(e) Any other information which Executive acquired as a result of her employment with the Company and which Executive has a reasonable basis to believe the Company or the Company Affiliates, as the case may be, would not want disclosed to a business competitor or to the general public; and

(f) Information which:

- (i) is proprietary to, about or created by the Company or the Company Affiliates;
- (ii) gives the Company or any of the Company Affiliates some competitive advantage, the opportunity of obtaining such advantage or the disclosure of which could be detrimental to the interests of the Company or the Company Affiliates;
- (iii) is not typically disclosed to non-executives by the Company or otherwise is treated as confidential by the Company or the Company Affiliates; or
- (iv) is designated as Confidential Information by the Company or the Company Affiliates or from all the relevant circumstances should reasonably be assumed by Executive to be confidential to the Company or any Company Affiliates;

provided, however, that Confidential Information shall not include information which at the time of receipt or thereafter becomes publicly known or is obtainable in the public domain, in either case through no wrongful act of Executive.

6.2 Covenant Not to Compete. While employed by the Company and, in the event of a termination of Executive's employment, for a period of 12 months thereafter in the event of all terminations of employment other than termination pursuant to Section 4.5 or 4.6, and for a period of 3 months thereafter in the event of a termination by reason of Executive's delivery of a non-renewal notice pursuant to Section 1 (for clarity, the restrictions contained in this Section 6.2 shall terminate on Executive's last day of employment where such termination results from the Company's delivery of a non-renewal notice pursuant to Section 1), in consideration of the obligations of VICI REIT and the Company hereunder, including without limitation the disclosure of Confidential Information to Executive, Executive shall not, directly or indirectly, for compensation or otherwise, engage in or have any interest in (i) Gaming and Leisure

Properties, Inc. and its Subsidiaries and Affiliates, (ii) MGM Growth Properties LLC and its Subsidiaries and Affiliates, and (iii) any sole proprietorship, partnership, corporation, company, association, business or any other person or entity (whether as an employee, officer, corporation, business or any creditor, consultant or otherwise) that, directly or indirectly, competes with the Company's "Business" (as defined below) in any and all states in which the Company or any Company Affiliate conducts such business or within 100 miles of any location where the Company or any Company Affiliate conducts such business while Executive is employed by the Company or any Company Affiliate and, with respect to the period following the termination of Executive's employment, within the two-year period preceding such termination of employment; provided, however, Executive may continue to hold securities of the Company or any Company Affiliate or continue to hold or acquire, solely as an investment, shares of capital stock or other equity securities of any company if (a) she currently holds an interest in such stock or other securities, and before the date hereof has disclosed to the Board in detail (i) the applicable company (or companies) and (ii) the specific stock or other equity securities of the entity she owns, or (b) the stock or other securities are traded on any national securities exchange or are regularly quoted in the over-the-counter market, so long as Executive does not control, acquire a controlling interest in, or become a member of a group which exercises direct or indirect control of more than 1% of any class of capital stock of such entity (other than through an investment in any mutual, private equity or hedge fund or similar pooled investment vehicle). For purposes of this Agreement, the Company's "Business" is defined as the ownership or operation of a Real Estate Investment Trust that invests in lines of business in which VICI REIT or the Company invests or in which VICI REIT or the Company has active plans to invest as of the date Executive's employment terminates, and such other businesses conducted by the Company or any Company Affiliate after the date hereof, and from time to time during the Term or such other businesses that the Company or any Company Affiliate had active plans to engage in as of the date Executive's employment terminates. Notwithstanding the foregoing, Executive may engage in the practice of law without limitation subsequent to the termination of her employment for any reason, subject to her compliance with applicable ethical requirements.

6.3 Non-Solicitation of Certain Persons. While employed by the Company and, in the event of a termination of Executive's employment, for a period of 12 months thereafter, in consideration of the obligations of VICI REIT and the Company hereunder, including without limitation its disclosure of Confidential Information to Executive, Executive shall not, directly or indirectly, for himself or as principal, agent, independent contractor, consultant, director, officer, member, or employee of any other person, firm, corporation, partnership, company, association, business or other entity, solicit, attempt to contract with, or enter into a contractual or business relationship of any kind pertaining to any aspect of the Company's Business, or any other business conducted by the Company or any Company Affiliate at the time of termination of employment or at any time in the prior 12-month period, with any person or entity with which the Company or any Company Affiliate has any contractual or business relationship of a material operating or strategic nature or in the previous 12 months has engaged in negotiations toward such a relationship.

6.4 Non-Solicitation of Employees. While employed by the Company and, in the event of a termination of Executive's employment for a period of 12 months thereafter, in

consideration of the obligations of VICI REIT and the Company hereunder, including without limitation its disclosure of Confidential Information to Executive, Executive shall not directly or indirectly, for himself or as principal, agent, independent contractor, consultant, director, officer, member, or employee of any other person, firm, corporation, partnership, company, association or other entity, either (a) hire, attempt to employ, contact with respect to hiring, solicit with respect to hiring or enter into any contractual arrangement with any employee or former employee of the Company or any Company Affiliate, or (b) induce or otherwise advise or encourage any employee of the Company or any Company Affiliate to leave her or her employment.

6.5 Confidentiality. Subject to Sections 6.6 and 6.10, while employed by the Company and after Executive's employment terminates, in consideration of the obligations of VICI REIT and the Company hereunder, including without limitation its disclosure of Confidential Information to Executive, Executive shall keep secret and retain in strictest confidence, shall not disclose to any third-party, and shall not use for her benefit or the benefit of others, except in connection with the business affairs of the Company or any Company Affiliate (collectively, the "Benefited Persons"), any Confidential Information unless such disclosure is required by a valid subpoena or other legal mandate or otherwise by rule of law or other valid order of a court or government body or agency or in any litigation between the Executive and any Benefited Person. In the event disclosure is so required, Executive shall provide the Company with written notice within three (3) days of receiving such subpoena or other order if legally permitted to do so, and shall cooperate with VICI REIT and the Company in seeking an appropriate protective order and in attempting to keep such information confidential to the maximum extent possible. Executive agrees to promptly deliver to the Company upon request the originals and all copies, in whatever medium, of all such Confidential Information in Executive's possession, custody or control.

6.6 Permitted Uses of Trade Secrets. Misappropriation of a trade secret of the Company or any Company Affiliate in breach of this Agreement may subject Executive to liability under the Defend Trade Secrets Act of 2016 (the "DTSA"), entitle such parties to injunctive relief, and require Executive to pay compensatory damages, double damages, and attorneys' fees. Notwithstanding any other provision of this Agreement, Executive hereby is notified in accordance with the DTSA that Executive will not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that is made (a) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney, in each case solely for the purpose of reporting or investigating a suspected violation of law; or (b) in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. Executive is further notified that if Executive files a lawsuit for retaliation by the Company or any Company Affiliate for reporting a suspected violation of law, Executive may disclose such entity's trade secrets to Executive's attorney and use the trade secret information in the court proceeding if Executive files any document containing the trade secret under seal and does not disclose the trade secret except pursuant to court order.

6.7 Tangible Items. All files, records, documents, manuals, books, forms, reports, memoranda, studies, data, calculations, recordings, or correspondence, whether visually

perceptible, machine-readable or otherwise, in whatever form they may exist, and all copies, abstracts and summaries of the foregoing, and all physical items related to the business of the Company or any Company Affiliate, whether of a public nature or not, and whether prepared by Executive or not, are and shall remain the exclusive property of the Company or any Company Affiliate, as applicable, and shall not be removed from its premises, except as required in the course of Executive's employment by the Company, without the prior written consent of the Company. Such items, including any copies or other reproductions thereof, shall be promptly returned by Executive to the Company at any time upon the written request of the Company and in all events upon termination of her employment (or, if requested by the Company, destroyed by Executive).

6.8 Remedies. VICI REIT, the Company and Executive acknowledge and agree that a breach by Executive of any of the covenants contained in this Section 6 will cause immediate and irreparable harm and damage to the Company and the Company Affiliates, and that monetary damages will be inadequate to compensate the Company and the Company Affiliates, as the case may be, for such breach. Accordingly, Executive acknowledges that the Company and the Company Affiliates shall, in addition to any other remedies available to it at law or in equity, be entitled to an injunction from any court of competent jurisdiction enjoining and restraining any violation of said covenants by Executive or any of her affiliates, associates, partners or agents, either directly or indirectly, without the necessity of posting a bond, or proving the inadequacy of legal remedies or irreparable harm.

6.9 Modification. If, at any time, a reviewing court of appropriate jurisdiction called upon to issue an injunction in accordance with Section 6.8 finds any of the provisions of this Section 6 to be invalid or unenforceable under any applicable law, by reason of being vague or unreasonable as to area, duration, or scope of activity, this Agreement shall be considered divisible and such court shall have authority to modify this Agreement to cover only such area, duration, and scope as shall be determined to be reasonable and enforceable by the court. Executive, VICI REIT, and the Company agree that this Agreement, as so amended, shall be valid and binding as though any invalid or unenforceable provision had not been included herein.

6.10 Confidential Disclosure to Governmental and Quasi-Governmental Entities. Nothing in this Agreement prohibits or restricts Executive from reporting possible violations of federal, state, or local law or regulation to, or discussing any such possible violations with, any governmental agency or entity or self-regulatory organization, including by initiating communications directly with, responding to any inquiry from, or providing testimony before any federal, state, or local regulatory authority or agency or self-regulatory organization, including without limitation the Securities and Exchange Commission, the Equal Employment Opportunity Commission, FINRA, and the Occupational Safety and Health Administration, or making any other disclosures that are protected by the whistleblower provisions of any federal, state, or local law or regulation.

6.11 Company Property. The parties hereto agree that any work of authorship, invention, design, discovery, development, technique, improvement, source code, hardware, device, data, apparatus, practice, process, method, or other work product whatever related to the

Company's or the Company Affiliates' business (whether patentable or subject to copyright, or not, and hereinafter collectively called "discovery") that Executive, either solely or in collaboration with others, conceives, creates, makes, discovers, invents, develops, perfects, or reduces to practice during the term of Executive's employment, whether or not during regular business hours or on the Company's or any Company Affiliates' premises, shall be the sole and complete property of the Company and/or the Company Affiliates. More particularly, and without limiting the foregoing, Executive agrees that all of the foregoing and any (i) inventions (whether patentable or not, and without regard to whether any patent therefor is ever sought); (ii) marks, names, or logos (whether or not registrable as trade or service marks, and without regard to whether registration therefor is ever sought); (iii) works of authorship (without regard to whether any claim of copyright therein is ever registered); and (iv) trade secrets, ideas, and concepts (subsections (i) - (iv) collectively, "Intellectual Property Products") created, conceived, or prepared on the Company's or the Company Affiliates' premises or otherwise, whether or not during normal business hours, and related to the Company's business, shall perpetually and throughout the world be the exclusive property of the Company and/or the Company Affiliates, as shall all tangible media (including, but not limited to, papers, computer media, and digital and cloud-based of all types and models) in which such Intellectual Property Products shall be recorded or otherwise fixed. Upon termination of Executive's employment with the Company for any reason whatsoever, and at any earlier time the Company so requests, Executive will immediately deliver to the custody of the person designated by the CEO of the Company all originals and copies of any documents and other property of the Company or any Company Affiliates in Executive's possession or under Executive's custody or control.

6.12 Works for Hire. Executive agrees that all works of authorship created in whole or in part by Executive during Executive's engagement by the Company and related to the Company's Business shall be works made for hire of which the Company or the Company Affiliates is the author and owner of copyright. To the extent that any competent decision-making authority should ever determine that any work of authorship created by Executive during Executive's engagement by the Company is not a work made for hire, Executive hereby assigns all right, title, and interest in the copyright therein, in perpetuity and throughout the world, to the Company. To the extent that this Agreement does not otherwise serve to grant or otherwise vest in the Company or any of the Company Affiliates all rights in any Intellectual Property Product created in whole or in part by Executive during Executive's engagement by the Company, Executive hereby assigns all right, title, and interest therein, in perpetuity and throughout the world, to the Company. Executive agrees to execute, immediately upon the Company's reasonable request and without any additional compensation, any further assignments, applications, conveyances or other instruments, at any time after execution of this Agreement, whether or not Executive remains employed by the Company at the time such request is made, in order to permit the Company, the Company Affiliates, and/or their respective successors and assigns to protect, perfect, register, record, maintain, or enhance their rights in any Intellectual Property Product; provided, that, the Company shall bear the cost of any such assignments, applications, or consequences.

7. Litigation and Regulatory Cooperation. Executive agrees that upon separation for any reason from the Company, Executive will cooperate and assist in all ways reasonably requested

by the Company in assuring an orderly transition of all matters being handled by her, subject however to Executive's subsequent professional and employment obligations. During the Term and continuing thereafter upon termination of employment, Executive shall reasonably cooperate with the Company and the Company Affiliates in the defense or prosecution of any claims or actions now in existence or that may be brought or threatened in the future against or on behalf of any of the Company, the Company Affiliates, or any divisions, successors, and assigns thereof, about which the Company believes Executive may have relevant information. Executive's cooperation in connection with such claims or actions shall include, but not be limited to, being available to meet with counsel to prepare for discovery or trial and to act as a witness on behalf of the Company, the Company Affiliates, or any successors and assigns thereof at mutually convenient times. Executive also shall, subject however to Executive's subsequent professional and employment obligations, cooperate fully with the Company in connection with any investigation or review by any federal, state, or local regulatory authority as any such investigation or review relates to events or occurrences that transpired while Executive was employed by the Company. Executive's cooperation and assistance pursuant to this Section 7 shall be without additional consideration; provided, that, the Company will pay in advance for Executive's reasonable travel expenses incurred with respect to such cooperation and assistance. Executive shall not be required to cooperate against her legal interests or the legal interests of any entity that is then her employer.

8. Dispute Resolution. Except with respect to claims arising out of or related to a breach or alleged breach of Section 6, which claims may be brought in court, all disputes between the parties or any claims concerning the performance, breach, construction or interpretation of this Agreement, or in any manner arising out of this Agreement or Executive's employment by the Company, shall be submitted to binding arbitration in accordance with the Employment Arbitration Rules, as amended from time to time, of the American Arbitration Association (the "AAA"), which arbitration shall be carried out in the manner set forth below:

- (i) Such arbitration shall be conducted in New York, New York or such other location as the Company's headquarters may be located at such time, and the arbitrator will apply New York law, including federal law as applied in New York courts. The arbitration shall be conducted in accordance with the AAA's Employment Arbitration Rules, as modified by the terms set forth in this Agreement. The arbitration will be conducted by a single arbitrator, who shall be an attorney who specializes in the field of employment law and shall have prior experience arbitrating employment disputes. The fees and costs of the arbitrator and/or the AAA shall be divided among the Company and Executive, subject to reallocation as provided in Section 8(iv) below.
- (ii) The arbitrator shall not have the authority to modify the terms of this Agreement except to the extent that the Agreement violates any governing statute, in which case the arbitrator may modify the Agreement solely as necessary to not conflict with such statute. The arbitrator shall have the authority to award any remedy or relief that a court of the State of New York or federal court located in the State of

New York could grant in conformity with the applicable law on the basis of claims actually made in the arbitration. The arbitrator shall render an award and written opinion which shall set forth the factual and legal basis for the award.

- (iii) The award of the arbitrator shall be final and binding on VICI REIT, the Company and Executive, and judgment on the award may be confirmed and entered in any state or federal court located in New York, New York. The arbitration shall be conducted on a strictly confidential basis, and Executive shall not disclose the existence of a claim, the nature of a claim, any documents, exhibits, or information exchanged or presented in connection with any such a claim, or the result of any arbitration (collectively, "Arbitration Materials"), to any third party, with the sole exception of Executive's legal counsel, who Executive shall ensure adheres to all confidentiality terms in this Agreement. In the event of any court proceeding to challenge or enforce an arbitrator's award, the Company and Executive hereby consent to the exclusive jurisdiction of the state and federal courts in New York and agree to venue in that jurisdiction. VICI REIT, the Company and Executive agree to take all steps necessary to protect the confidentiality of the Arbitration Materials in connection with any such proceeding, agree to file all Confidential Information (and documents containing Confidential Information) under seal to the extent possible, and agree to the entry of an appropriate protective order encompassing the confidentiality terms of this Agreement.
- (iv) Each of VICI REIT, the Company and Executive agrees to pay its own costs and fees in connection with any arbitration of a dispute arising under this Agreement, and any court proceeding arising therefrom, provided, however, that (a) the arbitrator shall be authorized to award attorneys' fees and costs to any party in accordance with applicable law and (b) the arbitrator shall award to the party substantially prevailing in such arbitration her or its costs, including reasonable attorneys' fees.
- (v) TO THE EXTENT ANY DISPUTE IS FOUND NOT TO BE SUBJECT TO THIS ARBITRATION PROVISION, VICI REIT, THE COMPANY AND EXECUTIVE EACH HEREBY WAIVE THEIR RESPECTIVE RIGHTS TO TRIAL BY JURY.

EXECUTIVE ACKNOWLEDGES THAT EXECUTIVE HAS CAREFULLY READ THIS SECTION 8, VOLUNTARILY AGREES TO ARBITRATE ALL DISPUTES, AND HAS HAD THE OPPORTUNITY TO REVIEW THE PROVISIONS OF SECTION 8 WITH ANY ADVISORS AS EXECUTIVE CONSIDERED NECESSARY. BY SIGNING BELOW,

EXECUTIVE SIGNIFIES EXECUTIVE'S UNDERSTANDING AND AGREEMENT TO SECTION 8.

9. Severability. As the provisions of this Agreement are independent of and severable from each other, the Company and Executive agree that if, in any action before any court or agency legally empowered to enforce this Agreement, any term, restriction, covenant, or promise hereof is found to be unreasonable or otherwise unenforceable, then such decision shall not affect the validity of the other provisions of this Agreement, and such invalid term, restriction, covenant, or promise shall also be deemed modified to the extent necessary to make it enforceable.

10. Notice. For purposes of this Agreement, notices, demands and all other communications provided for in this Agreement shall be in writing and shall be deemed to have been duly given when received if delivered in person, the next business day if delivered by overnight commercial courier (e.g., Federal Express), or the third business day if mailed by United States certified mail, return receipt requested, postage prepaid, to the following addresses:

(a) If to VICI REIT or the Company, to:

VICI Properties Inc.
8329 W. Sunset Road, Suite 210
Las Vegas, Nevada 89113
Attn: Chief Executive Officer

(b) If to Executive, to:

Samantha Gallagher
at the address on record with the Company

Either party may change its address for notices in accordance with this Section 10 by providing written notice of such change to the other party.

11. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of New York applicable to contracts to be performed therein.

12. Benefits; Binding Effect; Assignment. This Agreement shall be binding upon and inure to the benefit of the parties and their respective heirs, personal representatives, legal representatives, successors and permitted assigns. Executive shall not assign this Agreement or any of Executive's obligations hereunder in whole or in part. However, VICI REIT and the Company are expressly authorized to assign this Agreement to a Company Affiliate upon written notice to Executive, provided that (a) the assignee assumes all of the obligations of VICI REIT and the Company under this Agreement, (b) Executive's role when viewed from the perspective of Company Affiliates in the aggregate is comparable to such role immediately before the assignment, and (c) VICI REIT and the Company, for so long as an affiliate of the assignee, remains secondarily liable for the financial obligations hereunder.

13. Attorneys' Fees. The Company agrees to reimburse Executive up to \$15,000 for her reasonable legal fees incurred in reviewing this Agreement.
14. Interpretation. As all parties have had the opportunity to consult with legal counsel of their own choosing, no provision of this Agreement shall be construed against or interpreted to the disadvantage of any party by reason of such party having, or being deemed to have, drafted, devised, or imposed such provision.
15. Entire Agreement. This Agreement constitutes the entire agreement between the parties, and all prior understandings, agreements or undertakings between the parties concerning Executive's employment or the other subject matters of this Agreement are superseded in their entirety by this Agreement.
16. Waivers and Amendments. This Agreement may be amended, superseded, canceled, renewed or extended, and the terms hereof may be waived, only by a written instrument signed by the parties or, in the case of a waiver, by the party waiving compliance. No delay on the part of any party in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any waiver on the part of any party of any such right, power or privilege nor any single or partial exercise of any such right, power or privilege, preclude any other or further exercise thereof or the exercise of any other such right, power or privilege.
17. No Duty to Mitigate. Executive shall not be required to mitigate damages or the amount of any payment provided for under this Agreement by seeking other employment or otherwise, nor will any payments hereunder be subject to offset in the event Executive does mitigate.
18. Counterparts. This Agreement may be executed in counterparts, each of which will be deemed an original, but which together shall be one and the same instrument.
19. Tax Advice. Executive confirms and represents to VICI REIT and the Company that she has had the opportunity to obtain the advice of legal counsel, financial and tax advisers, and such other professionals as she deems necessary for entering into this Agreement, and she has not relied upon the advice of VICI REIT, the Company or their respective officers, directors, or employees.
20. Withholding. Any payments made to Executive under this Agreement shall be reduced by any applicable withholding taxes or other amounts required to be withheld by law or contract.
21. Section 409A. This Agreement is intended to comply with, or be exempt from, the requirements of Section 409A, with respect to amounts subject thereto, and shall be interpreted and construed consistent with that intent. No expenses eligible for reimbursement, or in-kind benefits to be provided, during any calendar year shall affect the amounts eligible for reimbursement in any other calendar year, to the extent subject to the requirements of Section 409A, and no such right to reimbursement or right to in-kind benefits shall be subject to liquidation or exchange for any other benefit. For purposes of Section 409A, each payment in a

series of installment payments provided under this Agreement shall be treated as a separate payment. Any payments to be made under this Agreement upon a termination of employment shall only be made upon a “separation from service” under Section 409A.

22. Survivability. Those provisions and obligations of this Agreement which are intended to survive shall survive notwithstanding termination of Executive’s employment with the Company.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have signed their names as of the day and year first above written.

VICI PROPERTIES INC.

By: /s/ Edward B Pitoniak
Name: Edward B Pitoniak
Title: CEO

VICI PROPERTIES L.P.

By: /s/ Edward B Pitoniak
Name: Edward B Pitoniak
Title: CEO

/s/ Samantha Gallagher
Samantha Gallagher

EXHIBIT A

SEPARATION AGREEMENT AND RELEASE

In consideration of and in accordance with the _____, 2017 Employment Agreement by and between Samantha Gallagher, ("Executive") and VICI Properties Inc. ("VICI REIT") and VICI Properties L.P., (together with its successors and assigns, the "Company") ("Employment Agreement"), of which this Exhibit A is part, Executive hereby agrees as follows. All terms not defined in this Separation Agreement and Release ("Separation Agreement") shall have the same meanings as those set forth in the Employment Agreement.

1. **Consideration.** Executive acknowledges and agrees that the payments and benefits to be paid to Executive under Section [4.3][4.4][4.5] of the Employment Agreement, as set forth in a schedule hereto (the "Consideration Amounts"), represent good, valuable, and sufficient consideration for signing this Separation Agreement, and exceed any amounts or interests to which Executive otherwise would be entitled. Executive acknowledges and agrees that except as specifically provided in this Separation Agreement, VICI REIT and the Company shall have no other obligations or liabilities, monetary or otherwise, to Executive following the date hereof and that the payments and benefits contemplated herein constitute a complete settlement, satisfaction, and waiver of any and all claims Executive may have against VICI REIT and the Company.

2. **Release of Claims.**

(a) Executive, for Executive, Executive's spouse, and each of Executive's heirs, beneficiaries, representatives, agents, successors, and assigns (collectively, "Executive Releasers"), irrevocably and unconditionally releases and forever discharges each of VICI REIT and the Company, (i) each and all of their predecessors, parents, Subsidiaries, Affiliates, divisions, successors, and assigns (collectively with VICI REIT and the Company, the "Company Entities"), (ii) each and all of the Company Entities' current and former officers, directors, employees, and, in their respective capacities as such, each and all of the Company Entities' shareholders, representatives, attorneys, agents, and assigns (collectively, with the Company Entities, the "Company Releasees"), from any and all causes of action, claims, actions, rights, judgments, obligations, damages, demands, accountings, or liabilities of any kind or character, whether known or unknown, whether accrued or contingent, that Executive has, had, or may have against them, or any of them, by reason of, arising out of, connected with, touching upon, or concerning Executive's employment with the Company, Executive's separation from the Company, and Executive's relationship with any or all of the Company Releasees, and from any and all statutory claims, regulatory claims, claims under the Employment Agreement, and any and all other claims or matters of whatever kind, nature, or description, arising from the beginning of the world up through the Separation Agreement Effective Date (as defined below) (collectively, the "Released Claims"). Executive acknowledges that the Released Claims specifically include, but are not limited to, any and all claims for fraud, breach of express or implied contract, breach of the implied covenant of good faith and fair dealing, interference with contractual rights, violation of public policy, invasion of privacy, intentional or negligent infliction of emotional distress, intentional or negligent misrepresentation, defamation, libel, slander, or breach of privacy; claims for failure to pay wages,

benefits, deferred compensation, commissions, bonuses, vacation pay, expenses, severance pay, attorneys' fees, or other compensation of any sort; claims related to stock options, equity awards, or other grants, awards, or warrants; claims related to any tangible or intangible property of Executive that remains with the Company; claims for retaliation, harassment or discrimination on the basis of race, color, sex, sexual orientation, national origin, ancestry, religion, age, disability, medical condition, marital status, gender identity, gender expression, or any other characteristic or criteria protected by law; any claim under Title VII of the Civil Rights Act of 1964 (Title VII, as amended), 42 U.S.C. §§ 2000e, et seq., the Civil Rights Act of 1991, the Civil Rights Act of 1866, the Family and Medical Leave Act ("FMLA"), 29 U.S.C. §§ 2601, et seq., the Fair Labor Standards Act ("FLSA"), 29 U.S.C. §§ 201, et seq., the Equal Pay Act, 29 U.S.C. §206(a) and interpretive regulations, the Americans with Disabilities Act ("ADA"), 42 U.S.C. §§ 12101, et seq., the Consolidated Omnibus Budget Reconciliation Act of 1986 ("COBRA"), the Occupational Safety and Health Act ("OSHA") or any other health and/or safety laws, statutes, or regulations, the Uniformed Services Employment and Reemployment Rights Act ("USERRA"), 38 U.S.C. §§ 4301-4333, the Employee Retirement Income Security Act of 1974 ("ERISA"), 29 U.S.C. §§ 301, et seq., the Immigration Reform and Control Act of 1986, 8 U.S.C. §§ 1101, et seq., or the Internal Revenue Code of 1986, as amended, the Worker Adjustment and Retraining Notification Act; all claims arising under the Sarbanes-Oxley Act of 2002 (Public Law 107-204), including whistleblowing claims under 18 U.S.C. §§ 1513(e) and 1514A; the applicable state Wage and Hour Laws, and any and all other foreign, federal, state, or local laws, common law, or case law, including but not limited to all statutes, regulations, common law, and other laws in place in New York, New York. Notwithstanding anything in this Separation Agreement to the contrary, Executive is not releasing pursuant to this Separation Agreement any claims with respect to (i) Annual Salary due under the Employment Agreement through the date of termination, (ii) amounts payable pursuant to this Agreement, (iii) vested employee benefits or vested deferred compensation under VICI REIT's and the Company's applicable plans and arrangements, (iv) matters which cannot be released under applicable law, (v) indemnification by VICI REIT and the Company to the maximum extent pursuant to its by-laws and to third party directors' and officers' liability or other insurance coverage, and/or (vi) any rights or claims arising out of events or circumstances that occur after Executive's execution of this Separation Agreement.

(b) Executive acknowledges that there is a risk that after the execution of this Separation Agreement, Executive will incur or suffer damage, loss, or injury that is in some way caused by or connected with Executive's employment with the Company or its Subsidiaries or Affiliates or Executive's separation from the Company or its Subsidiaries or Affiliates, and any relationship with or membership or investment in the Company Releasees, but that is unknown or unanticipated at the time of execution of this Separation Agreement. Executive specifically assumes that risk, and agrees that this Separation Agreement and the Released Claims apply to all unknown or unanticipated, accrued or contingent claims and all matters caused by or connected with Executive's employment with the Company or its Subsidiaries or Affiliates and/or Executive's separation from the Company or its Subsidiaries or Affiliates, as well as those claims currently known or anticipated. Executive acknowledges and agrees that this Separation Agreement constitutes a knowing and voluntary waiver of any and all rights and claims Executive does or may have as of the Separation Agreement Effective Date. Executive acknowledges that Executive has

waived rights or claims pursuant to this Separation Agreement in exchange for consideration, the value of which exceeds payment or remuneration to which Executive otherwise would be entitled.

(c) To the extent permitted by law, Executive agrees never to file a lawsuit or other adversarial proceeding with any court or arbitrator against VICI REIT, the Company or any other Company Releasee asserting any Released Claims. Executive represents and agrees that, prior to signing this Separation Agreement, Executive has not filed or pursued any complaints, charges, or lawsuits of any kind with any court, governmental or administrative agency, arbitrator, or other forum against VICI REIT, the Company or any of the other Company Releasees, asserting any claims whatsoever. Executive understands and acknowledges that, in the event Executive files an administrative charge or commences any proceeding with respect to any Released Claim, or in the event another person or entity does so in whole or in part on Executive's behalf, Executive waives and is estopped from receiving any monetary award or other legal or equitable relief in connection with any such proceeding.

(d) Executive represents and warrants that Executive has not assigned, transferred, or permitted the subrogation of any of Executive's rights, claims, and/or causes of action, including any claims referenced in this Separation Agreement, or authorized any other person or entity to assert any such claim or claims on Executive's behalf, and Executive agrees to indemnify and hold harmless VICI REIT and the Company against any assignment, transfer, or subrogation of said rights, claims, and/or causes of action.

3. **Survival.** The following Sections of the Employment Agreement shall remain in full force and effect following the Termination Date: Section 3.2(d) ("Clawback"), Section 4 ("Termination of Employment"), Section 6 ("Non-Competition, Non-Solicitation, and Confidentiality; Certain Other Covenants"), Section 7 ("Litigation And Regulatory Cooperation") Section 8 ("Dispute Resolution"), Section 10 ("Notice") and Section 12 ("Benefits; Binding Effect; Assignment"). Any disputes arising in connection with this Separation Agreement or otherwise arising between any of Executive Releasors, on the one hand, and any of the Company Releasees, on the other hand, shall be resolved in accordance with Sections 6 and 8 of the Employment Agreement.

4. **Tax Liability.** Executive expressly acknowledges that neither VICI REIT nor the Company nor its attorneys have made any representations to Executive regarding the tax consequences of the consideration provided to Executive pursuant to this Separation Agreement and the Employment Agreement. It is the intention of the parties to this Separation Agreement that no payments made under this Separation Agreement and/or the Employment Agreement be subject to the additional tax on deferred compensation imposed by Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"), but neither VICI REIT nor the Company guarantees that any such payment complies with or is exempt from Code Section 409A. Each payment made under this Separation Agreement or the Employment Agreement will be treated as a separate payment for purposes of Code Section 409A and the right to a series of installment payments under this Separation Agreement is to be treated as a right to a series of separate payments.

5. **Knowing/Voluntary Waiver.**

(a) Executive is entitled to consider the terms of this Separation Agreement for twenty-one (21) days before signing it. If Executive fails to execute this Separation Agreement within this twenty-one (21) day period, this Separation Agreement will be null and void and of no force or effect. To execute this Separation Agreement, Executive must sign and date the Separation Agreement below, and return a signed copy hereof to Attn: General Counsel, VICI Properties Inc., 8329 W. Sunset Road, Suite 210 Las Vegas, Nevada 89113, (phone): (702) 407-6000, via nationally recognized overnight carrier or email.

(b) Executive may revoke this Separation Agreement within seven (7) days of Executive's signing it by delivering a written notice of such revocation to Attn: Chief Executive Officer, VICI Properties Inc., 8329 W. Sunset Road, Suite 210 Las Vegas, Nevada 89113, (phone): (702) 407-6000, via nationally recognized overnight carrier or email. If Executive revokes this Separation Agreement within seven (7) days of signing it, this Separation Agreement and the promises contained herein automatically will be null and void. If Executive signs this Separation Agreement and does not revoke this Separation Agreement within seven (7) days of signing it, this Separation Agreement shall become binding, effective, and irrevocable on the eighth (8th) day after the Separation Agreement is executed by both parties (the "Separation Agreement Effective Date").

(c) Executive acknowledges that Executive (a) has carefully read this Separation Agreement and the Employment Agreement; (b) is competent to manage Executive's own affairs; (c) fully understands the Separation Agreement's and Employment Agreement's contents and legal effect, and understands that Executive is giving up any legal claims Executive has against any of the Company Releasees, including but not limited to any and all legal rights or claims under the Age Discrimination in Employment Act of 1967 ("ADEA") (29 U.S.C. § 626, as amended), and all other federal, state, foreign, and local laws regarding age discrimination, whether those claims are presently known or hereafter discovered; (d) has been advised to consult with an attorney of Executive's choosing prior to signing this Separation Agreement, if Executive so desires; and (e) has chosen to enter into this Separation Agreement freely, without coercion, and based upon Executive's own judgment, and that Executive has not relied upon any promises made by any of the Company Releasees, other than the promises explicitly contained in this Separation Agreement.

6. **Miscellaneous.**

This Separation Agreement may be executed in counterparts, each of which shall be deemed an original, and both of which together shall constitute one and the same instrument. The section headings in this Separation Agreement are provided for convenience only and shall not affect the construction or interpretation of this Separation Agreement or the provisions hereof.

This Separation Agreement shall not in any way be construed as an admission that VICI REIT, the Company, Executive, or any other individual or entity has any liability to or acted wrongfully in any way with respect to Executive, VICI REIT, the Company, or any other person.

This Separation Agreement shall not be construed against either Party, and no consideration shall be given or presumption made on the basis of who drafted the Separation

Agreement or any particular provision hereof or who supplied the form of this Separation Agreement. In construing the Separation Agreement, (i) examples shall not be construed to limit, expressly or by implication, the matter they illustrate, (ii) the connectives “and,” “or,” and “and/or” shall be construed either disjunctively or conjunctively so as to construe a sentence or clause most broadly and bring within its scope all subject matter that might otherwise be construed to be outside of its scope; (iii) the word “includes” and its derivatives means “includes, but is not limited to” and corresponding derivative expressions, (iv) a defined term has its defined meaning throughout the Separation Agreement, whether it appears before or after the place where it is defined, and (v) the headings and titles herein are for convenience only and shall have no significance in the interpretation hereof.

The Parties agree that each of the Company Releasees is an intended third party beneficiary of this Separation Agreement and shall have the authority to enforce the provisions applicable to it, her, or Executive in accordance with the terms of hereof.

7. **Entire Agreement.** Except as otherwise specifically provided herein, this Separation Agreement constitutes the entire agreement of the Parties with respect to the subject matter hereof, contains all the covenants, promises, representations, warranties, and agreements between the Parties with respect to Executive’s separation from VICI REIT and the Company and all positions therewith; provided, however, that nothing in this Agreement shall supersede the Sections in the Employment Agreement identified in Paragraph 3 (“Survival”) of this Separation Agreement. Any modification of this Separation Agreement will be effective only if it is in writing and signed by Executive and the Chief Executive Officer of the Company.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have executed this General Release on this ____ day of _____.

EXECUTIVE

Samantha Gallagher

VICI Properties Inc.

By: _____
Name: _____
Title: _____

VICI Properties L.P.

By: _____
Name: _____
Title: _____

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) 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
 - c) 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;
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: August 2, 2018

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) 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
 - c) 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: August 2, 2018

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 June 30, 2018 (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: August 2, 2018

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 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 June 30, 2018 (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: August 2, 2018

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.