



GAMING & LEISURE
PROPERTIES, INC.

Gaming and Leisure Properties and Eldorado Resorts Enter Into Agreement for Mutually Beneficial Lease Modifications

Jun 15, 2020

WYOMISSING, Pa., June 15, 2020 (GLOBE NEWSWIRE) -- Gaming and Leisure Properties, Inc. (NASDAQ: GLPI) ("GLPI" or the "Company") and Eldorado Resorts, Inc. (NASDAQ: ERI) ("Eldorado") announced today that the companies have agreed to mutually beneficial amendments to their master lease agreement that further both companies' strategies. The Amended and Restated Master Lease (the "Master Lease") is subject to the review of certain gaming regulatory agencies and the expiration of applicable gaming regulatory advance notice periods.

Pursuant to the terms of the agreed upon lease amendment, the variable rent construct and the EBITDAR based escalator test in the existing Master Lease have been eliminated. The portion of the rent subject to escalation will have fixed escalation percentages going forward. Given the backdrop of COVID-19, the companies have agreed upon no rent escalation in each of 2020 and 2021. The fixed escalation term of the Master Lease will commence with a 1.25% escalation on each of October 1, 2022 and October 1, 2023; followed by a 1.75% escalation on each of October 1, 2024 and October 1, 2025. Beginning on October 1, 2026 and for all subsequent lease years, the Master Lease will include a 2.0% fixed annual escalator. In addition, the companies have agreed to extend the Master Lease's initial term to 20 years (through September 30, 2038) with a renewal options of up to an additional 20 years.

Further, Eldorado, subject to the satisfaction of certain conditions, can also replace its Tropicana Evansville and/or Tropicana Greenville properties in the Master Lease with one or more properties from a pre-determined list of existing Eldorado properties, provided that the aggregate replacement value is at least equal to the value of Tropicana Evansville and/or Tropicana Greenville, as applicable. In addition, Eldorado will be permitted to divest of the operations of Belle of Baton Rouge Casino & Hotel, with GLPI having the option to divest of its real property interests in such transaction or retain such interests through a new lease.

Peter Carlino, Chief Executive Officer of Gaming and Leisure Properties, commented, "This mutually beneficial agreement demonstrates our continued commitment to improve the durability and predictability of our rental cash flows. The elimination of variable rent volatility from our Master Lease with Eldorado as well as the extension of the initial term are noteworthy accomplishments in our proposed agreement with Eldorado. The amended Master Lease will also create flexibility should Eldorado pursue portfolio realignment following the completion of their pending merger transaction with Caesars Entertainment. We believe the proposed modifications will further enhance our long-term cash flow visibility and more closely align our interests with the Eldorado team as they move towards completion of their transformative Caesars transaction."

About Gaming and Leisure Properties

GLPI is engaged in the business of acquiring, financing, and owning real estate property to be leased to gaming operators in triple-net lease arrangements, pursuant to which the tenant is responsible for all facility maintenance, insurance required in connection with the leased properties and the business conducted on the leased properties, taxes levied on or with respect to the leased properties and all utilities and other services necessary or appropriate for the leased properties and the business conducted on the leased properties. GLPI expects to grow its portfolio by pursuing opportunities to acquire additional gaming facilities to lease to gaming operators. GLPI also intends to diversify its portfolio over time, including by acquiring properties outside the gaming industry to lease to third parties. GLPI elected to be taxed as a REIT for United States federal income tax purposes commencing with the 2014 taxable year and was the first gaming-focused REIT in North America.

Forward-Looking Statements

This press release includes "forward-looking statements" within the meaning of Section 27A of the Securities Act and Section 21E of the Securities Exchange Act of 1934, as amended, including our expectations regarding the expected impact of the amendments to GLPI's master lease with Eldorado and future acquisitions. Forward-looking statements can be identified by the use of forward-looking terminology such as "expects," "believes," "estimates," "intends," "may," "will," "should" or "anticipates" or the negative or other variation of these or similar words, or by discussions of future events, strategies or risks and uncertainties. Such forward looking statements are inherently subject to risks, uncertainties and assumptions about GLPI and its subsidiaries, including risks related to the following: the ability to consummate the transactions contemplated by the amended Master Lease with an affiliate of Eldorado on terms and conditions favorable to GLPI; the availability of and the ability to identify suitable and attractive acquisition and development opportunities and the ability to acquire and lease those properties on favorable terms; the ability to receive, or delays in obtaining, the regulatory approvals required to own and/or operate its properties, or other delays or impediments to completing acquisitions or projects; GLPI's ability to maintain its status as a REIT; our ability to access capital through debt and equity markets in amounts and at rates and costs acceptable to GLPI; the impact of our substantial indebtedness on our future operations; changes in the U.S. tax law and other state, federal or local laws, whether or not specific to REITs or to the gaming or lodging industries; and other factors described in GLPI's Annual Report on Form 10-K for the year ended December 31, 2019, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K, each as filed with the Securities and Exchange Commission. All subsequent written and oral forward-looking statements attributable to GLPI or persons acting on GLPI's behalf are expressly qualified in their entirety by the cautionary statements included in this press release. GLPI undertakes no obligation to publicly update or revise any forward-looking statements contained or incorporated by reference herein, whether as a result of new information, future events or otherwise, except as required by law. In light of these risks, uncertainties and assumptions, the forward-looking events discussed in this press release may not occur.

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