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, 2019

or

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

For the transition period from to

Commission File Number: 001-36124

Gaming & Leisure Properties, Inc.
(Exact name of registrant as specified in its charter)

Pennsylvania	**46-2116489**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

845 Berkshire Blvd., Suite 200
Wyomissing, PA 19610
(Address of principal executive offices) (Zip Code)

610-401-2900
(Registrant's telephone number, including area code)
Not Applicable
(Former name, former address, and former fiscal year, if changed since last report)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value $.01 per share	GLPI	Nasdaq

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

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit 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:

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

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 ☒
Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Title	August 7, 2019
Common Stock, par value $.01 per share	214,682,856

Forward-looking statements in this document are subject to known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements of Gaming and Leisure Properties, Inc. ("GLPI") and its subsidiaries (collectively, the "Company") to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Forward-looking statements include information concerning the Company's business strategy, plans, goals and objectives.

Forward-looking statements in this document include, but are not limited to, statements regarding our ability to grow our portfolio of gaming facilities and to secure additional avenues of growth beyond the gaming industry. In addition, statements preceded by, followed by or that otherwise include the words "believes," "expects," "anticipates," "intends," "projects," "estimates," "plans," "may increase," "may fluctuate," and similar expressions or future or conditional verbs such as "will," "should," "would," "may" and "could" are generally forward-looking in nature and not historical facts. You should understand that the following important factors could affect future results and could cause actual results to differ materially from those expressed in such forward-looking statements:

- the availability of and the ability to identify suitable and attractive acquisition and development opportunities and the ability to acquire and lease the respective properties on favorable terms;
- the degree and nature of our competition;
- the ability to receive, or delays in obtaining, the regulatory approvals required to own and/or operate our properties, or other delays or impediments to completing our planned acquisitions or projects;
- our ability to maintain our status as a real estate investment trust ("REIT"), given the highly technical and complex Internal Revenue Code (the "Code") provisions for which only limited judicial and administrative authorities exist, where even a technical or inadvertent violation could jeopardize REIT qualification and where requirements may depend in part on the actions of third parties over which the Company has no control or only limited influence;
- the satisfaction of certain asset, income, organizational, distribution, shareholder ownership and other requirements on a continuing basis in order for the Company to maintain its REIT status;
- the ability and willingness of our tenants, operators and other third parties to meet and/or perform their obligations under their respective contractual arrangements with us, including lease and note requirements and in some cases, their obligations to indemnify, defend and hold us harmless from and against various claims, litigation and liabilities;
- the ability of our tenants and operators to maintain the financial strength and liquidity necessary to satisfy their respective obligations and liabilities to third parties, including without limitation to satisfy obligations under their existing credit facilities and other indebtedness;
- the ability of our tenants and operators to comply with laws, rules and regulations in the operation of our properties, to deliver high quality services, to attract and retain qualified personnel and to attract customers;
- the satisfaction of the mortgage loan made to Eldorado Resorts, Inc. ("Eldorado") by way of substitution of one or more additional Eldorado properties acceptable to Eldorado and the Company, which will be transferred to the Company;
- the ability to generate sufficient cash flows to service our outstanding indebtedness;
- the access to debt and equity capital markets, including for acquisitions or refinancings due to maturities;
- adverse changes in our credit rating;
- fluctuating interest rates;
- the impact of global or regional economic conditions;
- the availability of qualified personnel and our ability to retain our key management personnel;
- GLPI's obligation to indemnify Penn National Gaming, Inc. and its subsidiaries in certain circumstances if the spin-off transaction described in Note 1 to the condensed consolidated financial statements fails to be tax-free;

- changes in the United States tax law and other state, federal or local laws, whether or not specific to real estate, real estate investment trusts or to the gaming, lodging or hospitality industries;
- changes in accounting standards;
- the impact of weather events or conditions, natural disasters, acts of terrorism and other international hostilities, war or political instability;
- other risks inherent in the real estate business, including potential liability relating to environmental matters and illiquidity of real estate investments; and
- additional factors as discussed in the Company’s Annual Report on Form 10-K for the year ended December 31, 2018, in this Quarterly Report on Form 10-Q and Current Reports on Form 8-K as filed with the United States Securities and Exchange Commission.

Certain of these factors and other factors, risks and uncertainties are discussed in the "Risk Factors" section in the Company’s Annual Report on Form 10-K for the year ended December 31, 2018 and this Quarterly Report on Form 10-Q. Other unknown or unpredictable factors may also cause actual results to differ materially from those projected by the forward-looking statements. Most of these factors are difficult to anticipate and are generally beyond the control of the Company.

You should consider the areas of risk described above, as well as those set forth in the "Risk Factors" section in the Company’s Annual Report on Form 10-K for the year ended December 31, 2018 and this Quarterly Report on Form 10-Q, in connection with considering any forward-looking statements that may be made by the Company generally. Except for the ongoing obligations of the Company to disclose material information under the federal securities laws, the Company does not undertake any obligation to release publicly any revisions to any forward-looking statements, to report events or to report the occurrence of unanticipated events unless required to do so by law.

GAMING AND LEISURE PROPERTIES, INC. AND SUBSIDIARIES

TABLE OF CONTENTS

PART I.	FINANCIAL INFORMATION	4
ITEM 1.	FINANCIAL STATEMENTS (Unaudited)	4
	Condensed Consolidated Balance Sheets - June 30, 2019 and December 31, 2018	4
	Condensed Consolidated Statements of Income - Three and Six Months Ended June 30, 2019 and 2018	5
	Condensed Consolidated Statement of Changes in Shareholders' Equity - Three and Six Months Ended June 30, 2019 and 2018	6
	Condensed Consolidated Statements of Cash Flows - Six Months Ended June 30, 2019 and 2018	7
	Notes to the Condensed Consolidated Financial Statements	8
ITEM 2.	MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS	33
ITEM 3.	QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK	47
ITEM 4.	CONTROLS AND PROCEDURES	48
PART II.	OTHER INFORMATION	49
ITEM 1.	LEGAL PROCEEDINGS	49
ITEM 1A.	RISK FACTORS	49
ITEM 2.	UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS	49
ITEM 3.	DEFAULTS UPON SENIOR SECURITIES	49
ITEM 4.	MINE SAFETY DISCLOSURES	49
ITEM 5.	OTHER INFORMATION	49
ITEM 6.	EXHIBITS	50
SIGNATURE		51

Table of Contents

PART I. FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS

Gaming and Leisure Properties, Inc. and Subsidiaries
Condensed Consolidated Balance Sheets
(amounts in thousands, except share data)

	June 30, 2019 (unaudited)	December 31, 2018
Assets		
Real estate investments, net	$ 7,210,028	$ 7,331,460
Property and equipment, used in operations, net	97,219	100,884
Mortgage loans receivable	303,684	303,684
Right-of-use assets and land rights, net	862,927	673,207
Cash and cash equivalents	24,739	25,783
Prepaid expenses	2,943	30,967
Goodwill	16,067	16,067
Other intangible assets	9,577	9,577
Loan receivable	—	13,000
Deferred tax assets	5,721	5,178
Other assets	30,959	67,486
Total assets	$ 8,563,864	$ 8,577,293
Liabilities		
Accounts payable	$ 171	$ 2,511
Accrued expenses	6,778	30,297
Accrued interest	53,340	45,261
Accrued salaries and wages	8,120	17,010
Gaming, property, and other taxes	966	42,879
Lease liabilities	202,098	—
Long-term debt, net of unamortized debt issuance costs, bond premiums and original issuance discounts	5,796,990	5,853,497
Deferred rental revenue	311,198	293,911
Deferred tax liabilities	233	261
Other liabilities	25,283	26,059
Total liabilities	6,405,177	6,311,686
Shareholders' equity		
Preferred stock ($.01 par value, 50,000,000 shares authorized, no shares issued or outstanding at June 30, 2019 and December 31, 2018)	—	—
Common stock ($.01 par value, 500,000,000 shares authorized, 214,673,135 and 214,211,932 shares issued and outstanding at June 30, 2019 and December 31, 2018, respectively)	2,147	2,142
Additional paid-in capital	3,951,949	3,952,503
Accumulated deficit	(1,795,409)	(1,689,038)
Total shareholders' equity	2,158,687	2,265,607
Total liabilities and shareholders' equity	$ 8,563,864	$ 8,577,293

See accompanying notes to the condensed consolidated financial statements.

Table of Contents

Gaming and Leisure Properties, Inc. and Subsidiaries
Condensed Consolidated Statements of Income
(in thousands, except per share data)
(unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
Revenues				
Rental income	$ 248,563	$ 169,865	$ 496,241	$ 339,270
Income from direct financing lease	—	26,984	—	45,605
Interest income from mortgaged real estate	7,201	—	14,394	—
Real estate taxes paid by tenants	—	21,483	—	42,761
Total income from real estate	255,764	218,332	510,635	427,636
Gaming, food, beverage and other	33,249	35,889	66,242	70,635
Total revenues	289,013	254,221	576,877	498,271
Operating expenses				
Gaming, food, beverage and other	19,168	20,407	38,190	40,065
Real estate taxes	—	21,800	—	43,395
Land rights and ground lease expense	15,229	6,444	24,478	12,976
General and administrative	15,984	24,806	33,224	41,266
Depreciation	67,865	27,523	126,443	55,477
Loan impairment charges	—	—	13,000	—
Total operating expenses	118,246	100,980	235,335	193,179
Income from operations	170,767	153,241	341,542	305,092
Other income (expenses)				
Interest expense	(76,523)	(57,055)	(153,251)	(111,123)
Interest income	248	891	337	1,372
Losses on debt extinguishment	—	(3,473)	—	(3,473)
Total other expenses	(76,275)	(59,637)	(152,914)	(113,224)
Income before income taxes	94,492	93,604	188,628	191,868
Income tax expense	1,459	1,606	2,585	3,098
Net income	$ 93,033	$ 91,998	$ 186,043	$ 188,770
Earnings per common share:				
Basic earnings per common share	$ 0.43	$ 0.43	$ 0.87	$ 0.88
Diluted earnings per common share	$ 0.43	$ 0.43	$ 0.86	$ 0.88

See accompanying notes to the condensed consolidated financial statements.

Gaming and Leisure Properties, Inc. and Subsidiaries
Condensed Consolidated Statement of Changes in Shareholders' Equity
(in thousands, except share data)
(unaudited)

	Common Stock		Additional Paid-In Capital	Accumulated Deficit	Total Shareholders' Equity
	Shares	Amount			
Balance, December 31, 2018	214,211,932	$ 2,142	$ 3,952,503	$ (1,689,038)	$ 2,265,607
Stock option activity	26,799	—	592	—	592
Restricted stock activity	406,769	4	(5,327)	—	(5,323)
Dividends paid ($0.68 per common share)	—	—	—	(146,202)	(146,202)
Net income	—	—	—	93,010	93,010
Balance, March 31, 2019	214,645,500	$ 2,146	$ 3,947,768	$ (1,742,230)	$ 2,207,684
Restricted stock activity	27,635	1	4,181	—	4,182
Dividends paid ($0.68 per common share)	—	—	—	(146,212)	(146,212)
Net income	—	—	—	93,033	93,033
Balance, June 30, 2019	214,673,135	$ 2,147	$ 3,951,949	$ (1,795,409)	$ 2,158,687

	Common Stock		Additional Paid-In Capital	Accumulated Deficit	Total Shareholders' Equity
	Shares	Amount			
Balance, December 31, 2017	212,717,549	$ 2,127	$ 3,933,829	$ (1,477,709)	$ 2,458,247
Stock option activity	297,605	3	5,241	—	5,244
Restricted stock activity	483,095	5	(8,293)	—	(8,288)
Dividends paid ($0.63 per common share)	—	—	—	(134,717)	(134,717)
Adoption of new revenue standard	—	—	—	(410)	(410)
Net income	—	—	—	96,772	96,772
Balance, March 31, 2018	213,498,249	$ 2,135	$ 3,930,777	$ (1,516,064)	$ 2,416,848
Stock option activity	236,240	2	4,125	—	4,127
Restricted stock activity	3,450	—	615	—	615
Dividends paid ($0.63 per common share)	—	—	—	(134,820)	(134,820)
Net income	—	—	—	91,998	91,998
Balance, June 30, 2018	213,737,939	$ 2,137	$ 3,935,517	$ (1,558,886)	$ 2,378,768

See accompanying notes to the condensed consolidated financial statements.

Gaming and Leisure Properties, Inc. and Subsidiaries
Condensed Consolidated Statements of Cash Flows
(in thousands)
(unaudited)

Six months ended June 30,	2019	2018
Operating activities		
Net income	$ 186,043	$ 188,770
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	138,939	60,932
Amortization of debt issuance costs, bond premiums and original issuance discounts	5,790	6,296
Losses on dispositions of property	13	225
Deferred income taxes	(466)	(117)
Stock-based compensation	8,508	4,603
Straight-line rent adjustments	17,287	33,233
Losses on debt extinguishment	—	3,473
Loan impairment charges	13,000	—
(Increase), decrease		
Prepaid expenses and other assets	(2,312)	(1,123)
Increase, (decrease)		
Accounts payable	(2,340)	(254)
Accrued expenses	1,305	157
Accrued interest	8,079	2,367
Accrued salaries and wages	(8,890)	6,607
Gaming, property and other taxes	(98)	(119)
Other liabilities	(777)	572
Net cash provided by operating activities	364,081	305,622
Investing activities		
Capital project expenditures	—	(14)
Capital maintenance expenditures	(1,547)	(1,984)
Proceeds from sale of property and equipment	190	227
Collections of principal payments on investment in direct financing lease	—	29,239
Net cash (used in) provided by investing activities	(1,357)	27,468
Financing activities		
Dividends paid	(292,414)	(269,537)
Taxes paid related to shares withheld for tax purposes on restricted stock award vestings, net of proceeds from exercise of options	(9,057)	(2,905)
Proceeds from issuance of long-term debt	155,000	1,000,000
Financing costs	(236)	(19,745)
Repayments of long-term debt	(217,061)	(923,601)
Premium and related costs paid on tender of senior unsecured notes	—	(1,884)
Net cash used in financing activities	(363,768)	(217,672)
Net (decrease) increase in cash and cash equivalents	(1,044)	115,418
Cash and cash equivalents at beginning of period	25,783	29,054
Cash and cash equivalents at end of period	$ 24,739	$ 144,472

See Note 16 to the condensed consolidated financial statements for supplemental cash flow information and noncash investing and financing activities.

Gaming and Leisure Properties, Inc.
Notes to the Condensed Consolidated Financial Statements
(unaudited)

1. Business and Operations

Gaming and Leisure Properties, Inc. ("GLPI") is a self-administered and self-managed Pennsylvania real estate investment trust ("REIT"). GLPI (together with its subsidiaries, the "Company") was incorporated on February 13, 2013, as a wholly-owned subsidiary of Penn National Gaming, Inc. ("Penn"). On November 1, 2013, Penn contributed to GLPI, through a series of internal corporate restructurings, substantially all of the assets and liabilities associated with Penn's real property interests and real estate development business, as well as the assets and liabilities of Hollywood Casino Baton Rouge and Hollywood Casino Perryville, which are referred to as the "TRS Properties," and then spun-off GLPI to holders of Penn's common and preferred stock in a tax-free distribution (the "Spin-Off"). The Company elected on its United States ("U.S.") federal income tax return for its taxable year that began on January 1, 2014 to be treated as a REIT and GLPI, together with its indirect wholly-owned subsidiary, GLP Holdings, Inc., jointly elected to treat each of GLP Holdings, Inc., Louisiana Casino Cruises, Inc. (d/b/a Hollywood Casino Baton Rouge) and Penn Cecil Maryland, Inc. (d/b/a Hollywood Casino Perryville) as a "taxable REIT subsidiary" ("TRS") effective on the first day of the first taxable year of GLPI as a REIT.

As a result of the Spin-Off, GLPI owns substantially all of Penn's former real property assets (as of the Spin-Off) and leases back most of those assets to Penn for use by its subsidiaries, under a unitary master lease, a triple-net operating lease with an initial term of 15 years (expiring October 31, 2028) with no purchase option, followed by four 5-year renewal options (exercisable by Penn) on the same terms and conditions (the "Penn Master Lease"), and GLPI also owns and operates the TRS Properties through an indirect wholly-owned subsidiary, GLP Holdings, Inc. In April 2016, the Company acquired substantially all of the real estate assets of Pinnacle Entertainment, Inc. ("Pinnacle") for approximately $4.8 billion. GLPI originally leased these assets back to Pinnacle, under a unitary triple-net lease with an initial term of 10 years (expiring April 30, 2026) with no purchase option, followed by five 5-year renewal options (exercisable by Pinnacle) on the same terms and conditions (the "Pinnacle Master Lease"). On October 15, 2018, the Company completed its previously announced transactions with Penn, Pinnacle and Boyd Gaming Corporation ("Boyd") to accommodate Penn's acquisition of the majority of Pinnacle's operations, pursuant to a definitive agreement and plan of merger between Penn and Pinnacle, dated December 17, 2017 (the "Penn-Pinnacle Merger"). Concurrent with the Penn-Pinnacle Merger, the Company amended the Pinnacle Master Lease to allow for the sale of the operating assets of Ameristar Casino Hotel Kansas City, Ameristar Casino Resort Spa St. Charles and Belterra Casino Resort from Pinnacle to Boyd (the "Amended Pinnacle Master Lease") and entered into a new unitary triple-net master lease agreement with Boyd (the "Boyd Master Lease") for these properties on terms similar to the Company's Amended Pinnacle Master Lease. The Boyd Master Lease has an initial term of 10 years (from the original April 2016 commencement date of the Pinnacle Master Lease and expiring April 30, 2026), with no purchase option, followed by five 5-year renewal options (exercisable by Boyd) on the same terms and conditions. The Company also purchased the real estate assets of Plainridge Park Casino ("Plainridge Park") from Penn for $250.0 million, exclusive of transaction fees and taxes and added this property to the Amended Pinnacle Master Lease. The Amended Pinnacle Master Lease was assumed by Penn at the consummation of the Penn-Pinnacle Merger. The Company also entered into a mortgage loan agreement with Boyd in connection with Boyd's acquisition of Belterra Park Gaming & Entertainment Center ("Belterra Park"), whereby the Company loaned Boyd $57.7 million.

In addition to the acquisition of Plainridge Park described above, on October 1, 2018, the Company closed its previously announced transaction to acquire certain real property assets from Tropicana Entertainment Inc. ("Tropicana") and certain of its affiliates pursuant to a Purchase and Sale Agreement (the "Real Estate Purchase Agreement") dated April 15, 2018 between Tropicana and GLP Capital L.P., the operating partnership of GLPI ("GLP Capital"), which was subsequently amended on October 1, 2018 (as amended, the "Amended Real Estate Purchase Agreement"). Pursuant to the terms of the Amended Real Estate Purchase Agreement, the Company acquired the real estate assets of Tropicana Atlantic City, Tropicana Evansville, Tropicana Laughlin, Trop Casino Greenville and the Belle of Baton Rouge (the "GLP Assets") from Tropicana for an aggregate cash purchase price of $964.0 million, exclusive of transaction fees and taxes (the "Tropicana Acquisition"). Concurrent with the Tropicana Acquisition, Eldorado Resorts, Inc. ("Eldorado") acquired the operating assets of these properties from Tropicana pursuant to an Agreement and Plan of Merger dated April 15, 2018 by and among Tropicana, GLP Capital, Eldorado and a wholly-owned subsidiary of Eldorado (the "Tropicana Merger Agreement") and leased the GLP Assets from the Company pursuant to the terms of a new unitary triple-net master lease with an initial term of 15 years, with no purchase option followed by four successive 5-year renewal periods (exercisable by Eldorado) on the same terms and conditions (the "Eldorado Master Lease"). Additionally, on October 1, 2018 the Company made a mortgage loan to Eldorado in the amount of $246.0 million in connection with Eldorado's acquisition of Lumière Place Casino and Hotel ("Lumière Place") (and together with the Tropicana Acquisition the "Tropicana Transactions").

GLPI's primary business consists of acquiring, financing, and owning real estate property to be leased to gaming operators in triple-net lease arrangements. As of June 30, 2019, GLPI's portfolio consisted of interests in 46 gaming and related facilities, including the TRS Properties, the real property associated with 33 gaming and related facilities operated by Penn, the real property associated with 6 gaming and related facilities operated by Eldorado (including one mortgaged facility), the real property associated with 4 gaming and related facilities operated by Boyd (including one mortgaged facility) and the real property associated with the Casino Queen in East St. Louis, Illinois. These facilities are geographically diversified across 16 states and were 100% occupied at June 30, 2019. GLPI expects to continue growing its portfolio by pursuing opportunities to acquire additional gaming facilities to lease to gaming operators under prudent terms.

2. Basis of Presentation

The accompanying unaudited condensed consolidated financial statements of the Company have been prepared in accordance with U.S. generally accepted accounting principles ("GAAP") for interim financial information and with the instructions for Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by GAAP for complete consolidated financial statements. In the opinion of management, all normal recurring adjustments considered necessary for a fair presentation have been included.

In conjunction with the adoption of ASU 2016-02, *Leases (Topic 842)* ("ASU 2016-02"), on January 1, 2019, the Company recorded right-of-use assets on the condensed consolidated balance sheet to represent the Company's rights to use the underlying leased assets for the term of the lease. As this asset related, in part, to the same leases which resulted in the below market lease asset the Company described as land rights, net on the December 31, 2018 condensed consolidated balance sheet, this line item has been re-named to right-of-use assets and land rights, net as the assets are required to be reported in the aggregate subsequent to the adoption of ASU 2016-02. Furthermore, under ASU 2016-02, the Company is no longer required to gross-up its financial statements for the real estate taxes paid directly by its tenants to third-parties.

The condensed consolidated financial statements include the accounts of GLPI and its subsidiaries. All intercompany accounts and transactions have been eliminated in consolidation.

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses for the reporting periods. Actual results could differ from those estimates.

Operating results for the three and six months ended June 30, 2019 are not necessarily indicative of the results that may be expected for the year ending December 31, 2019. The notes to the consolidated financial statements contained in our Annual Report on Form 10-K for the year ended December 31, 2018 (our "Annual Report") should be read in conjunction with these condensed consolidated financial statements. The December 31, 2018 financial information has been derived from the Company's audited consolidated financial statements.

3. New Accounting Pronouncements

Recently Adopted Accounting Pronouncements

In February 2016, the Financial Accounting Standards Board ("FASB") issued ASU No. 2016-02. This ASU primarily provides new guidance for lessees on the accounting treatment of operating leases. Under the new guidance, lessees are required to recognize assets and liabilities arising from operating leases on the balance sheet. ASU 2016-02 also aligns lessor accounting with the revenue recognition guidance in Topic 606 of the Accounting Standards Codification. Generally speaking, ASU 2016-02 more significantly impacted the accounting for leases in which GLPI is the lessee by requiring the Company to record a right-of-use asset and lease liability on its condensed consolidated balance sheet for these leases. The Company's accounting treatment of its triple-net tenant leases, which are the primary source of revenues to the Company, were not significantly impacted by the adoption of ASU 2016-02, other than to eliminate the real estate tax gross-up discussed below.

In July 2018, the FASB issued ASU No. 2018-11, *Leases (Topic 842): Targeted Improvements* ("ASU 2018-11") which permits companies to apply the transition provisions of ASU 2016-02 at its effective date (i.e. comparative financial statements are not required). Furthermore, in December 2018, the FASB issued ASU No. 2018-20, *Leases (Topic 842): Narrow Scope Improvements for Lessors* ("ASU 2018-20"). ASU 2018-20 clarifies that lessor costs paid directly to a third-party by a lessee on behalf of the lessor are no longer required to be recognized in the lessor's financial statements. Therefore, upon the adoption of ASU 2016-02, the Company no longer grosses-up its financial statements for real estate taxes paid directly to third-parties by its tenants. The Company notes, however, that ground leases for which the tenant pays the landlord directly on the

Company's behalf are still required to be grossed-up within its condensed consolidated financial statements upon the adoption of ASU 2016-02, as these are not considered lessor costs. On January 1, 2019, the Company adopted ASU 2016-02 using the new transition option available under ASU 2018-11 and recorded right-of-use assets and related lease liabilities of $203 million on its condensed consolidated balance sheet to represent its rights to underlying assets and its future lease obligations. Also in connection with the adoption of ASC 842 - *Leases* ("ASC 842"), the land rights recorded on balance sheet in conjunction with the Company's assumption of below market leases at the time it acquired the related land and building assets are now required to be reported in aggregate with the Company's operating lease right-of-use assets, reflected as right-of-use assets and land rights, net on the condensed consolidated balance sheet. Furthermore, the Company elected the package of practical expedients, which among other things, did not require the Company to reassess the lease classification of its existing leases and the practical expedient related to land easements, which allowed the Company to bypass the reassessment of existing or expired land easements for the existence of a lease under ASC 842. See Note 7 for further disclosures related to the adoption of ASU 2016-02.

Accounting Pronouncements Not Yet Adopted

In August 2018, the FASB issued ASU No. 2018-15, *Intangibles - Goodwill and Other - Internal Use Software (Subtopic 350-40: Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement that is a Service Contract (a consensus of the FASB Emerging Issues Task Force*) ("ASU 2018-15"). This ASU clarifies that entities should follow the guidance for capitalizing implementation costs incurred to develop or obtain internal-use software to account for implementation costs of cloud computing arrangements that are service contracts. ASU 2018-15 does not change the accounting for the service component of a cloud computing arrangement. ASU 2018-15 is effective for fiscal years beginning after December 15, 2019, with early adoption permitted. The Company does not expect the adoption of ASU 2018-15 to have a significant impact on its consolidated financial statements.

In January 2017, the FASB issued ASU No. 2017-04, *Intangibles - Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment* ("ASU 2017-04"). This ASU simplifies an entity's goodwill impairment test by eliminating Step 2 from the test. The new guidance also amends the definition of impairment to a condition that exists when the carrying amount of goodwill exceeds its fair value. By eliminating Step 2 from the test, entities are no longer required to determine the implied fair value of goodwill by computing the fair value (at impairment testing date) of all assets and liabilities in a manner similar to that required in conjunction with business combinations. Upon the adoption of ASU 2017-04, an impairment charge is simply recorded as the difference between carrying value and fair value, when carrying value exceeds fair value. ASU 2017-04 is effective for annual reporting periods beginning after December 15, 2019 and early adoption is permitted. The Company expects the adoption of ASU 2017-04 to simplify the analysis required under the goodwill impairment test.

In June 2016, the FASB issued ASU No. 2016-13, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instrument* ("ASU 2016-13"). This ASU introduces a new model for estimating credit losses for certain types of financial instruments, including mortgage and other loans receivable, amongst other financial instruments. ASU 2016-13 sets forth an "expected credit loss" impairment model to replace the current "incurred loss" method of recognizing credit losses, which is intended to improve financial reporting by requiring timely recording of credit losses on loans and other financial instruments. ASU 2016-13 is effective for fiscal years beginning after December 15, 2019, with early adoption permitted for fiscal years beginning after December 15, 2018. The Company does not expect the adoption of ASU 2016-13 to have a significant impact on its consolidated financial statements.

4. Real Estate Investments

Real estate investments, net, represents investments in 42 rental properties and the corporate headquarters building and is summarized as follows:

	June 30, 2019	December 31, 2018
	(in thousands)	
Land and improvements	$ 2,552,285	$ 2,552,475
Building and improvements	5,749,212	5,762,071
Total real estate investments	8,301,497	8,314,546
Less accumulated depreciation	(1,091,469)	(983,086)
Real estate investments, net	$ 7,210,028	$ 7,331,460

On June 30, 2019, the Resorts Casino Tunica property was closed by the Company's tenant, resulting in the acceleration of $10.3 million of depreciation expense related to the building at this property and bringing the net book value of this building to zero at June 30, 2019.

5. Property and Equipment Used in Operations

Property and equipment used in operations, net, consists of the following and primarily represents the assets utilized in the TRS Properties:

	June 30, 2019	December 31, 2018
	(in thousands)	
Land and improvements	$ 30,463	$ 30,431
Building and improvements	116,779	116,776
Furniture, fixtures, and equipment	118,159	117,247
Construction in progress	527	284
Total property and equipment	265,928	264,738
Less accumulated depreciation	(168,709)	(163,854)
Property and equipment, net	$ 97,219	$ 100,884

6. Receivables

Mortgage Loans Receivable

At June 30, 2019, the Company has financial interests in two casino properties through secured mortgage loans to the respective casino owner-operators. On October 1, 2018, Eldorado purchased the real estate assets of Lumière Place from Tropicana for a cash purchase price of $246.0 million, exclusive of transaction fees. Financing for the transaction was provided by the Company in the form of a $246.0 million secured mortgage loan on Lumière Place (the "Lumière Loan"). The Lumière Loan bears interest at a rate equal to (i) 9.09% until the one-year anniversary of the closing, and (ii) 9.27% until its maturity. Until the one-year anniversary of the closing, the Lumière Loan is secured by a first mortgage lien on Lumière Place. On the one-year anniversary of the Lumière Loan, the mortgage evidenced by a deed of trust on the Lumière Place property will terminate and the loan will continue unsecured until its final maturity on the two-year anniversary of the closing. The parties anticipate that the Lumière Loan will be fully repaid on or prior to maturity by way of substitution of one or more additional Eldorado properties acceptable to Eldorado and the Company, which will be transferred to the Company and added to the Eldorado Master Lease.

On October 15, 2018, Boyd purchased the real estate assets of Belterra Park from Pinnacle for a cash purchase price of $57.7 million, exclusive of transaction fees. Financing for the transaction was provided by the Company in the form of $57.7 million secured mortgage loan on Belterra Park (the "Belterra Park Loan"). The Belterra Park Loan bears interest at an initial rate equal to 11.11% and matures in connection with the expiration of the Boyd Master Lease (as may be extended at the tenant's option to April 30, 2051). At June 30, 2019, the interest rate on the Belterra Park Loan had increased to 11.20%.

Loan Receivable

In January 2014, the Company completed the asset acquisition of the real property associated with the Casino Queen in East St. Louis, Illinois. GLPI leases the property back to Casino Queen on a triple-net basis on terms similar to those in the Company's existing master leases. The lease has an initial term of 15 years and the tenant has an option to renew it at the same terms and conditions for four successive five-year periods (the "Casino Queen Lease").

Simultaneously with the Casino Queen acquisition, GLPI provided Casino Queen with a $43.0 million, five-year term loan at 7% interest, pre-payable at any time, which, together with the sale proceeds, completely refinanced and retired all of Casino Queen’s outstanding long-term debt obligations. On March 13, 2017, the outstanding principal and interest on this loan was repaid in full and GLPI simultaneously provided a new unsecured $13.0 million, 5.5-year term loan to CQ Holding Company, Inc., an affiliate of Casino Queen ("CQ Holding Company"), to partially finance their acquisition of Lady Luck Casino in Marquette, Iowa. The new loan bears an interest rate of 15% and is pre-payable at any time.

The Company evaluates loans for impairment when it is probable that it will not be able to collect all amounts due according to contractual terms. All amounts due under the contractual terms means that both contractual interest payments and

contractual principal payments of a loan will be collected as scheduled in the loan agreement. Indicators of impairment may include delinquent payments, a decline in the credit worthiness of a debtor, or a decline in the underlying property/tenant's performance. The Company measures loan impairment based upon the present value of expected future cash flows discounted at the loan's original effective interest rate. The determination of whether loans are impaired involves judgments and assumptions based on objective and subjective factors. If an impairment occurs, the Company will reduce the carrying value of the loan and record a corresponding charge to net income.

On June 12, 2018, the Company received a Notice of Event of Default under the senior credit agreement of CQ Holding Company from the secured lender under such agreement, which reported a covenant default under their senior secured agreement. Under the terms of that agreement, when an event of default occurs, CQ Holding Company is prohibited from making cash payments to unsecured lenders such as GLPI. Therefore, beginning in June 2018 and through June 30, 2019, the interest due from CQ Holding Company under the Company's unsecured loan was paid in kind in the aggregate amount of $2.6 million. In addition to the covenant violation noted above under its senior credit agreement, CQ Holding Company also had a payment default under the senior credit agreement. Furthermore, the Company notified Casino Queen of Events of Default under the Company's unsecured loan with CQ Holding Company, related to financial covenant violations during the year ended December 31, 2018.

At December 31, 2018, active negotiations for the sale of Casino Queen's operations were taking place. Despite the payment and covenant defaults noted above, at that time, full payment of the principal was still expected, due to the anticipation that the operations were to be sold in the near term for an amount allowing for repayment of the full $13.0 million of loan principal due to GLPI.

During the first quarter of 2019, the operating results of Casino Queen continued to decline, resulting in the anticipated acquirer withdrawing from the sales process. Subsequent offers for the operating assets of Casino Queen have declined substantially and proceeds from the sale are not expected to generate enough cash to repay all of Casino Queen's creditors. Thus, because the Company does not expect Casino Queen to be able to repay the $13.0 million of principal due to it under the unsecured loan agreement, the full $13.0 million of principal was written off at March 31, 2019. The Company has recorded an impairment charge of $13.0 million through the condensed consolidated statement of income for the six months ended June 30, 2019 to reflect the write-off of the Casino Queen loan.

At June 30, 2019, all lease payments due from Casino Queen remain current, however, Casino Queen was in violation of the rent coverage ratio required under its lease with the Company and the Company has provided notice to Casino Queen and its secured lenders of such default.

7. Lease Assets and Lease Liabilities

Lease Assets

The Company determines whether a contract is or contains a lease at its inception. A lease is defined as the right to control the use of identified property, plant, or equipment for a period of time in exchange for consideration. Right-of-use assets and lease liabilities are recorded on the Company's condensed consolidated balance sheet at the lease commencement date for operating leases in which the Company acts as lessee. Right-of-use assets represent the Company's rights to use underlying assets for the term of the lease and lease liabilities represent the Company's future obligations under the lease agreement. Right-of-use assets and lease liabilities are recognized at the lease commencement date based upon the estimated present value of the lease payments. As the rate implicit in the Company's leases cannot readily be determined, the Company utilizes its estimated incremental borrowing rate to determine the present value of its lease payments. Consideration is also given to the Company's recent debt issuances, as well as publicly available data for instruments with similar characteristics when determining the incremental borrowing rates of the Company's leases.

The Company includes options to extend the lease in its lease term, when it is reasonably certain that the Company will exercise those renewal options. In the instance of the Company's ground leases associated with leased properties, the Company has included all available renewal options in the lease term, as it intends to renew these leases indefinitely. The Company accounts for the lease and nonlease components of these triple-net tenant leases as a single lease component. Leases with a term of 12 months or less are not recorded on the Company's condensed consolidated balance sheet.

Right-of-use assets and land rights are monitored for potential impairment in much the same way as the Company's real estate assets, using the impairment model in ASC 360 - *Property, Plant and Equipment*. If the Company determines the carrying amount of a right-of-use asset or land right is not recoverable, it would recognize an impairment charge equivalent to the amount required to reduce the carrying value of the asset to its estimated fair value, calculated in accordance with GAAP.

The Company is subject to various operating leases as lessee for both real estate and equipment, the majority of which are ground leases related to properties the Company leases to its tenants under triple-net operating leases. Details of the Company's significant ground leases can be found in the Form 10-K for the year ended December 31, 2018. For certain of these ground leases, the Company subleases the underlying assets to its tenants who are responsible for payment directly to the third-party landlord. Under ASC 842, the Company is required to gross-up its condensed consolidated financial statements for these ground leases as the Company is considered the primary obligor. In conjunction with the adoption of ASU 2016-02 on January 1, 2019, the Company recorded right-of-use assets and related lease liabilities on its condensed consolidated balance sheet to represent its rights to use the underlying leased assets and its future lease obligations, respectively, including for those ground leases paid directly by our tenants. Because the right-of-use asset relates, in part, to the same leases which resulted in the land right assets the Company recorded on its condensed consolidated balance sheet in conjunction with the Company's assumption of below market leases at the time it acquired the related land and building assets, the Company is required to report the right-of-use assets and land rights in the aggregate on the condensed consolidated balance sheet.

Land rights, net represent the Company's rights to land subject to long-term ground leases. The Company obtained ground lease rights through the acquisition of several of its rental properties and immediately subleased the land to its tenants. These land rights represent the below market value of the related ground leases. The Company assessed the acquired ground leases to determine if the lease terms were favorable or unfavorable, given market conditions at the acquisition date. Because the market rents to be received under the Company's triple-net tenant leases were greater than the rents to be paid under the acquired ground leases, the Company concluded that the ground leases were below market and were therefore required to be recorded as a definite lived asset (land rights) on its books.

Components of the Company's right-of use assets and land rights, net are detailed below (in thousands):

	June 30, 2019
Right-of use assets - operating leases	$ 202,215
Land rights, net	660,712
Right-of-use assets and land rights, net	$ 862,927

Land Rights

The land rights are amortized over the individual lease term of the related ground lease, including all renewal options, which ranged from 10 years to 92 years at their respective acquisition dates. Land rights net, consist of the following:

	June 30, 2019	December 31, 2018
	(in thousands)	
Land rights	$ 694,077	$ 700,997
Less accumulated amortization	(33,365)	(27,790)
Land rights, net	$ 660,712	$ 673,207

On June 30, 2019, the Resorts Casino Tunica property was closed by the Company's tenant, resulting in the acceleration of $6.3 million of land right amortization expense related to the ground lease at this property and bringing the net book value of this land right to zero at June 30, 2019.

As of June 30, 2019, estimated future amortization expense related to the Company’s land rights by fiscal year is as follows (in thousands):

Year ending December 31,	
2019 (remainder of year)	$ 6,040
2020	12,081
2021	12,081
2022	12,081
2023	12,081
Thereafter	606,348
Total	$ 660,712

Lease Liabilities

At June 30, 2019, maturities of the Company's operating lease liabilities were as follows (in thousands):

Year ending December 31,		
2019 (remainder of year)	$	7,800
2020		15,282
2021		15,133
2022		15,026
2023		15,005
Thereafter		685,974
Total lease payments	$	754,220
Less: interest		(552,122)
Present value of lease liabilities	$	202,098

As a result of transitioning from the guidance in ASC 840 to ASC 842, the Company's annual minimum lease payments did not change.

Lease Expense

Operating lease costs represent the entire amount of expense recognized for operating leases that are recorded on the condensed consolidated balance sheet. Variable lease costs are not included in the measurement of the lease liability and include both lease payments tied to a property's performance and changes in an index such as the CPI that are not determinable at lease commencement, while short-term lease costs are costs for those operating leases with a term of 12 months or less.

The components of lease expense were as follows:

	Three Months Ended June 30, 2019		Six Months Ended June 30, 2019	
	(in thousands)			
Operating lease cost	$	3,920	$	7,813
Variable lease cost		2,068		4,504
Short-term lease cost		273		511
Amortization of land right assets		9,406		12,496
Total lease cost	$	15,667	$	25,324

Amortization expense related to the land right intangibles, as well as variable lease costs and the majority of the Company's operating lease costs are recorded within land rights and ground lease expense in the condensed consolidated statements of income. The Company's short-term lease costs are recorded in both gaming, food, beverage and other expense and general and administrative expense in the condensed consolidated statements of income, while a small portion of operating lease costs is also recorded in both gaming, food, beverage and other expense and general and administrative expense in the condensed consolidated statements of income. Amortization expense related to the land right intangibles totaled $2.7 million and $5.5 million for the three and six months ended June 30, 2018, respectively, while other lease costs totaled $4.2 million and $8.5 million, respectively for the same periods.

Supplemental Disclosures Related to Leases

Supplemental balance sheet information related to the Company's operating leases was as follows:

	June 30, 2019
Weighted average remaining lease term - operating leases	51.39 years
Weighted average discount rate - operating leases	6.7%

Supplemental cash flow information related to the Company's operating leases was as follows:

	Three Months Ended June 30, 2019	Six Months Ended June 30, 2019
	(in thousands)	
Cash paid for amounts included in the measurement of leases liabilities:		
Operating cash flows from operating leases [1]	$ 555	$ 1,111
Right-of-use assets obtained in exchange for new lease obligations:		
Operating leases	$ 287	$ 287

[1] The Company's cash paid for operating leases is significantly less than the lease cost for the same period due to the majority of the Company's ground lease rent being paid directly to the landlords by the Company's tenants. Although GLPI expends no cash related to these leases, they are required to be grossed up in the Company's financial statements under ASC 842.

8. Long-term Debt

Long-term debt is as follows:

	June 30, 2019	December 31, 2018
	(in thousands)	
Unsecured $1,175 million revolver	$ 340,000	$ 402,000
Unsecured term loan A-1	525,000	525,000
$1,000 million 4.875% senior unsecured notes due November 2020	1,000,000	1,000,000
$400 million 4.375% senior unsecured notes due April 2021	400,000	400,000
$500 million 5.375% senior unsecured notes due November 2023	500,000	500,000
$850 million 5.25% senior unsecured notes due June 2025	850,000	850,000
$975 million 5.375% senior unsecured notes due April 2026	975,000	975,000
$500 million 5.75% senior unsecured notes due June 2028	500,000	500,000
$750 million 5.30% senior unsecured notes due January 2029	750,000	750,000
Finance lease liability	1,052	1,112
Total long-term debt	5,841,052	5,903,112
Less: unamortized debt issuance costs, bond premiums and original issuance discounts	(44,062)	(49,615)
Total long-term debt, net of unamortized debt issuance costs, bond premiums and original issuance discounts	$ 5,796,990	$ 5,853,497

The following is a schedule of future minimum repayments of long-term debt as of June 30, 2019 (in thousands):

Within one year	$ 126
2-3 years	1,925,271
4-5 years	840,298
Over 5 years	3,075,357
Total minimum payments	$ 5,841,052

Senior Unsecured Credit Facility

The Company's senior unsecured credit facility (the "Credit Facility") consists of a $1,175 million revolving credit facility and a $525 million Term Loan A-1 facility. The revolving credit facility matures on May 21, 2023 and the Term Loan A-1 facility matures on April 28, 2021.

At June 30, 2019, the Credit Facility had a gross outstanding balance of $865 million, consisting of the $525 million Term Loan A-1 facility and $340 million of borrowings under the revolving credit facility. Additionally, at June 30, 2019, the Company was contingently obligated under letters of credit issued pursuant to the Credit Facility with face amounts

aggregating approximately $0.4 million, resulting in $834.6 million of available borrowing capacity under the revolving credit facility as of June 30, 2019.

The Credit Facility contains customary covenants that, among other things, restrict, subject to certain exceptions, the ability of GLPI and its subsidiaries to grant liens on their assets, incur indebtedness, sell assets, make investments, engage in acquisitions, mergers or consolidations or pay certain dividends and other restricted payments. The Credit Facility contains the following financial covenants, which are measured quarterly on a trailing four-quarter basis: a maximum total debt to total asset value ratio, a maximum senior secured debt to total asset value ratio, a maximum ratio of certain recourse debt to unencumbered asset value and a minimum fixed charge coverage ratio. In addition, GLPI is required to maintain a minimum tangible net worth and its status as a REIT. GLPI is permitted to pay dividends to its shareholders as may be required in order to maintain REIT status, subject to the absence of payment or bankruptcy defaults. GLPI is also permitted to make other dividends and distributions subject to pro forma compliance with the financial covenants and the absence of defaults. The Credit Facility also contains certain customary affirmative covenants and events of default, including the occurrence of a change of control and termination of the Penn Master Lease (subject to certain replacement rights). The occurrence and continuance of an event of default under the Credit Facility will enable the lenders under the Credit Facility to accelerate the loans and terminate the commitments thereunder. At June 30, 2019, the Company was in compliance with all required financial covenants under the Credit Facility.

Senior Unsecured Notes

At June 30, 2019, the Company had $4,975 million of outstanding senior unsecured notes (the "Senior Notes"). Each of the Company's Senior Notes contain covenants limiting the Company’s ability to: incur additional debt and use its assets to secure debt; merge or consolidate with another company; and make certain amendments to the Penn Master Lease. The Senior Notes also require the Company to maintain a specified ratio of unencumbered assets to unsecured debt. These covenants are subject to a number of important and significant limitations, qualifications and exceptions.

At June 30, 2019, the Company was in compliance with all required financial covenants under its Senior Notes.

Finance Lease Liability

The Company assumed the finance lease obligations related to certain assets at its Aurora, Illinois property. GLPI recorded the asset and liability associated with the finance lease on its condensed consolidated balance sheet. The original term of the finance lease was 30 years and it will terminate in 2026.

9. Fair Value of Financial Assets and Liabilities

Fair value is defined as the price that would be received to sell an asset or transfer a liability in an orderly transaction between market participants at the measurement date. Assets and liabilities recorded at fair value are classified based upon the level of judgment associated with the inputs used to measure their fair value. ASC 820 - *Fair Value Measurements and Disclosures* ("ASC 820") establishes a hierarchy that prioritizes fair value measurements based on the types of inputs used for the various valuation techniques (market approach, income approach, and cost approach). The levels of the hierarchy related to the subjectivity of the valuation inputs are described below:

- Level 1: Observable inputs such as quoted prices in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly; these include quoted prices for similar assets or liabilities in active markets, such as interest rates and yield curves that are observable at commonly quoted intervals.
- Level 3: Unobservable inputs that reflect the reporting entity's own assumptions, as there is little, if any, related market activity.

The Company's assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the valuation of assets and liabilities and their placement within the fair value hierarchy.

Assets and Liabilities Measured at Fair Value on a Recurring Basis

The following methods and assumptions are used to estimate the fair value of each class of financial instruments for which it is practicable to estimate.

Cash and Cash Equivalents

The fair value of the Company's cash and cash equivalents approximates the carrying value of the Company's cash and cash equivalents, due to the short maturity of the cash equivalents.

Deferred Compensation Plan Assets

The Company's deferred compensation plan assets consist of open-ended mutual funds and as such the fair value measurement of the assets is considered a Level 1 measurement as defined under ASC 820. Deferred compensation plan assets are included within other assets on the condensed consolidated balance sheets.

Mortgage Loans Receivable

The fair value of the mortgage loans receivable approximates the carrying value of the Company's mortgage loans receivable, as collection on the outstanding loan balances is reasonably assured. The fair value measurement of the mortgage loans receivable is considered a Level 3 measurement as defined under ASC 820.

Long-term Debt

The fair value of the Senior Notes and senior unsecured credit facility is estimated based on quoted prices in active markets and as such is a Level 1 measurement as defined under ASC 820.

The estimated fair values of the Company's financial instruments are as follows (in thousands):

	June 30, 2019		December 31, 2018	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets:				
Cash and cash equivalents	24,739	24,739	25,783	25,783
Deferred compensation plan assets	26,896	26,896	22,709	22,709
Mortgage loans receivable	303,684	303,684	303,684	303,684
Financial liabilities:				
Long-term debt:				
Senior unsecured credit facility	865,000	859,750	927,000	909,308
Senior unsecured notes	4,975,000	5,316,563	4,975,000	4,958,455

Assets and Liabilities Measured at Fair Value on a Nonrecurring Basis

Certain assets and liabilities are measured at fair value on a nonrecurring basis in periods subsequent to initial recognition. Assets measured at fair value on a nonrecurring basis during the six months ended June 30, 2019 are categorized in the table below based upon the lowest level of significant input to the valuation. There were no assets measured at fair value on a nonrecurring basis during the six months ended June 30, 2018 or liabilities measured at fair value on a nonrecurring basis during the six months ended June 30, 2019 and 2018.

	Level 1	Level 2	Level 3	Total Impairment Charges Recorded during the Six Months Ended June 30, 2019
			(in thousands)	
Assets:				
Loan receivable	—	—	—	13,000
Total assets measured at fair value on a nonrecurring basis	$ —	$ —	$ —	$ 13,000

Loan Receivable

During the first quarter of 2019, the Company recorded an impairment charge of $13.0 million related to the write-off of the principal due to the Company under its unsecured loan to CQ Holding Company. The Company no longer expects the proceeds from the sale of the operating assets of Casino Queen to generate enough cash to repay all of Casino Queen's creditors, including the Company. Thus, because the Company does not expect Casino Queen to repay the $13.0 million of principal due to it under the unsecured loan agreement, the full $13.0 million of principal was written off at March 31, 2019. The Company has recorded an impairment charge of $13.0 million through the condensed consolidated statement of income for the six months ended June 30, 2019 to reflect the write-off of the Casino Queen loan. See Note 6 for further details surrounding the Casino Queen loan.

10. Commitments and Contingencies

Litigation

The Company is subject to various legal and administrative proceedings relating to personal injuries, employment matters, commercial transactions, and other matters arising in the normal course of business. The Company does not believe that the final outcome of these matters will have a material adverse effect on the Company's consolidated financial position or results of operations. In addition, the Company maintains what it believes is adequate insurance coverage to further mitigate the risks of such proceedings. However, such proceedings can be costly, time consuming, and unpredictable and, therefore, no assurance can be given that the final outcome of such proceedings may not materially impact the Company's financial condition or results of operations. Further, no assurance can be given that the amount or scope of existing insurance coverage will be sufficient to cover losses arising from such matters.

11. Revenue Recognition

As of June 30, 2019, 20 of the Company's real estate investment properties were leased to a subsidiary of Penn under the Penn Master Lease, an additional 12 of the Company's real estate investment properties were leased to a subsidiary of Penn under the Amended Pinnacle Master Lease, 5 of the Company's real estate investment properties were leased to a subsidiary of Eldorado under the Eldorado Master Lease and 3 of the Company's real estate investment properties were leased to a subsidiary of Boyd under the Boyd Master Lease. Additionally, the Meadows real estate assets are leased to Penn under a single property triple-net lease and the Casino Queen real estate assets are leased back to the operator under an additional single property triple-net lease.

The obligations under the Penn and Amended Pinnacle Master Leases are guaranteed by Penn and, with respect to each lease, by Penn's subsidiaries that occupy and operate the facilities covered by such lease. As a result, the tenant's obligations under each of the Penn Master Lease and Amended Pinnacle Master Lease are jointly and severally guaranteed by Penn as the ultimate parent company and by each of its subsidiaries benefiting from the applicable lease. Similarly, the obligations under the Eldorado Master Lease are jointly and severally guaranteed by Eldorado and by most of Eldorado's subsidiaries that occupy and operate the facilities leased under the Eldorado Master Lease. The obligations under the Boyd Master Leases are jointly and severally guaranteed by Boyd's subsidiaries that occupy and operate the facilities leased under the Boyd Master Lease.

The Company recognizes rental revenue from tenants, including rental abatements, lease incentives and contractually fixed increases attributable to operating leases, on a straight-line basis over the term of the related leases when collectability is reasonably assured. Additionally, percentage rent that is fixed and determinable at the lease inception date is recorded on a straight-line basis over the lease term, resulting in the recognition of deferred rental revenue on the Company's condensed consolidated balance sheets. Deferred rental revenue is amortized to rental revenue on a straight-line basis over the remainder of the lease term. The lease term includes the initial non-cancelable lease term and any reasonably assured renewable periods. Contingent rental income that is not fixed and determinable at lease inception is recognized only when the lessee achieves the specified target. Recognition of rental income commences when control of the facility has been transferred to the tenant.

The Company's triple-net tenant leases all contain a fixed component, a portion of which is subject to an annual escalator (typically 2%) if certain rent coverage ratio thresholds are met and a component that is based on the performance of the facilities subject to such lease, which is adjusted, subject to certain floors, every 2 to 5 years to an amount equal to 4% of the average annual net revenues of all facilities under the related tenant lease during the preceding 2 to 5 years ("percentage rent"). The Penn Master Lease also provides for a component that is based on the performance of two Ohio facilities, which is adjusted, subject to certain floors monthly by an amount equal to 20% of the net revenues of Hollywood Casino Columbus and Hollywood Casino Toledo (together, the "Ohio Properties") during the preceding month. Furthermore, the Company's master

leases provide for a floor on the percentage rent described above, should the Company's tenants acquire or commence operating a competing facility within a restricted area (typically 60 miles from a property under the existing master lease with such tenant). These clauses provide landlord protections by basing the percentage rent floor for any affected facility on the net revenues of such facility for the calendar year immediately preceding the year in which the competing facility is acquired or first operated by the tenant.

In addition to rent, as triple-net lessees, all of the Company's tenants are required to pay the following executory costs: (1) all facility maintenance, (2) all insurance required in connection with the leased properties and the business conducted on the leased properties, including coverage of the landlord's interests, (3) taxes levied on or with respect to the leased properties (other than taxes on the income of the lessor) and (4) all utilities and other services necessary or appropriate for the leased properties and the business conducted on the leased properties.

Additionally, in accordance with ASC 842, the Company records revenue for the ground lease rent paid by its tenants with an offsetting expense in land rights and ground lease expense within the condensed consolidated statement of income as the Company has concluded that as the lessee it is the primary obligor under the ground leases. The Company subleases these ground leases back to its tenants, who are responsible for payment directly to the landlord.

The Company determined, based on facts and circumstances prevailing at the time of each lease's inception, that neither Penn nor Casino Queen could continue as a going concern without the property(ies) that are leased to them under the respective master lease agreement (in the instance of Penn) and single property lease (in the instance of Casino Queen) with the Company. At lease inception, all of Casino Queen's revenues and substantially all of Penn's revenues were generated from operations in connection with the leased properties. There are also various legal restrictions in the jurisdictions in which Penn, and Casino Queen operate that limit the availability and location of gaming facilities, which makes relocation or replacement of the leased gaming facilities restrictive and potentially impracticable or unavailable. Moreover, under the terms of the master lease, Penn must make renewal elections with respect to all of the leased property together; the tenant is not entitled to selectively renew certain of the leased property while not renewing other property. Accordingly, the Company concluded that failure by Penn or Casino Queen to renew the lease would impose a significant penalty on such tenant such that renewal of all lease renewal options appeared at lease inception to be reasonably assured. Therefore, the Company concluded that the term of Penn Master Lease and the Casino Queen Lease is 35 years, equal to the initial 15-year term plus all four of the 5-year renewal options.

On October 15, 2018, in conjunction with the Penn-Pinnacle Merger, the Pinnacle Master Lease was amended by a fourth amendment to such lease to allow for the sale of the operating assets of Ameristar Casino Hotel Kansas City, Ameristar Casino Resort Spa St. Charles and Belterra Casino Resort from Pinnacle to Boyd. As a result of this amendment, the Company reassessed the lease's classification and determined the new lease agreement qualified for operating lease treatment under ASC 840. Therefore, subsequent to the Penn-Pinnacle Merger, the Amended Pinnacle Master Lease is treated as an operating lease in its entirety. Because the properties under the Amended Pinnacle Master Lease, do not represent a meaningful portion of Penn's business at the time Penn assumed the lease, the Company has concluded that the lease term of the Amended Pinnacle Master Lease is 10 years (from the original April 2016 commencement date of the Pinnacle Master Lease), equal to the initial 10-year term only.

Subsequent to purchasing the majority of Pinnacle's real estate assets and leasing them back to Pinnacle, the Company entered into a separate triple-net lease with Pinnacle to lease the Meadows real estate assets to Pinnacle. Because this lease involved only a single property within Pinnacle's portfolio, GLPI concluded it was not reasonably assured at lease inception that Pinnacle would elect to exercise all lease renewal options. Therefore, the Company concluded that the lease term of the Meadows Lease is 10 years, equal to the initial 10-year term only. In conjunction with the Penn-Pinnacle Merger, Penn assumed the Meadows Lease. The accounting for the Meadows Lease, including the lease term was not impacted by the change in tenant. Based upon similar fact patterns, the Company concluded it was not reasonably assured at lease inception that Eldorado or Boyd would elect to exercise all lease renewal options under their respective master leases. The properties under each master lease do not represent a meaningful portion of either tenant's business at lease inception; therefore the Company has concluded that the lease term of the Eldorado Master Lease is 15 years and the lease term of the Boyd Master Lease is 10 years (from the original April 2016 commencement date of the Pinnacle Master Lease), equal to the initial terms of such master leases only.

Details of the Company's rental income for the three and six months ended June 30, 2019 was as follows (in thousands):

	Three Months Ended June 30, 2019	Six Months Ended June 30, 2019
Building base rent [1]	$ 164,270	$ 327,607
Land base rent	47,543	94,984
Percentage rent	40,062	79,838
Total cash rental income	$ 251,875	$ 502,429
Straight-line rent adjustments	(8,643)	(17,287)
Ground rent in revenue	5,188	10,751
Other rental revenue	143	348
Total rental income	$ 248,563	$ 496,241

[1] Building base rent is subject to the annual rent escalators described above.

The Company may periodically loan funds to casino owner-operators pursuant to secured mortgage loans for the purchase of gaming related properties. Interest income related to mortgage loans receivable is recorded as revenue from mortgaged real estate within the Company's condensed consolidated statements of income in the period earned. At June 30, 2019, the Company had financial interests in two casino properties, Belterra Park and Lumière Place, pursuant to the secured mortgage loans made by the Company to the respective casino owner-operators, Boyd and Eldorado.

Gaming revenue generated by the TRS Properties mainly consists of revenue from slot machines, and to a lesser extent, table game and poker revenue. Gaming revenue from slot machines is the aggregate net difference between gaming wins and losses with liabilities recognized for funds deposited by customers before gaming play occurs, for "ticket-in, ticket-out" coupons in the customers' possession, and for accruals related to the anticipated payout of progressive jackpots. Progressive slot machines, which contain base jackpots that increase at a progressive rate based on the number of coins played, are charged to revenue as the amount of the jackpots increases. Table game gaming revenue is the aggregate of table drop adjusted for the change in aggregate table chip inventory. Table drop is the total dollar amount of the currency, coins, chips, tokens, outstanding counter checks (markers), and front money that are removed from the live gaming tables. Additionally, food and beverage revenue is recognized as services are performed.

Gaming revenue is recognized net of certain sales incentives, including promotional allowances in accordance with ASC 606 - *Revenue from Contracts with Customers*. The Company also defers a portion of the revenue received from customers (who participate in the points-based loyalty programs) at the time of play and attributed to the awarded points until a later period when the points are redeemed or forfeited.

For the TRS Properties, the Company is subject to gaming taxes based on gross gaming revenues in the jurisdictions in which it operates. The Company recognizes gaming tax expense based on the statutorily required percentage of revenue that is required to be paid to state and local jurisdictions in the states where wagering occurs. The Company records gaming taxes at the Company's estimated effective gaming tax rate for the year, considering estimated taxable gaming revenue and the applicable rates. Such estimates are adjusted each interim period. If gaming tax rates change during the year, such changes are applied prospectively in the determination of gaming tax expense in future interim periods. For the three and six months ended June 30, 2019, these expenses, which are recorded within gaming, food, beverage and other expense in the condensed consolidated statements of income, totaled $14.2 million and $28.2 million, respectively, as compared to $15.1 million and $29.3 million for the three and six months ended June 30, 2018, respectively.

12. Earnings Per Share

The Company calculates earnings per share ("EPS") in accordance with ASC 260 - *Earnings per Share* ("ASC 260"*)*. Basic EPS is computed by dividing net income applicable to common stock by the weighted-average number of common shares outstanding during the period, excluding net income attributable to participating securities (unvested restricted stock awards). Diluted EPS reflects the additional dilution for all potentially-dilutive securities such as stock options, unvested restricted shares and unvested performance-based restricted shares. In accordance with ASC 260, the Company includes all performance-based restricted shares that would have vested based upon the Company's performance at quarter-end in the

calculation of diluted EPS. Diluted EPS for the Company's common stock is computed using the more dilutive of the two-class method or the treasury stock method.

The following table reconciles the weighted-average common shares outstanding used in the calculation of basic EPS to the weighted-average common shares outstanding used in the calculation of diluted EPS for the three and six months ended June 30, 2019 and 2018:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
	(in thousands)			
Determination of shares:				
Weighted-average common shares outstanding	214,664	213,579	214,645	213,442
Assumed conversion of dilutive employee stock-based awards	—	262	—	325
Assumed conversion of restricted stock awards	103	62	80	50
Assumed conversion of performance-based restricted stock awards	838	658	795	689
Diluted weighted-average common shares outstanding	215,605	214,561	215,520	214,506

The following table presents the calculation of basic and diluted EPS for the Company's common stock for the three and six months ended June 30, 2019 and 2018:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
	(in thousands, except per share and share data)			
Calculation of basic EPS:				
Net income	$ 93,033	$ 91,998	$ 186,043	$ 188,770
Less: Net income allocated to participating securities	(146)	(129)	(291)	(265)
Net income attributable to common shareholders	$ 92,887	$ 91,869	$ 185,752	$ 188,505
Weighted-average common shares outstanding	214,664	213,579	214,645	213,442
Basic EPS	$ 0.43	$ 0.43	$ 0.87	$ 0.88
Calculation of diluted EPS:				
Net income	$ 93,033	$ 91,998	$ 186,043	$ 188,770
Diluted weighted-average common shares outstanding	215,605	214,561	215,520	214,506
Diluted EPS	$ 0.43	$ 0.43	$ 0.86	$ 0.88
Antidilutive securities excluded from the computation of diluted earnings per share (in shares)	—	169,324	1,397	195,529

13. Shareholders' Equity

Dividends

The following table lists the dividends declared and paid by the Company during the six months ended June 30, 2019 and 2018:

Declaration Date	Shareholder Record Date	Securities Class	Dividend Per Share	Period Covered	Distribution Date	Dividend Amount
						(in thousands)
2019						
February 20, 2019	March 8, 2019	Common Stock	$ 0.68	First Quarter 2019	March 22, 2019	$ 145,954
May 28, 2019	June 14, 2019	Common Stock	$ 0.68	Second Quarter 2019	June 28, 2019	$ 145,985
2018						
February 1, 2018	March 9, 2018	Common Stock	$ 0.63	First Quarter 2018	March 23, 2018	$ 134,490
April 24, 2018	June 15, 2018	Common Stock	$ 0.63	Second Quarter 2018	June 29, 2018	$ 134,631

In addition, for both the three and six months ended June 30, 2019 and 2018, dividend payments were made to GLPI restricted stock award holders in the amount of $0.2 million and $0.4 million, respectively.

14. Stock-Based Compensation

The Company accounts for stock compensation under ASC 718 - *Compensation - Stock Compensation,* which requires the Company to expense the cost of employee services received in exchange for an award of equity instruments based on the grant-date fair value of the award. This expense is recognized ratably over the requisite service period following the date of grant. The fair value of the Company's time-based restricted stock awards is equivalent to the closing stock price on the day of grant. The Company utilizes a third party valuation firm to measure the fair value of performance-based restricted stock awards at grant date using the Monte Carlo model.

As of June 30, 2019, there was $8.5 million of total unrecognized compensation cost for restricted stock awards that will be recognized over the grants' remaining weighted average vesting period of 1.77 years. For the three and six months ended June 30, 2019, the Company recognized $2.1 million and $4.1 million, respectively, of compensation expense associated with these awards, compared to $1.0 million and $2.4 million, for the three and six months ended June 30, 2018, respectively.

The following table contains information on restricted stock award activity for the six months ended June 30, 2019:

	Number of Award Shares
Outstanding at December 31, 2018	299,642
Granted	317,290
Released	(280,386)
Canceled	—
Outstanding at June 30, 2019	336,546

Performance-based restricted stock awards have a three-year cliff vesting with the amount of restricted shares vesting at the end of the three-year period determined based upon the Company's performance as measured against its peers. More specifically, the percentage of shares vesting at the end of the measurement period will be based on the Company's three-year total shareholder return measured against the three-year total shareholder return of the companies included in the MSCI US REIT index and the Company's stock performance ranking among a group of triple-net REIT peer companies. The triple-net measurement group includes publicly traded REITs, which the Company believes derive at least 75% of revenues from triple-net leases. As of June 30, 2019, there was $13.2 million of total unrecognized compensation cost, which will be recognized over the performance-based restricted stock awards' remaining weighted average vesting period of 1.98 years. For the three and six months ended June 30, 2019, the Company recognized $2.1 million and $4.4 million, respectively, of compensation

expense associated with these awards, compared to a reversal of $0.4 million of expense and the recognition of $2.2 million of expense for the three and six months ended June 30, 2018, respectively.

The following table contains information on performance-based restricted stock award activity for the six months ended June 30, 2019:

	Number of Performance-Based Award Shares
Outstanding at December 31, 2018	1,342,000
Granted	512,000
Released	(447,334)
Canceled	(23,332)
Outstanding at June 30, 2019	1,383,334

15. Segment Information

Consistent with how the Company's Chief Operating Decision Maker (as such term is defined in ASC 280 - *Segment Reporting*) reviews and assesses the Company's financial performance, the Company has two reportable segments, GLP Capital, L.P. (a wholly-owned subsidiary of GLPI through which GLPI owns substantially all of its assets) ("GLP Capital") and the TRS Properties. The GLP Capital reportable segment consists of the leased real property and represents the majority of the Company's business. The TRS Properties reportable segment consists of Hollywood Casino Perryville and Hollywood Casino Baton Rouge.

The following tables present certain information with respect to the Company's segments.

	Three Months Ended June 30, 2019			Three Months Ended June 30, 2018		
(in thousands)	GLP Capital [1]	TRS Properties	Total	GLP Capital [1]	TRS Properties	Total
Total revenues	$ 255,764	$ 33,249	$ 289,013	218,332	35,889	254,221
Income from operations	164,068	6,699	170,767	146,133	7,108	153,241
Interest expense	73,921	2,602	76,523	54,453	2,602	57,055
Income before income taxes	90,394	4,098	94,492	89,098	4,506	93,604
Income tax expense	197	1,262	1,459	228	1,378	1,606
Net income	90,197	2,836	93,033	88,870	3,128	91,998
Depreciation	66,067	1,798	67,865	25,172	2,351	27,523
Capital project expenditures	—	—	—	14	—	14
Capital maintenance expenditures	2	1,015	1,017	3	1,159	1,162

	Six Months Ended June 30, 2019			Six Months Ended June 30, 2018		
(in thousands)	GLP Capital [1]	TRS Properties	Total	GLP Capital [1]	TRS Properties	Total
Total revenues	$ 510,635	$ 66,242	$ 576,877	$ 427,636	$ 70,635	$ 498,271
Income from operations	328,937	12,605	341,542	291,007	14,085	305,092
Interest expense	148,048	5,203	153,251	105,920	5,203	111,123
Income before income taxes	181,225	7,403	188,628	182,985	8,883	191,868
Income tax expense	265	2,320	2,585	399	2,699	3,098
Net income	180,960	5,083	186,043	182,586	6,184	188,770
Depreciation	122,242	4,201	126,443	50,787	4,690	55,477
Capital project expenditures	—	—	—	14	—	14
Capital maintenance expenditures	4	1,543	1,547	51	1,933	1,984

(1) Interest expense is net of intercompany interest eliminations of $2.6 million and $5.2 million for both the three and six months ended June 30, 2019 and 2018, respectively.

16. Supplemental Disclosures of Cash Flow Information and Noncash Activities

Supplemental disclosures of cash flow information are as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
	(in thousands)			
Cash paid for income taxes, net of refunds received	$ 2,684	$ 2,650	$ 2,684	$ 2,672
Cash paid for interest	118,481	93,861	139,331	102,410

Noncash Investing and Financing Activities

On January 1, 2019, in conjunction with its adoption of ASU 2016-02, the Company recorded right-of-use assets and related lease liabilities of $203 million on its condensed consolidated balance sheet to represent its rights to underlying assets and future lease obligations. The Company did not engage in any other noncash investing and financing activities during the six months ended June 30, 2019 and 2018.

17. Supplementary Condensed Consolidating Financial Information of Parent Guarantor and Subsidiary Issuers

GLPI guarantees the Senior Notes issued by its subsidiaries, GLP Capital, L.P. and GLP Financing II, Inc. Each of the subsidiary issuers is 100% owned by GLPI. The guarantees of GLPI are full and unconditional. GLPI is not subject to any material or significant restrictions on its ability to obtain funds from its subsidiaries by dividend or loan or to transfer assets from such subsidiaries, except as provided by applicable law. None of GLPI's other subsidiaries guarantee the Senior Notes.

Summarized balance sheets as of June 30, 2019 and December 31, 2018 and statements of income and cash flows for the three and six months ended June 30, 2019 and 2018 for GLPI as the parent guarantor, for GLP Capital, L.P. and GLP Financing II, Inc. as the subsidiary issuers and the other subsidiary non-issuers is presented below.

At June 30, 2019 Condensed Consolidating Balance Sheet	Parent Guarantor	Subsidiary Issuers	Other Subsidiary Non-Issuers	Eliminations	Consolidated
			(in thousands)		
Assets					
Real estate investments, net	$ —	$ 2,570,516	$ 4,639,512	$ —	$ 7,210,028
Property and equipment, used in operations, net	—	17,583	79,636	—	97,219
Mortgage loans receivable	—	246,000	57,684	—	303,684
Right-of-use assets and land rights, net	—	200,793	662,134	—	862,927
Cash and cash equivalents	—	3,229	21,510	—	24,739
Prepaid expenses	—	1,820	762	361	2,943
Goodwill	—	—	16,067	—	16,067
Other intangible assets	—	—	9,577	—	9,577
Intercompany loan receivable	—	193,595	—	(193,595)	—
Intercompany transactions and investment in subsidiaries	2,158,687	5,156,092	2,587,975	(9,902,754)	—
Deferred tax assets	—	—	5,721	—	5,721
Other assets	—	28,834	2,125	—	30,959
Total assets	$ 2,158,687	$ 8,418,462	$ 8,082,703	$ (10,095,988)	$ 8,563,864
Liabilities					
Accounts payable	$ —	$ 119	$ 52	$ —	$ 171
Accrued expenses	—	1,016	5,762	—	6,778
Accrued interest	—	53,340	—	—	53,340
Accrued salaries and wages	—	6,187	1,933	—	8,120
Gaming, property, and other taxes	—	287	679	—	966
Income taxes	—	(73)	(288)	361	—
Lease liabilities	—	107,611	94,487	—	202,098
Long-term debt, net of unamortized debt issuance costs, bond premiums and original issuance discounts	—	5,796,990	—	—	5,796,990
Intercompany loan payable	—	—	193,595	(193,595)	—
Deferred rental revenue	—	270,511	40,687	—	311,198
Deferred tax liabilities	—	—	233		233
Other liabilities	—	23,787	1,496	—	25,283
Total liabilities	—	6,259,775	338,636	(193,234)	6,405,177
Shareholders' equity (deficit)					
Preferred stock ($.01 par value, 50,000,000 shares authorized, no shares issued or outstanding at June 30, 2019)	—	—	—	—	—
Common stock ($.01 par value, 500,000,000 shares authorized, 214,673,135 shares issued and outstanding at June 30, 2019)	2,147	2,147	2,147	(4,294)	2,147
Additional paid-in capital	3,951,949	3,951,950	9,832,276	(13,784,226)	3,951,949
Retained accumulated (deficit) earnings	(1,795,409)	(1,795,410)	(2,090,356)	3,885,766	(1,795,409)
Total shareholders' equity (deficit)	2,158,687	2,158,687	7,744,067	(9,902,754)	2,158,687
Total liabilities and shareholders' equity (deficit)	$ 2,158,687	$ 8,418,462	$ 8,082,703	$ (10,095,988)	$ 8,563,864

Three months ended June 30, 2019 Condensed Consolidating Statement of Income	Parent Guarantor	Subsidiary Issuers	Other Subsidiary Non-Issuers	Eliminations	Consolidated
			(in thousands)		
Revenues					
Rental income	$ —	$ 138,135	$ 110,428	$ —	$ 248,563
Interest income from mortgaged real estate	—	5,590	1,611	—	7,201
Total income from real estate	—	143,725	112,039	—	255,764
Gaming, food, beverage and other	—	—	33,249	—	33,249
Total revenues	—	143,725	145,288	—	289,013
Operating expenses					
Gaming, food, beverage and other	—	—	19,168	—	19,168
Land rights and ground lease expense	—	10,770	4,459	—	15,229
General and administrative	—	10,335	5,649	—	15,984
Depreciation	—	38,911	28,954	—	67,865
Total operating expenses	—	60,016	58,230	—	118,246
Income from operations	—	83,709	87,058	—	170,767
Other income (expenses)					
Interest expense	—	(76,523)	—	—	(76,523)
Interest income	—	248	—	—	248
Intercompany dividends and interest	—	128,514	4,999	(133,513)	—
Total other income (expenses)	—	52,239	4,999	(133,513)	(76,275)
Income (loss) before income taxes	—	135,948	92,057	(133,513)	94,492
Income tax expense	—	196	1,263	—	1,459
Net income (loss)	$ —	$ 135,752	$ 90,794	$ (133,513)	$ 93,033

Six months ended June 30, 2019 Condensed Consolidating Statement of Income	Parent Guarantor	Subsidiary Issuers	Other Subsidiary Non-Issuers	Eliminations	Consolidated
			(in thousands)		
Revenues					
Rental income	$ —	$ 276,388	$ 219,853	$ —	$ 496,241
Interest income from mortgage real estate	—	11,181	3,213	—	14,394
Total income from real estate	—	287,569	223,066	—	510,635
Gaming, food, beverage and other	—	—	66,242	—	66,242
Total revenues	—	287,569	289,308	—	576,877
Operating expenses					
Gaming, food, beverage and other	—	—	38,190	—	38,190
Land rights and ground lease expense	—	15,494	8,984	—	24,478
General and administrative	—	21,847	11,377	—	33,224
Depreciation	—	67,698	58,745	—	126,443
Loan impairment charges	—	—	13,000	—	13,000
Total operating expenses	—	105,039	130,296	—	235,335
Income from operations	—	182,530	159,012	—	341,542
Other income (expenses)					
Interest expense	—	(153,251)	—	—	(153,251)
Interest income	—	337	—	—	337
Intercompany dividends and interest	—	247,908	3,428	(251,336)	—
Total other income (expenses)	—	94,994	3,428	(251,336)	(152,914)
Income (loss) before income taxes	—	277,524	162,440	(251,336)	188,628
Income tax expense	—	265	2,320	—	2,585
Net income (loss)	$ —	$ 277,259	$ 160,120	$ (251,336)	$ 186,043

Six months ended June 30, 2019 Condensed Consolidating Statement of Cash Flows	Parent Guarantor	Subsidiary Issuers	Other Subsidiary Non-Issuers	Eliminations	Consolidated
			(in thousands)		
Operating activities					
Net income (loss)	$ —	$ 277,259	$ 160,120	$ (251,336)	$ 186,043
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:					
Depreciation and amortization	—	75,572	63,367	—	138,939
Amortization of debt issuance costs, bond premiums and original issuance discounts	—	5,790	—	—	5,790
Losses on dispositions of property	—	7	6	—	13
Deferred income taxes	—	—	(466)	—	(466)
Stock-based compensation	—	8,508	—	—	8,508
Straight-line rent adjustments	—	1,326	15,961	—	17,287
Loan impairment charges	—	—	13,000	—	13,000
(Increase) decrease,					
Prepaid expenses and other assets	—	(2,999)	37	650	(2,312)
Intercompany	—	(79)	79	—	—
Increase (decrease),					
Accounts payable	—	(2,350)	10	—	(2,340)
Accrued expenses	—	478	827	—	1,305
Accrued interest	—	8,079	—	—	8,079
Accrued salaries and wages	—	(8,441)	(449)	—	(8,890)
Gaming, property and other taxes	—	(142)	44	—	(98)
Income taxes	—	(71)	721	(650)	—
Other liabilities	—	(749)	(28)	—	(777)
Net cash provided by (used in) operating activities	—	362,188	253,229	(251,336)	364,081
Investing activities					
Capital maintenance expenditures	—	(4)	(1,543)	—	(1,547)
Proceeds from sale of property and equipment	—	182	8	—	190
Net cash provided by (used in) investing activities	—	178	(1,535)	—	(1,357)
Financing activities					
Dividends paid	(292,414)	—	—	—	(292,414)
Taxes paid related to shares withheld for tax purposes on restricted stock award vestings, net of proceeds from exercise of options	(9,057)	—	—	—	(9,057)
Proceeds from issuance of long-term debt	—	155,000	—	—	155,000
Financing costs	—	(236)	—	—	(236)
Repayments of long-term debt	—	(217,061)	—	—	(217,061)
Intercompany financing	301,471	(301,472)	(251,335)	251,336	—
Net cash (used in) provided by financing activities	—	(363,769)	(251,335)	251,336	(363,768)
Net (decrease) increase in cash and cash equivalents	—	(1,403)	359	—	(1,044)
Cash and cash equivalents at beginning of period	—	4,632	21,151	—	25,783
Cash and cash equivalents at end of period	$ —	$ 3,229	$ 21,510	$ —	$ 24,739

At December 31, 2018 Condensed Consolidating Balance Sheet	Parent Guarantor	Subsidiary Issuers	Other Subsidiary Non-Issuers	Eliminations	Consolidated
			(in thousands)		
Assets					
Real estate investments, net	$ —	$ 2,637,404	$ 4,694,056	$ —	$ 7,331,460
Land rights, net	—	100,938	572,269	—	673,207
Property and equipment, used in operations, net	—	18,577	82,307	—	100,884
Mortgage loans receivable	—	246,000	57,684	—	303,684
Cash and cash equivalents	—	4,632	21,151	—	25,783
Prepaid expenses	—	27,071	2,885	1,011	30,967
Goodwill	—	—	16,067	—	16,067
Other intangible assets	—	—	9,577	—	9,577
Loan receivable	—	—	13,000	—	13,000
Intercompany loan receivable	—	193,595	—	(193,595)	—
Intercompany transactions and investment in subsidiaries	2,265,607	5,247,229	2,697,241	(10,210,077)	—
Deferred tax assets	—	—	5,178	—	5,178
Other assets	—	47,378	20,108	—	67,486
Total assets	$ 2,265,607	$ 8,522,824	$ 8,191,523	$ (10,402,661)	$ 8,577,293
Liabilities					
Accounts payable	$ —	$ 2,469	$ 42	$ —	$ 2,511
Accrued expenses	—	23,587	6,710	—	30,297
Accrued interest	—	45,261	—	—	45,261
Accrued salaries and wages	—	14,628	2,382	—	17,010
Gaming, property, and other taxes	—	24,055	18,824	—	42,879
Income taxes	—	(2)	(1,009)	1,011	—
Long-term debt, net of unamortized debt issuance costs, bond premiums and original issuance discounts	—	5,853,497	—	—	5,853,497
Intercompany loan payable	—	—	193,595	(193,595)	—
Deferred rental revenue	—	269,185	24,726	—	293,911
Deferred tax liabilities	—	—	261	—	261
Other liabilities	—	24,536	1,523	—	26,059
Total liabilities	—	6,257,216	247,054	(192,584)	6,311,686
Shareholders' equity (deficit)					
Preferred stock ($.01 par value, 50,000,000 shares authorized, no shares issued or outstanding at December 31, 2018)	—	—	—	—	—
Common stock ($.01 par value, 500,000,000 shares authorized, 214,211,932 shares issued and outstanding at December 31, 2018)	2,142	2,142	2,142	(4,284)	2,142
Additional paid-in capital	3,952,503	3,952,506	9,832,830	(13,785,336)	3,952,503
Retained accumulated (deficit) earnings	(1,689,038)	(1,689,040)	(1,890,503)	3,579,543	(1,689,038)
Total shareholders' equity (deficit)	2,265,607	2,265,608	7,944,469	(10,210,077)	2,265,607
Total liabilities and shareholders' equity (deficit)	$ 2,265,607	$ 8,522,824	$ 8,191,523	$ (10,402,661)	$ 8,577,293

Three months ended June 30, 2018 Condensed Consolidating Statement of Income	Parent Guarantor	Subsidiary Issuers	Other Subsidiary Non-Issuers	Eliminations	Consolidated
			(in thousands)		
Revenues					
Rental income	$ —	$ 101,767	$ 68,098	$ —	$ 169,865
Income from direct financing lease	—	—	26,984	—	26,984
Real estate taxes paid by tenants	—	11,176	10,307	—	21,483
Total income from real estate	—	112,943	105,389	—	218,332
Gaming, food, beverage and other	—	—	35,889	—	35,889
Total revenues	—	112,943	141,278	—	254,221
Operating expenses					
Gaming, food, beverage and other	—	—	20,407	—	20,407
Real estate taxes	—	11,195	10,605	—	21,800
Land rights and ground lease expense	—	1,929	4,515	—	6,444
General and administrative	—	19,016	5,790	—	24,806
Depreciation	—	23,190	4,333	—	27,523
Total operating expenses	—	55,330	45,650	—	100,980
Income from operations	—	57,613	95,628	—	153,241
Other income (expenses)					
Interest expense	—	(57,055)	—	—	(57,055)
Interest income	—	404	487	—	891
Losses on debt extinguishment	—	(3,473)	—	—	(3,473)
Intercompany dividends and interest	—	109,988	4,898	(114,886)	—
Total other income (expenses)	—	49,864	5,385	(114,886)	(59,637)
Income (loss) before income taxes	—	107,477	101,013	(114,886)	93,604
Income tax expense	—	228	1,378	—	1,606
Net income (loss)	$ —	$ 107,249	$ 99,635	$ (114,886)	$ 91,998

Six months ended June 30, 2018 Condensed Consolidating Statement of Income	Parent Guarantor	Subsidiary Issuers	Other Subsidiary Non-Issuers	Eliminations	Consolidated
			(in thousands)		
Revenues					
Rental income	$ —	$ 203,587	$ 135,683	$ —	$ 339,270
Income from direct financing lease	—	—	45,605	—	45,605
Real estate taxes paid by tenants	—	22,076	20,685	—	42,761
Total income from real estate	—	225,663	201,973	—	427,636
Gaming, food, beverage and other	—	—	70,635	—	70,635
Total revenues	—	225,663	272,608	—	498,271
Operating expenses					
Gaming, food, beverage and other	—	—	40,065	—	40,065
Real estate taxes	—	22,114	21,281	—	43,395
Land rights and ground lease expense	—	3,948	9,028	—	12,976
General and administrative	—	29,937	11,329	—	41,266
Depreciation	—	46,791	8,686	—	55,477
Total operating expenses	—	102,790	90,389	—	193,179
Income from operations	—	122,873	182,219	—	305,092
Other income (expenses)					
Interest expense	—	(111,123)	—	—	(111,123)
Interest income	—	404	968	—	1,372
Losses on debt extinguishment	—	(3,473)	—	—	(3,473)
Intercompany dividends and interest	—	217,091	4,583	(221,674)	—
Total other income (expenses)	—	102,899	5,551	(221,674)	(113,224)
Income (loss) before income taxes	—	225,772	187,770	(221,674)	191,868
Income tax expense	—	399	2,699	—	3,098
Net income (loss)	$ —	$ 225,373	$ 185,071	$ (221,674)	$ 188,770

Six months ended June 30, 2018 Condensed Consolidating Statement of Cash Flows	Parent Guarantor	Subsidiary Issuers	Other Subsidiary Non-Issuers	Eliminations	Consolidated
			(in thousands)		
Operating activities					
Net income (loss)	$ —	$ 225,373	$ 185,071	$ (221,674)	$ 188,770
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:					
Depreciation and amortization	—	47,624	13,308	—	60,932
Amortization of debt issuance costs	—	6,296	—	—	6,296
Losses on dispositions of property	—	(9)	234	—	225
Deferred income taxes	—	—	(117)	—	(117)
Stock-based compensation	—	4,603	—	—	4,603
Straight-line rent adjustments	—	28,655	4,578	—	33,233
Losses on debt extinguishment	—	3,473	—	—	3,473
(Increase) decrease,					
Prepaid expenses and other assets	—	(2,146)	(50)	1,073	(1,123)
Intercompany	—	183	(183)	—	—
(Decrease) increase,					
Accounts payable	—	(450)	196	—	(254)
Accrued expenses	—	(39)	196	—	157
Accrued interest	—	2,367	—	—	2,367
Accrued salaries and wages	—	7,544	(937)	—	6,607
Gaming, property and other taxes	—	(190)	71	—	(119)
Income taxes	—	125	948	(1,073)	—
Other liabilities	—	992	(420)	—	572
Net cash provided by (used in) operating activities	—	324,401	202,895	(221,674)	305,622
Investing activities					
Capital project expenditures	—	(14)	—	—	(14)
Capital maintenance expenditures	—	(51)	(1,933)	—	(1,984)
Proceeds from sale of property and equipment	—	210	17	—	227
Collection of principal payments on investment in direct financing lease	—	—	29,239	—	29,239
Net cash provided by investing activities	—	145	27,323	—	27,468
Financing activities					
Dividends paid	(269,537)	—	—	—	(269,537)
Taxes paid related to shares withheld for tax purposes on restricted stock award vestings, net of proceeds from exercise of options	(2,905)	—	—	—	(2,905)
Proceeds from issuance of long-term debt	—	1,000,000	—	—	1,000,000
Financing costs	—	(19,745)	—	—	(19,745)
Repayments of long-term debt	—	(923,601)	—	—	(923,601)
Premium and related costs paid on tender of senior unsecured notes	—	(1,884)	—	—	(1,884)
Intercompany financing	272,442	(272,444)	(221,672)	221,674	—
Net cash (used in) provided by financing activities	—	(217,674)	(221,672)	221,674	(217,672)
Net increase in cash and cash equivalents	—	106,872	8,546	—	115,418
Cash and cash equivalents at beginning of period	—	6,734	22,320	—	29,054
Cash and cash equivalents at end of period	$ —	$ 113,606	$ 30,866	$ —	$ 144,472

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Our Operations

GLPI is a self-administered and self-managed Pennsylvania REIT. GLPI was incorporated in Pennsylvania on February 13, 2013, as a wholly-owned subsidiary of Penn. On November 1, 2013, Penn contributed to GLPI, through a series of internal corporate restructurings, substantially all of the assets and liabilities associated with Penn's real property interests and real estate development business, as well as the assets and liabilities of Hollywood Casino Baton Rouge and Hollywood Casino Perryville, which are referred to as the "TRS Properties," and then spun-off GLPI to holders of Penn's common and preferred stock in a tax-free distribution. The Company elected on its U.S. federal income tax return for its taxable year beginning on January 1, 2014 to be treated as a REIT and the Company, together with an indirect wholly-owned subsidiary of the Company, GLP Holdings, Inc., jointly elected to treat each of GLP Holdings, Inc., Louisiana Casino Cruises, Inc. (d/b/a Hollywood Casino Baton Rouge) and Penn Cecil Maryland, Inc. (d/b/a Hollywood Casino Perryville) as a "taxable REIT subsidiary" effective on the first day of the first taxable year of GLPI as a REIT. As a result of the Spin-Off, GLPI owns substantially all of Penn's former real property assets (as of the Spin-Off) and leases back most of those assets to Penn for use by its subsidiaries, under the Penn Master Lease, and GLPI also owns and operates the TRS Properties through its indirect wholly-owned subsidiary, GLP Holdings, Inc. The assets and liabilities of GLPI were recorded at their respective historical carrying values at the time of the Spin-Off.

In April 2016, the Company acquired substantially all of the real estate assets of Pinnacle for approximately $4.8 billion. GLPI originally leased these assets back to Pinnacle, under a triple-net lease with an initial term of 10 years with no purchase option, followed by five 5-year renewal options (exercisable by Pinnacle) on the same terms and conditions. On October 15, 2018, the Company completed its previously announced transactions with Penn, Pinnacle and Boyd to accommodate Penn's acquisition of the majority of Pinnacle's operations, pursuant to a definitive agreement and plan of merger between Penn and Pinnacle, dated December 17, 2017. Concurrent with the Penn-Pinnacle Merger, the Company amended the Pinnacle Master Lease to allow for the sale of the operating assets of Ameristar Casino Hotel Kansas City, Ameristar Casino Resort Spa St. Charles and Belterra Casino Resort from Pinnacle to Boyd and entered into a new unitary triple-net master lease agreement with Boyd for these properties on terms similar to the Company's Amended Pinnacle Master Lease. The Boyd Master Lease has an initial term of 10 years (from the original April 2016 commencement date of the Pinnacle Master Lease and expiring April 30, 2026), with no purchase option, followed by five 5-year renewal options (exercisable by Boyd) on the same terms and conditions. The Company also purchased the real estate assets of Plainridge Park from Penn for $250.0 million, exclusive of transaction fees and taxes and added this property to the Amended Pinnacle Master Lease. The Amended Pinnacle Master Lease was assumed by Penn at the consummation of the Penn-Pinnacle Merger. The Company also entered into a mortgage loan agreement with Boyd in connection with Boyd's acquisition of Belterra Park, whereby the Company loaned Boyd $57.7 million.

In addition to the acquisition of Plainridge Park described above, on October 1, 2018, the Company closed its previously announced transaction to acquire certain real property assets from Tropicana and certain of its affiliates pursuant to the Real Estate Purchase Agreement dated April 15, 2018 between Tropicana and GLP Capital, which was subsequently amended on October 1, 2018. Pursuant to the terms of the Amended Real Estate Purchase Agreement, the Company acquired the real estate assets of Tropicana Atlantic City, Tropicana Evansville, Tropicana Laughlin, Trop Casino Greenville and the Belle of Baton Rouge from Tropicana for an aggregate cash purchase price of $964.0 million, exclusive of transaction fees and taxes. Concurrent with the Tropicana Acquisition, Eldorado acquired the operating assets of these properties from Tropicana pursuant to an Agreement and Plan of Merger dated April 15, 2018 by and among Tropicana, GLP Capital, Eldorado and a wholly-owned subsidiary of Eldorado and leased the GLP Assets from the Company pursuant to the terms of a new unitary triple-net master lease with an initial term of 15 years, with no purchase option followed by four successive 5-year renewal periods (exercisable by Eldorado) on the same terms and conditions. Additionally, on October 1, 2018 the Company made a mortgage loan to Eldorado in the amount of $246.0 million in connection with Eldorado's acquisition of Lumière Place.

GLPI's primary business consists of acquiring, financing, and owning real estate property to be leased to gaming operators in triple-net lease arrangements. As of June 30, 2019, GLPI's portfolio consisted of interests in 46 gaming and related facilities, including the TRS Properties, the real property associated with 33 gaming and related facilities operated by Penn, the real property associated with 6 gaming and related facilities operated by Eldorado (including one mortgaged facility), the real property associated with 4 gaming and related facilities operated by Boyd (including one mortgaged facility) and the real property associated with the Casino Queen in East St. Louis, Illinois. These facilities are geographically diversified across 16 states and were 100% occupied at June 30, 2019. We expect to continue growing our portfolio by pursuing opportunities to acquire additional gaming facilities to lease to gaming operators under prudent terms.

As of June 30, 2019, the majority of our earnings are the result of the rental revenues we receive from our triple-net master leases with Penn, Boyd and Eldorado. Additionally, we have rental revenue from the Casino Queen property which is leased back to a third-party operator on a triple-net basis and the Meadows property which is leased to Penn under a single property triple-net lease. In addition to rent, the tenants are required to pay the following executory costs: (1) all facility maintenance, (2) all insurance required in connection with the leased properties and the business conducted on the leased properties, including coverage of the landlord's interests, (3) taxes levied on or with respect to the leased properties (other than taxes on the income of the lessor) and (4) all utilities and other services necessary or appropriate for the leased properties and the business conducted on the leased properties.

Additionally, in accordance with ASC 842, we record revenue for the ground lease rent paid by our tenants with an offsetting expense in land rights and ground lease expense within the condensed consolidated statement of income as we have concluded that as the lessee we are the primary obligor under the ground leases. We sublease these ground leases back to our tenants, who are responsible for payment directly to the landlord.

Gaming revenue for our TRS Properties is derived primarily from gaming on slot machines and to a lesser extent, table game and poker revenue, which is highly dependent upon the volume and spending levels of customers at our TRS Properties. Other revenues at our TRS Properties are derived from our dining, retail and certain other ancillary activities.

Segment Information

Consistent with how our Chief Operating Decision Maker reviews and assesses our financial performance, we have two reportable segments, GLP Capital and the TRS Properties. The GLP Capital reportable segment consists of the leased real property and represents the majority of our business. The TRS Properties reportable segment consists of Hollywood Casino Perryville and Hollywood Casino Baton Rouge.

Executive Summary

Financial Highlights

We reported total revenues and income from operations of $289.0 million and $170.8 million for the three months ended June 30, 2019, respectively, compared to $254.2 million and $153.2 million, respectively, for the corresponding period in the prior year. We reported total revenues and income from operations of $576.9 million and $341.5 million for the six months ended June 30, 2019, respectively, compared to $498.3 million and $305.1 million, respectively, for the corresponding period in the prior year.

The major factors affecting our results for the three and six months ended June 30, 2019, as compared to the three and six months ended June 30, 2018, were as follows:

- Total income from real estate was $255.8 million and $510.6 million for the three and six months ended June 30, 2019, respectively, and $218.3 million and $427.6 million for the three and six months ended June 30, 2018, respectively. Total income from real estate increased by $37.4 million and $83.0 million for the three and six months ended June 30, 2019, respectively, as compared to the corresponding periods in the prior year primarily due to the Tropicana Transactions, the Penn-Pinnacle Merger and the partial recognition of income previously deferred under the Penn Master Lease and Meadows Lease. These increases were partially offset by the elimination of the revenue gross-up for real estate taxes paid directly by our tenants under ASC 842 and the first percentage rent reset under the Penn Master Lease, which resulted in a rent decrease.

- Revenues for our TRS Properties decreased by $2.6 million and $4.4 million for the three and six months ended June 30, 2019, respectively, as compared to the corresponding periods in the prior year, due to decreased revenues at both TRS Properties, resulting from the June 2018 smoking ban at all Baton Rouge casinos, as well as decreased admissions at Hollywood Casino Perryville.

- Total operating expenses increased by $17.3 million and $42.2 million for the three and six months ended June 30, 2019, respectively, as compared to the corresponding periods in the prior year. The increase in operating expenses for the three months ended June 30, 2019 as compared to the prior year period was primarily driven by an increase in depreciation expense resulting from the addition of the Tropicana and Plainridge Park real estate assets to our real estate portfolio and the acceleration of depreciation related to the closure of the Resorts Casino Tunica property by our tenant, as well as the reclassification of the Pinnacle building assets to real estate investments on our balance sheet. As a result of the Penn-Pinnacle Merger, the Amended Pinnacle Master Lease is treated as an operating lease in its

entirety and our investment in the direct financing lease was unwound. Also driving the increase was accelerated land right amortization expense also related to the Resorts Casino Tunica closure by our tenant. The closure of the Resorts Casino Tunica property by our tenant will not impact the rent collected from Penn under the Penn Master Lease, as our lease with Penn is cross-collateralized and does not allow for rent reductions for individual property closures. These increases were offset by a significant decrease in real estate tax expense, as we are no longer required to gross-up our financial statements for the real estate taxes paid directly by our tenants under ASC 842, as well as the absence of retirement costs in the current period. The increase in operating expenses for the six months ended June 30, 2019, as compared to the prior year period, was driven by the explanations above, in addition to a loan impairment charge of $13.0 million in the first quarter of 2019 related to the Company's unsecured loan to Casino Queen.

- Other income and expenses increased by $16.6 million and $39.7 million for the three and six months ended June 30, 2019, respectively, as compared to the corresponding periods in the prior year primarily due to an increase in interest expense related to the debt refinancing in the second quarter of 2018 and debt issuances in the third quarter of 2018, the proceeds of which were utilized for the October 2018 closings of the Tropicana Transactions and the acquisition of Plainridge Park Casino, as well as, the funding of the Belterra Park Loan in connection with the Penn-Pinnacle Merger.

- Net income increased by $1.0 million for the three months ended June 30, 2019 and decreased by $2.7 million, for the six months ended June 30, 2019, as compared to the corresponding periods in the prior year, primarily due to the variances explained above.

Segment Developments

The following are recent developments that have had or are likely to have an impact on us by segment:

GLP Capital

- On October 15, 2018, Penn's acquisition of Pinnacle closed, and the Company completed its previously announced transactions with Penn, Pinnacle and Boyd. Concurrent with Penn's acquisition, the Company amended the Pinnacle Master Lease to allow for the sale of the operating assets of Ameristar Casino Hotel Kansas City, Ameristar Casino Resort Spa St. Charles and Belterra Casino Resort from Pinnacle to Boyd and entered into a new triple-net master lease agreement with Boyd for these properties on terms similar to the Company’s existing master leases. The Company also purchased the real estate assets of Plainridge Park Casino from Penn for $250.0 million, exclusive of transaction fees and taxes, and added this property to the Amended Pinnacle Master Lease. We also entered into a loan agreement with Boyd in connection with Boyd's acquisition of Belterra Park, whereby we loaned Boyd $57.7 million, act as mortgagee and collect interest income from Boyd. Our initial annual real estate income will increase by $45.3 million as a result of these transactions.

- On October 1, 2018, the Company purchased the real property assets of five properties from Tropicana for $964.0 million, exclusive of taxes and transaction fees. Concurrent with the acquisition of these properties, Eldorado purchased the operating assets of these Tropicana properties and Lumière Place and entered into a new triple-net master lease with the Company for the lease of the five Tropicana properties purchased by us for a 15-year initial term with no purchase option followed by four successive 5-year renewal periods (exercisable by Eldorado). Initial annual rent under the Eldorado Master Lease is $87.6 million. The Company also made a loan to Eldorado in the amount of $246.0 million in connection with Eldorado’s acquisition of Lumière Place, which will generate initial annual interest income of $22.4 million.

TRS Properties

- During the second quarter of 2018, a smoking ban went into effect at all Baton Rouge, Louisiana casinos, which in combination with the general market deterioration in the Baton Rouge region has contributed to the poor performance of our Hollywood Casino Baton Rouge property.

Critical Accounting Estimates

We make certain judgments and use certain estimates and assumptions when applying accounting principles in the preparation of our consolidated financial statements. The nature of the estimates and assumptions are material due to the levels of subjectivity and judgment necessary to account for highly uncertain factors or the susceptibility of such factors to change. We have identified the accounting for income taxes, real estate investments, leases and goodwill and other intangible assets as critical accounting estimates, as they are the most important to our financial statement presentation and require difficult, subjective and complex judgments.

We believe the current assumptions and other considerations used to estimate amounts reflected in our condensed consolidated financial statements are appropriate. However, if actual experience differs from the assumptions and other considerations used in estimating amounts reflected in our consolidated financial statements, the resulting changes could have a material adverse effect on our consolidated results of operations and, in certain situations, could have a material adverse effect on our consolidated financial condition.

For further information on our critical accounting estimates, see Item 7. "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the Notes to our audited consolidated financial statements included in our Annual Report on Form 10-K. There has been no material change to these estimates for the six months ended June 30, 2019.

Off-Balance Sheet Arrangements

We have no material off-balance sheet arrangements.

Results of Operations

The following are the most important factors and trends that contribute or will contribute to our operating performance:

- The fact that several wholly-owned subsidiaries of Penn lease a substantial number of our properties, pursuant to two master leases and a single property lease and account for a significant portion of our revenue.

- The risks related to economic conditions and the effect of such conditions on consumer spending for leisure and gaming activities, which may negatively impact our gaming tenants and operators and the variable rent and annual rent escalators we receive from our tenants as outlined in the long-term triple-net leases with these tenants.

- The fact that the rules and regulations of U.S. federal income taxation are constantly under review by legislators, the IRS and the U.S. Department of the Treasury. Changes to the tax laws or interpretations thereof, with or without retroactive application, could materially and adversely affect GLPI's investors or GLPI.

The consolidated results of operations for the three and six months ended June 30, 2019 and 2018 are summarized below:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
	(in thousands)			
Revenues				
Rental income	$ 248,563	$ 169,865	$ 496,241	$ 339,270
Income from direct financing lease	—	26,984	—	45,605
Interest income from mortgaged real estate	7,201	—	14,394	—
Real estate taxes paid by tenants	—	21,483	—	42,761
Total income from real estate	255,764	218,332	510,635	427,636
Gaming, food, beverage and other	33,249	35,889	66,242	70,635
Total revenues	289,013	254,221	576,877	498,271
Operating expenses				
Gaming, food, beverage and other	19,168	20,407	38,190	40,065
Real estate taxes	—	21,800	—	43,395
Land rights and ground lease expense	15,229	6,444	24,478	12,976
General and administrative	15,984	24,806	33,224	41,266
Depreciation	67,865	27,523	126,443	55,477
Loan impairment charges	—	—	13,000	—
Total operating expenses	118,246	100,980	235,335	193,179
Income from operations	$ 170,767	$ 153,241	$ 341,542	$ 305,092

Certain information regarding our results of operations by segment for the three and six months ended June 30, 2019 and 2018 is summarized below:

	Three Months Ended June 30,			
	2019	2018	2019	2018
	Total Revenues		Income from Operations	
	(in thousands)			
GLP Capital	$ 255,764	$ 218,332	$ 164,068	$ 146,133
TRS Properties	33,249	35,889	6,699	7,108
Total	$ 289,013	$ 254,221	$ 170,767	$ 153,241

	Six Months Ended June 30,			
	2019	2018	2019	2018
	Total Revenues		Income from Operations	
	(in thousands)			
GLP Capital	$ 510,635	$ 427,636	$ 328,937	$ 291,007
TRS Properties	66,242	70,635	12,605	14,085
Total	$ 576,877	$ 498,271	$ 341,542	$ 305,092

FFO, AFFO and Adjusted EBITDA

Funds From Operations ("FFO"), Adjusted Funds From Operations ("AFFO") and Adjusted EBITDA are non-GAAP financial measures used by the Company as performance measures for benchmarking against the Company’s peers and as internal measures of business operating performance, which is used as a bonus metric. The Company believes FFO, AFFO and Adjusted EBITDA provide a meaningful perspective of the underlying operating performance of the Company’s current business. This is especially true since these measures exclude real estate depreciation and we believe that real estate values fluctuate based on market conditions rather than depreciating in value ratably on a straight-line basis over time. In addition, in order for the Company to qualify as a REIT, it must distribute 90% of its REIT taxable income annually. The Company adjusts AFFO accordingly to provide our investors an estimate of the taxable income available for this distribution requirement.

FFO, AFFO and Adjusted EBITDA are non-GAAP financial measures that are considered supplemental measures for the real estate industry and a supplement to GAAP measures. The National Association of Real Estate Investment Trusts defines FFO as net income (computed in accordance with GAAP), excluding (gains) or losses from sales of property and real estate depreciation. We define AFFO as FFO excluding stock based compensation expense, the amortization of debt issuance costs, bond premiums and original issuance discounts, other depreciation, the amortization of land rights, straight-line rent adjustments, direct financing lease adjustments, losses on debt extinguishment, retirement costs and goodwill and loan impairment charges, reduced by maintenance capital expenditures. Finally, we define Adjusted EBITDA as net income excluding interest, taxes on income, depreciation, (gains) or losses from sales of property, stock based compensation expense, straight-line rent adjustments, direct financing lease adjustments, the amortization of land rights, losses on debt extinguishment, retirement costs and goodwill and loan impairment charges.

FFO, AFFO and Adjusted EBITDA are not recognized terms under GAAP. 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 an indication of our ability to fund all of our cash needs, including to make cash distributions to our shareholders, to fund capital improvements, or to make interest payments on our indebtedness. Investors are also cautioned that FFO, AFFO and Adjusted EBITDA, as presented, may not be comparable to similarly titled measures reported by other real estate companies, including REITs due to the fact that not all real estate companies use the same definitions. Our presentation of these measures does not replace the presentation of our financial results in accordance with GAAP.

The reconciliation of the Company's net income per GAAP to FFO, AFFO, and Adjusted EBITDA for the three and six months ended June 30, 2019 and 2018 is as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
	(in thousands)			
Net income	**$ 93,033**	**$ 91,998**	**$ 186,043**	**$ 188,770**
Losses from dispositions of property	6	225	13	225
Real estate depreciation	65,568	24,651	121,243	49,749
Funds from operations	**$ 158,607**	**$ 116,874**	**$ 307,299**	**$ 238,744**
Straight-line rent adjustments	8,643	16,616	17,287	33,233
Direct financing lease adjustments	—	11,030	—	29,239
Other depreciation	2,297	2,872	5,200	5,728
Amortization of land rights	9,406	2,728	12,496	5,455
Amortization of debt issuance costs, bond premiums and original issuance discounts	2,899	3,039	5,790	6,296
Stock based compensation	4,183	616	8,508	4,603
Losses on debt extinguishment	—	3,473	—	3,473
Retirement costs	—	13,149	—	13,149
Loan impairment charges	—	—	13,000	—
Capital maintenance expenditures	(1,017)	(1,162)	(1,547)	(1,984)
Adjusted funds from operations	**$ 185,018**	**$ 169,235**	**$ 368,033**	**$ 337,936**
Interest, net	76,275	56,164	152,914	109,751
Income tax expense	1,459	1,606	2,585	3,098
Capital maintenance expenditures	1,017	1,162	1,547	1,984
Amortization of debt issuance costs, bond premiums and original issuance discounts	(2,899)	(3,039)	(5,790)	(6,296)
Adjusted EBITDA	**$ 260,870**	**$ 225,128**	**$ 519,289**	**$ 446,473**

The reconciliation of each segment's net income per GAAP to FFO, AFFO, and Adjusted EBITDA for the three and six months ended June 30, 2019 and 2018 is as follows:

Three Months Ended June 30,	GLP Capital		TRS Properties	
	2019	2018	2019	2018
	(in thousands)			
Net income	**$ 90,197**	**$ 88,870**	**$ 2,836**	**$ 3,128**
Losses (gains) from dispositions of property	1	(9)	5	234
Real estate depreciation	65,568	24,651	—	—
Funds from operations	**$ 155,766**	**$ 113,512**	**$ 2,841**	**$ 3,362**
Straight-line rent adjustments	8,643	16,616	—	—
Direct financing lease adjustments	—	11,030	—	—
Other depreciation	499	521	1,798	2,351
Amortization of land rights	9,406	2,728	—	—
Amortization of debt issuance costs, bond premiums and original issuance discounts	2,899	3,039	—	—
Stock based compensation	4,183	616	—	—
Losses on debt extinguishment	—	3,473	—	—
Retirement costs	—	13,149	—	—
Capital maintenance expenditures	(2)	(3)	(1,015)	(1,159)
Adjusted funds from operations	**$ 181,394**	**$ 164,681**	**$ 3,624**	**$ 4,554**
Interest, net [(1)]	73,674	53,562	2,601	2,602
Income tax expense	197	228	1,262	1,378
Capital maintenance expenditures	2	3	1,015	1,159
Amortization of debt issuance costs, bond premiums and original issuance discounts	(2,899)	(3,039)	—	—
Adjusted EBITDA	**$ 252,368**	**$ 215,435**	**$ 8,502**	**$ 9,693**

Six Months Ended June 30,	GLP Capital		TRS Properties	
	2019	2018	2019	2018
	(in thousands)			
Net income	**$ 180,960**	**$ 182,586**	**$ 5,083**	**$ 6,184**
Losses (gains) from dispositions of property	8	(9)	5	234
Real estate depreciation	121,243	49,749	—	—
Funds from operations	**$ 302,211**	**$ 232,326**	**$ 5,088**	**$ 6,418**
Straight-line rent adjustments	17,287	33,233	—	—
Direct financing lease adjustments	—	29,239	—	—
Other depreciation	999	1,038	4,201	4,690
Amortization of land rights	12,496	5,455	—	—
Amortization of debt issuance costs, bond premiums and original issuance discounts	5,790	6,296	—	—
Stock based compensation	8,508	4,603	—	—
Losses on debt extinguishment	—	3,473	—	—
Retirement costs	—	13,149	—	—
Loan impairment charges	13,000	—	—	—
Capital maintenance expenditures	(4)	(51)	(1,543)	(1,933)
Adjusted funds from operations	**$ 360,287**	**$ 328,761**	**$ 7,746**	**$ 9,175**
Interest, net [(1)]	147,712	104,549	5,202	5,202
Income tax expense	265	399	2,320	2,699
Capital maintenance expenditures	4	51	1,543	1,933
Amortization of debt issuance costs, bond premiums and original issuance discounts	(5,790)	(6,296)	—	—
Adjusted EBITDA	**$ 502,478**	**$ 427,464**	**$ 16,811**	**$ 19,009**

(1) Interest expense, net for the GLP Capital segment is net of intercompany interest eliminations of $2.6 million and $5.2 million for both the three and six months ended June 30, 2019 and 2018, respectively.

Net income for our GLP Capital segment was $90.2 million for the three months ended June 30, 2019 and $88.9 million for the three months ended June 30, 2018. FFO, AFFO, and Adjusted EBITDA for our GLP Capital segment were $155.8 million, $181.4 million and $252.4 million for the three months ended June 30, 2019, respectively. FFO, AFFO, and Adjusted EBITDA for our GLP Capital segment were $113.5 million, $164.7 million and $215.4 million for the three months ended June 30, 2018, respectively. The increase in net income for our GLP Capital segment for the three months ended June 30, 2019, as compared to the three months ended June 30, 2018, was primarily driven by a $37.4 million increase in income from real estate, partially offset by a $19.5 million increase in operating expenses and a $16.6 million increase in other expenses, net. The increase in income from real estate in our GLP Capital segment was primarily due to the Tropicana Transactions, the Penn-Pinnacle Merger and the partial recognition of income previously deferred under the Penn Master Lease and Meadows Lease. These increases were partially offset by the elimination of the revenue gross-up for real estate taxes paid directly by our tenants under ASC 842 and the first percentage rent reset under the Penn Master Lease, which resulted in a rent decrease.

The increase in operating expenses in our GLP Capital segment for the three months ended June 30, 2019, as compared to the three months ended June 30, 2018 was primarily driven by an increase in depreciation expense resulting from the addition of the Tropicana and Plainridge Park real estate assets to our real estate portfolio and the acceleration of depreciation related to the closure of the Resorts Casino Tunica property by our tenant, as well as the reclassification of the Pinnacle building assets to real estate investments on our balance sheet. As a result of the Penn-Pinnacle Merger, the Amended Pinnacle Master Lease is treated as an operating lease in its entirety and our investment in the direct financing lease was unwound. Also driving the increase was accelerated land right amortization expense also related to the Resorts Casino Tunica closure by our tenant. The closure of the Resorts Casino Tunica property by our tenant will not impact the rent collected from Penn under the Penn Master Lease, as our lease with Penn is cross-collateralized and does not allow for rent reductions for individual property closures. These increases were offset by a significant decrease in real estate tax expense, as we are no longer required to gross-up our financial statements for the real estate taxes paid directly by our tenants under ASC 842, as well as the absence of retirement costs in the current period. The increase in other expenses, net in our GLP Capital segment for the three months ended June 30, 2019, as compared to the three months ended June 30, 2018, was primarily due to an increase in interest expense related to the debt refinancing in the second quarter of 2018 and debt issuances in the third quarter of 2018, the proceeds of which were utilized for the October 2018 closings of the Tropicana Transactions and the acquisition of Plainridge Park Casino, as well as, the funding of the Belterra Park Loan in connection with the Penn-Pinnacle Merger.

The increase in FFO in our GLP Capital segment for the three months ended June 30, 2019, as compared to the three months ended June 30, 2018 was driven by the explanations above, including an add-back for the depreciation expense. The increase in AFFO for our GLP Capital segment for the three months ended June 30, 2019, as compared to the three months ended June 30, 2018 was primarily driven by the changes described above, as well as the add-back for the accelerated amortization expense and higher stock based compensation expense, partially offset by lower direct financing lease adjustments and straight-line rent adjustments, both of which are added back for AFFO purposes. Direct financing lease adjustments represent the portion of cash rent we received from tenants that was applied against our lease receivable and thus not recorded as revenue. These adjustments were eliminated due to the unwinding of the direct financing lease in October 2018, as the cash received is now recorded as rental income and no add-back to AFFO is necessary. Adjusted EBITDA for our GLP Capital segment for the three months ended June 30, 2019, as compared to the three months ended June 30, 2018 also increased, driven by the explanations above, as well as, a higher add-back for interest expense.

Net income for our GLP Capital segment was $181.0 million for the six months ended June 30, 2019 and $182.6 million for the six months ended June 30, 2018. FFO, AFFO, and Adjusted EBITDA for our GLP Capital segment were $302.2 million, $360.3 million and $502.5 million for the six months ended June 30, 2019, respectively. FFO, AFFO, and Adjusted EBITDA for our GLP Capital segment were $232.3 million, $328.8 million and $427.5 million for the six months ended June 30, 2018, respectively. The decrease in net income for our GLP Capital segment for the six months ended June 30, 2019, as compared to the six months ended June 30, 2018, was primarily driven by an $83.0 million increase in income from real estate, partially offset by a $45.1 million increase in operating expenses and a $39.7 million increase in other expenses, net. The changes in income from real estate and other expenses, net were driven by the explanations above for the three months ended June 30, 2019, as compared to the three months ended June 30, 2018, while the changes described above, in addition to a loan impairment charge of $13.0 million related to the Company's unsecured loan to Casino Queen drove the increase in operating expenses. FFO, AFFO and Adjusted EBITDA for our GLP Capital segment for the six months ended June 30, 2019, as compared to the six months ended June 30, 2018, were primarily driven by the explanations above for the three months ended June 30, 2019, as compared to the three months ended June 30, 2018, as well as the add-back of the loan impairment charges for AFFO purposes.

Revenues

Revenues for the three and six months ended June 30, 2019 and 2018 were as follows (in thousands):

Three Months Ended June 30,	2019	2018	Variance	Percentage Variance
Total income from real estate	$ 255,764	$ 218,332	$ 37,432	17.1 %
Gaming, food, beverage and other	33,249	35,889	(2,640)	(7.4)%
Total revenues	$ 289,013	$ 254,221	$ 34,792	13.7 %

Six Months Ended June 30,	2019	2018	Variance	Percentage Variance
Total income from real estate	$ 510,635	$ 427,636	$ 82,999	19.4 %
Gaming, food, beverage and other	66,242	70,635	(4,393)	(6.2)%
Total revenues	$ 576,877	$ 498,271	$ 78,606	15.8 %

Total income from real estate

For the three months ended June 30, 2019 and 2018, total income from real estate was $255.8 million and $218.3 million, respectively, for our GLP Capital segment. For the six months ended June 30, 2019 and 2018, total income from real estate was $510.6 million and $427.6 million, respectively, for our GLP Capital segment. In accordance with ASC 842, the Company records revenue for the ground lease rent paid by its tenants with an offsetting expense in land rights and ground lease expense within the condensed consolidated statement of income as the Company has concluded that as the lessee it is the primary obligor under the ground leases. The Company subleases these ground leases back to its tenants, who are responsible for payment directly to the landlord.

Total income from real estate increased $37.4 million, or 17.1%, for the three months ended June 30, 2019, as compared to the three months ended June 30, 2018, primarily due to the Tropicana Transactions and the Penn-Pinnacle Merger (including the Plainridge Park acquisition, the increased rent under the Amended Pinnacle Master Lease and the Belterra Park Loan) both of which occurred in the fourth quarter of 2018, the impact of the rent escalators under the Penn and Boyd Master Leases, the partial recognition of income previously deferred under the Penn Master Lease and Meadows Lease and the recognition of cash rent that was previously applied against the lease receivable on our balance sheet as rental income. As a result of the Penn-Pinnacle Merger, the Amended Pinnacle Master Lease is treated as an operating lease in its entirety and all cash rent received from our tenants is recognized as revenue when earned. These increases were partially offset by the first percentage rent reset on the Penn Master Lease, which resulted in a rent decrease and the elimination of the revenue gross-up for real estate taxes paid directly by our tenants under ASC 842. Total income from real estate increased $83.0 million, or 19.4%, for the six months ended June 30, 2019, as compared to the six months ended June 30, 2018, primarily due to explanations above for the three months ended June 30, 2019, as compared to the three months ended June 30, 2018.

Details of the Company's income from real estate for the three and six months ended June 30, 2019 was as follows (in thousands):

Three Months Ended June 30, 2019	Penn Master Lease	Amended Pinnacle Master Lease	Eldorado Master Lease and Mortgage	Boyd Master Lease and Mortgage	Penn - Meadows Lease	Casino Queen Lease	Total
Building base rent	$ 68,482	$ 56,297	$ 15,229	$ 18,702	$ 3,284	$ 2,276	$164,270
Land base rent	23,492	17,778	3,340	2,933	—	—	47,543
Percentage rent	21,873	7,905	3,340	2,796	2,792	1,356	40,062
Total cash rental income	$113,847	$ 81,980	$ 21,909	$ 24,431	$ 6,076	$ 3,632	$251,875
Straight-line rent adjustments	$ 2,232	$ (6,319)	$ (2,894)	$ (2,235)	$ 573	$ —	$ (8,643)
Ground rent in revenue	926	1,729	2,115	418	—	—	5,188
Other rental revenue	—	—	—	—	143	—	143
Total rental income	$117,005	$ 77,390	$ 21,130	$ 22,614	$ 6,792	$ 3,632	$248,563
Interest income from mortgaged real estate	—	—	5,590	1,611	—	—	7,201
Total income from real estate	$117,005	$ 77,390	$ 26,720	$ 24,225	$ 6,792	$ 3,632	$255,764

Six Months Ended June 30, 2019	PENN Master Lease	Amended Pinnacle Master Lease	ERI Master Lease and Mortgage	BYD Master Lease and Mortgage	PENN - Meadows Lease	Casino Queen Lease	Total
Building base rent	$136,964	$112,078	$ 30,459	$ 36,988	$ 6,567	$ 4,551	$327,607
Land base rent	46,984	35,481	6,680	5,839	—	—	94,984
Percentage rent	43,558	15,738	6,680	5,566	5,584	2,712	79,838
Total cash rental income	$227,506	$163,297	$ 43,819	$ 48,393	$ 12,151	$ 7,263	$502,429
Straight-line rent adjustments	$ 4,463	$ (12,637)	$ (5,789)	$ (4,469)	$ 1,145	$ —	$ (17,287)
Ground rent in revenue	1,888	3,510	4,501	852	—	—	10,751
Other rental revenue	—	—	—	—	348	—	348
Total rental income	$233,857	$154,170	$ 42,531	$ 44,776	$ 13,644	$ 7,263	$496,241
Interest income from mortgaged real estate	—	—	11,181	3,213	—	—	14,394
Total income from real estate	$233,857	$154,170	$ 53,712	$ 47,989	$ 13,644	$ 7,263	$510,635

Gaming, food, beverage and other revenue

Gaming, food, beverage and other revenue for our TRS Properties segment decreased by $2.6 million, or 7.4%, for the three months ended June 30, 2019, as compared to the three months ended June 30, 2018, due to decreases in revenues at both TRS Properties, primarily resulting from general market deterioration in the Baton Rouge region and the June 2018 smoking ban at all Baton Rouge casinos that went into effect late in the second quarter of 2018, as well as decreased admissions at the Hollywood Casino Perryville. Gaming, food, beverage and other revenue for our TRS Properties segment decreased by $4.4 million, or 6.2%, for the six months ended June 30, 2019, as compared to the six months ended June 30, 2018, primarily due to the explanations above.

Operating expenses

Operating expenses for the three and six months ended June 30, 2019 and 2018 were as follows (in thousands):

Three Months Ended June 30,	2019	2018	Variance	Percentage Variance
Gaming, food, beverage and other	$ 19,168	$ 20,407	$ (1,239)	(6.1)%
Real estate taxes	—	21,800	(21,800)	(100.0)%
Land rights and ground lease expense	15,229	6,444	8,785	136.3 %
General and administrative	15,984	24,806	(8,822)	(35.6)%
Depreciation	67,865	27,523	40,342	146.6 %
Total operating expenses	$ 118,246	$ 100,980	$ 17,266	17.1 %

Six Months Ended June 30,	2019	2018	Variance	Percentage Variance
Gaming, food, beverage and other	$ 38,190	$ 40,065	$ (1,875)	(4.7)%
Real estate taxes	—	43,395	(43,395)	(100.0)%
Land rights and ground lease expense	24,478	12,976	11,502	88.6 %
General and administrative	33,224	41,266	(8,042)	(19.5)%
Depreciation	126,443	55,477	70,966	127.9 %
Loan impairment charges	13,000	—	13,000	N/A
Total operating expenses	$ 235,335	$ 193,179	$ 42,156	21.8 %

Real estate taxes

Real estate taxes decreased as we are no longer required to gross-up our financial statements for the real estate taxes paid directly by our tenants under ASC 842. In December 2018, the FASB issued ASU 2018-20, which clarifies that lessor costs paid directly to a third-party by a lessee on behalf of the lessor, are no longer required to be recognized in the lessor's financial statements. Therefore, upon the adoption of ASU 2016-02 on January 1, 2019, we no longer gross-up our financial statements for real estate taxes paid directly to third-parties by its tenants.

Land rights and ground lease expense

Land rights and ground lease expense includes the amortization of land rights and rent expense related to the Company's long-term ground leases. Land rights and ground lease expense increased by $8.8 million, or 136.3%, for the three months ended June 30, 2019, as compared to the three months ended June 30, 2018, primarily due to the closure of the Resorts Casino Tunica property by our tenant, resulting in the acceleration of land right amortization expense related to the ground lease at this property. Our acquisition of rights to six long-term ground leases in connection with the October 2018 Tropicana Acquisition further contributed to the increase in land rights and ground lease expense for the three months ended June 30, 2019, as compared to the comparable prior year period. In connection with this acquisition, we acquired land rights to long-term leases which are recorded on our consolidated balance sheet as land right assets and amortized over the term of the leases, including renewal options. We also record rent expense related to these ground leases with offsetting revenue recorded within the consolidated statements of income as we have concluded that as the lessee we are the primary obligor under the ground leases. We sublease these ground leases back to our tenants, who are responsible for payment directly to the landlord. Land rights and ground lease expense increased by $11.5 million, or 88.6%, for the six months ended June 30, 2019, as compared to the six months ended June 30, 2018 for the reasons described above.

General and Administrative Expense

General and administrative expenses include items such as compensation costs (including stock based compensation), professional services and costs associated with development activities. General and administrative expenses decreased by $8.8 million or 35.6%, for the three months ended June 30, 2019, as compared to the three months ended June 30, 2018, primarily due to the absence of retirement costs related to the retirement of our former Chief Financial Officer in 2018. General and administrative expenses decreased by $8.0 million or 19.5%, for the six months ended June 30, 2019, as compared to the six months ended June 30, 2018, primarily due to the explanation above.

Depreciation

Depreciation expense increased by $40.3 million, or 146.6%, to $67.9 million for the three months ended June 30, 2019 as compared to the three months ended June 30, 2018, primarily due to the acceleration of depreciation related to the closure of the Resorts Casino Tunica property by our tenant, the addition of the Tropicana and Plainridge Park real estate assets to our portfolio and the reclassification of the Pinnacle building assets to real estate investments on our balance sheet as a result of the Penn-Pinnacle Merger, which required the Amended Pinnacle Master Lease to be treated as an operating lease in its entirety. Depreciation expense increased by $71.0 million, or 127.9%, to $126.4 million for the six months ended June 30, 2019 as compared to the six months ended June 30, 2018, for the reasons described above.

Loan impairment charges

On March 17, 2017 the Company provided a new unsecured $13.0 million, 5.5-year term loan to CQ Holding Company, Inc., an affiliate of Casino Queen ("CQ Holding Company"), to partially finance their acquisition of Lady Luck Casino in Marquette, Iowa. During 2018, the operating results of Casino Queen declined substantially and Casino Queen defaulted under its senior credit agreement and also the unsecured loan with GLPI. As a result, the operations of Casino Queen were put up for sale during the fourth quarter of 2018. At December 31, 2018, active negotiations for the sale of Casino Queen's operations were taking place and full payment of the principal was still expected, due to the anticipation that the operations were to be sold in the near term for an amount allowing for repayment of the full $13.0 million of loan principal due to GLPI.

During the first quarter of 2019, the operating results of Casino Queen continued to decline, resulting in the anticipated acquirer withdrawing from the sales process. Subsequent offers for the operating assets of Casino Queen have declined substantially and proceeds from the sale are not expected to generate enough cash to repay all of Casino Queen's creditors. Thus, because the Company does not expect Casino Queen to be able to repay the $13.0 million of principal due to it under the unsecured loan agreement, the full $13.0 million of principal was written off at March 31, 2019. The Company has recorded an impairment charge of $13.0 million through the condensed consolidated statement of income for the six months ended June 30, 2019 to reflect the write-off of the Casino Queen loan.

Other income (expenses)

Other income (expenses) for the three and six months ended June 30, 2019 and 2018 were as follows (in thousands):

Three Months Ended June 30,	2019	2018	Variance	Percentage Variance
Interest expense	$ (76,523)	$ (57,055)	$ (19,468)	(34.1)%
Interest income	248	891	(643)	(72.2)%
Losses on debt extinguishment	—	(3,473)	3,473	(100.0)%
Total other expenses	$ (76,275)	$ (59,637)	$ (16,638)	(27.9)%

Six Months Ended June 30,	2019	2018	Variance	Percentage Variance
Interest expense	$ (153,251)	$ (111,123)	$ (42,128)	(37.9)%
Interest income	337	1,372	(1,035)	(75.4)%
Losses on debt extinguishment	—	(3,473)	3,473	(100.0)%
Total other expenses	$ (152,914)	$ (113,224)	$ (39,690)	(35.1)%

Interest expense

Interest expense increased by $19.5 million, or 34.1%, for the three months ended June 30, 2019, as compared to the three months ended June 30, 2018, primarily due to the issuance of $850 million of 5.25% senior unsecured notes due 2025, $500 million of 5.75% senior unsecured notes due 2028 and $750 million of 5.30% senior unsecured notes due 2029 during 2018, as well as increased borrowings under our revolving credit facility, partially offset by a decrease in interest expense related to the termination of the Term Loan A facility, partial repayment of the Term Loan A-1 facility and the tender and call of our 4.375% senior unsecured notes due 2018. The proceeds from the issuance of the senior unsecured notes in 2018 and the increased borrowings were used to finance the Tropicana Transactions, to purchase Plainridge Park and to fund the Belterra Park Loan. Interest expense increased by $42.1 million or, 37.9%, for the six months ended June 30, 2019, as compared to the six months ended June 30, 2018, primarily due to the explanation above.

Losses on debt extinguishment

On May 21, 2018, the Company entered into the second amendment to the senior unsecured credit facility (the "Credit Facility"), which increased the Company's revolving commitments to an aggregate principal amount of $1,100 million, eliminated the Term Loan A facility and extended the maturity date of the revolving credit facility to May 21, 2023. The Company recorded a loss on the early extinguishment of debt, related to the second amendment to the Credit Facility, of approximately $1.0 million for the proportional amount of unamortized debt issuance costs associated with the extinguished Term Loan A facility and related to the banks that are no longer participating in the Credit Facility.

Also on May 21, 2018, the Company completed a cash tender offer (the "Tender Offer") to purchase any and all of the outstanding $550 million aggregate principal of its 4.375% Senior Unsecured Notes due 2018 (the "2018 Notes"). The Company received tenders from the holders of approximately $393.5 million in aggregate principal of the 2018 Notes, or approximately 72% of its outstanding 2018 Notes in connection with the Tender Offer at a price of 100.396% of the unpaid principal amount plus accrued and unpaid interest through the settlement date. The Company recorded a loss on the early extinguishment of debt, related to the Tender Offer of approximately $2.5 million for the proportional amount of unamortized debt issuance costs associated with the tendered 2018 Notes and the difference between the reaquisition price of the tendered 2018 Notes and their net carrying value.

Taxes

During the three months ended June 30, 2019 and 2018, income tax expense was approximately $1.5 million and $1.6 million, respectively. Our effective tax rate (income taxes as a percentage of income before income taxes) was 1.5% for the three months ended June 30, 2019, as compared to 1.7% for the three months ended June 30, 2018. During the six months ended June 30, 2019 and 2018, income tax expense was approximately $2.6 million and $3.1 million, respectively. Our effective tax rate was 1.4% for the six months ended June 30, 2019, as compared to 1.6% for the six months ended June 30, 2018.

Liquidity and Capital Resources

Our primary sources of liquidity and capital resources are cash flow from operations, borrowings from banks, and proceeds from the issuance of debt and equity securities.

Net cash provided by operating activities was $364.1 million and $305.6 million during the six months ended June 30, 2019 and 2018, respectively. The increase in net cash provided by operating activities of $58.5 million for the six months ended June 30, 2019 as compared to the corresponding period in the prior year was primarily comprised of an increase in cash receipts from customers/tenants of $101.3 million, partially offset by increases in cash paid for interest, cash paid for operating expenses and cash paid to employees of $36.9 million, $3.4 million and $1.6 million, respectively. The increase in cash receipts collected from our customers and tenants for the six months ended June 30, 2019 as compared to the corresponding period in the prior year was primarily due to the Tropicana Transactions and the Penn-Pinnacle Merger both of which occurred in the fourth quarter of 2018, partially offset by a decrease in our TRS Properties' revenues. The increase in cash paid for interest was related to the Company's new borrowings which were used to fund the Tropicana Transactions, the acquisition of Plainridge Park and the Belterra Park Loan.

Investing activities used cash of $1.4 million and provided cash of $27.5 million during the six months ended June 30, 2019 and 2018, respectively. Net cash used in investing activities during the six months ended June 30, 2019 primarily consisted of capital expenditures of $1.5 million, partially offset by proceeds from sales of property and equipment of $0.2 million. Net cash provided by investing activities during the six months ended June 30, 2018 consisted of rental payments received from tenants and applied against the lease receivable on our balance sheet of $29.2 million, partially offset by capital expenditures of $2.0 million.

Financing activities used cash of $363.8 million and $217.7 million during the six months ended June 30, 2019 and 2018, respectively. Net cash used in financing activities during the six months ended June 30, 2019 was driven by dividend payments of $292.4 million, repayments of long-term debt of $217.1 million and taxes paid related to shares withheld for tax purposes on restricted stock award vestings, net of stock option exercises of $9.1 million, partially offset by $155.0 million of proceeds from the issuance of long-term debt. Net cash used by financing activities during the six months ended June 30, 2018 included dividend payments of $269.5 million, repayments of long-term debt of $923.6 million, financing costs of $19.7 million, $1.9 million of premium and related costs paid on the tender of senior unsecured notes and taxes paid related to shares withheld for tax purposes on restricted stock award vestings, net of stock option exercises of $2.9 million, partially offset by proceeds from the issuance of long-term debt of $1,000.0 million. During the six months ended June 30, 2018, the Company

issued $1,000.0 million in new senior unsecured notes, completed a tender of $393.5 million aggregate principal of the 2018 Notes, repaid a portion of the Term Loan A-1 facility and extinguished the Term Loan A facility.

Capital Expenditures

Capital expenditures are accounted for as either capital project or capital maintenance (replacement) expenditures. Capital project expenditures are for fixed asset additions that expand an existing facility or create a new facility. The cost of properties developed by the Company include costs of construction, property taxes, interest and other miscellaneous costs incurred during the development period until the project is substantially complete and available for occupancy. Capital maintenance expenditures are expenditures to replace existing fixed assets with a useful life greater than one year that are obsolete, worn out or no longer cost effective to repair.

During the six months ended June 30, 2019 and 2018, the TRS Properties spent approximately $1.5 million and $2.0 million, respectively, for capital maintenance expenditures. The majority of the capital maintenance expenditures were for slot machines and slot machine equipment. Under the triple-net lease structure, our tenants are responsible for capital maintenance expenditures at our leased properties.

Debt

Senior Unsecured Credit Facility

The Company's Credit Facility consists of a $1,175 million revolving credit facility and a $525 million Term Loan A-1 facility. The revolving credit facility matures on May 21, 2023 and the Term Loan A-1 facility matures on April 28, 2021.

At June 30, 2019, the Credit Facility had a gross outstanding balance of $865 million, consisting of the $525 million Term Loan A-1 facility and $340 million of borrowings under the revolving credit facility. Additionally, at June 30, 2019, the Company was contingently obligated under letters of credit issued pursuant to the Credit Facility with face amounts aggregating approximately $0.4 million, resulting in $834.6 million of available borrowing capacity under the revolving credit facility as of June 30, 2019.

The Credit Facility contains customary covenants that, among other things, restrict, subject to certain exceptions, the ability of GLPI and its subsidiaries to grant liens on their assets, incur indebtedness, sell assets, make investments, engage in acquisitions, mergers or consolidations or pay certain dividends and other restricted payments. The Credit Facility contains the following financial covenants, which are measured quarterly on a trailing four-quarter basis: a maximum total debt to total asset value ratio, a maximum senior secured debt to total asset value ratio, a maximum ratio of certain recourse debt to unencumbered asset value and a minimum fixed charge coverage ratio. In addition, GLPI is required to maintain a minimum tangible net worth and its status as a REIT. GLPI is permitted to pay dividends to its shareholders as may be required in order to maintain REIT status, subject to the absence of payment or bankruptcy defaults. GLPI is also permitted to make other dividends and distributions subject to pro forma compliance with the financial covenants and the absence of defaults. The Credit Facility also contains certain customary affirmative covenants and events of default, including the occurrence of a change of control and termination of the Penn Master Lease (subject to certain replacement rights). The occurrence and continuance of an event of default under the Credit Facility will enable the lenders under the Credit Facility to accelerate the loans and terminate the commitments thereunder. At June 30, 2019, the Company was in compliance with all required financial covenants under the Credit Facility.

Senior Unsecured Notes

At June 30, 2019, the Company had $4,975 million of outstanding senior unsecured notes (the "Senior Notes"). Each of the Company's Senior Notes contain covenants limiting the Company’s ability to: incur additional debt and use its assets to secure debt; merge or consolidate with another company; and make certain amendments to the Penn Master Lease. The Senior Notes also require the Company to maintain a specified ratio of unencumbered assets to unsecured debt. These covenants are subject to a number of important and significant limitations, qualifications and exceptions.

At June 30, 2019, the Company was in compliance with all required financial covenants under the Senior Notes.

Finance Lease Liability

The Company assumed the finance lease obligations related to certain assets at its Aurora, Illinois property. GLPI recorded the asset and liability associated with the finance lease on its condensed consolidated balance sheet. The original term of the finance lease was 30 years and it will terminate in 2026.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We face market risk exposure in the form of interest rate risk. These market risks arise from our debt obligations. We have no international operations. Our exposure to foreign currency fluctuations is not significant to our financial condition or results of operations.

GLPI's primary market risk exposure is interest rate risk with respect to its indebtedness of $5,841.1 million at June 30, 2019. Furthermore, $4,975.0 million of our obligations at June 30, 2019, are the Senior Notes that have fixed interest rates with maturity dates ranging from one and one-half to ten years. An increase in interest rates could make the financing of any acquisition by GLPI more costly, as well as increase the costs of its variable rate debt obligations. Rising interest rates could also limit GLPI's ability to refinance its debt when it matures or cause GLPI to pay higher interest rates upon refinancing and increase interest expense on refinanced indebtedness. GLPI may manage, or hedge, interest rate risks related to its borrowings by means of interest rate swap agreements. However, the provisions of the Code applicable to REITs limit GLPI's ability to hedge its assets and liabilities.

The table below provides information at June 30, 2019 about our financial instruments that are sensitive to changes in interest rates. For debt obligations, the table presents notional amounts maturing in each fiscal year and the related weighted-average interest rates by maturity dates. Notional amounts are used to calculate the contractual payments to be exchanged by maturity date and the weighted-average interest rates are based on implied forward LIBOR rates at June 30, 2019.

	07/01/19-12/31/19	1/01/20-12/31/20	1/01/21-12/31/21	1/01/22-12/31/22	1/01/23-12/31/23	Thereafter	Total	Fair Value at 6/30/2019
	(in thousands)							
Long-term debt:								
Fixed rate	$ —	$1,000,000	$ 400,000	$ —	$ 500,000	$ 3,075,000	$ 4,975,000	$ 5,316,563
Average interest rate		4.88%	4.38%		5.38%	5.38%		
Variable rate	$ —	$ —	$ 525,000	$ —	$ 340,000	$ —	$ 865,000	$ 859,750
Average interest rate [(1)]			3.59%		3.50%			

(1) Estimated rate, reflective of forward LIBOR plus the spread over LIBOR applicable to variable-rate borrowing.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Controls and Procedures

The Company's management, under the supervision and with the participation of our principal executive officer and principal financial officer, has evaluated the effectiveness of the Company's disclosure controls and procedures, as such term is defined under Rule 13a-15(e) promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), as of June 30, 2019, which is the end of the period covered by this Quarterly Report on Form 10-Q. In designing and evaluating the disclosure controls and procedures, management recognized that any controls and procedures, no matter how well-designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Based on this evaluation, our principal executive officer and principal financial officer concluded that the Company's disclosure controls and procedures were effective as of June 30, 2019 to ensure that information required to be disclosed by the Company in reports we file or submit under the Exchange Act is (i) recorded, processed, summarized, evaluated and reported, as applicable, within the time periods specified in the United States Securities and Exchange Commission's rules and forms and (ii) accumulated and communicated to the Company's management, including the Company's principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosures.

Changes in Internal Control over Financial Reporting

We implemented controls to ensure we had identified and adequately evaluated our lease agreements and properly assessed the impact of ASU 2016-02 on our financial statements to facilitate the adoption of this new guidance on January 1, 2019.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

Information in response to this Item is incorporated by reference to the information set forth in "Note 10: Commitments and Contingencies" in the Notes to the condensed consolidated financial statements in Part I of this Quarterly Report on Form 10-Q.

ITEM 1A. RISK FACTORS

Risk factors that affect our business and financial results are discussed in Part I, "Item 1A. Risk Factors," of our Annual Report on Form 10-K. There have been no material changes in our risk factors from those previously disclosed in our Annual Report. You should carefully consider the risks described in our Annual Report, which could materially affect our business, financial condition or future results. The risks described in our Annual Report are not the only risks we face. Additional risks and uncertainties not currently known to us or that we currently deem immaterial also may materially adversely affect our business, financial condition, and/or operating results. If any of the risks actually occur, our business, financial condition, and/or results of operations could be negatively affected.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

The Company did not repurchase any shares of common stock or sell any unregistered securities during the three months ended June 30, 2019.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

Not applicable.

ITEM 6. EXHIBITS

Exhibit	Description of Exhibit
10.1*	First Amendment to Master Lease, dated June 6, 2019, by and among GLP Capital, L.P., Tropicana Entertainment, Inc. and Tropicana Atlantic City Corp.
31.1*	CEO Certification pursuant to Rule 13a-14(a) or 15d-14(a) of the Securities Exchange Act of 1934.
31.2*	CFO Certification pursuant to Rule 13a-14(a) or 15d-14(a) of the Securities Exchange Act of 1934.
32.1*	CEO Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2*	CFO Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH	XBRL Taxonomy Extension Schema Document.
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB	XBRL Taxonomy Extension Label Linkbase Document.
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document.
104	The cover page from the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2019, formatted in Inline XBRL and contained in Exhibit 101.

* Filed or furnished, as applicable, herewith

SIGNATURE

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.

GAMING AND LEISURE PROPERTIES, INC.

August 8, 2019	By:	/s/ Steven T. Snyder
		Steven T. Snyder
		Chief Financial Officer
		(Principal Financial Officer)

Exhibit 10.1

PARTIAL TERMINATION OF AND FIRST AMENDMENT TO MASTER

THIS PARTIAL TERMINATION OF AND FIRST AMENDMENT TO MASTER LEASE (this "**Amendment**") is made and effective as of June 6, 2019 (the "**First Amendment Effective Date**"), by and between GLP CAPITAL, L.P., a Delaware limited partnership ("**Landlord**"), TROPICANA ATLANTIC CITY CORP., a New Jersey corporation ("**Trop AC**"), and TROPICANA ENTERTAINMENT, INC., a Delaware corporation ("**TEI**").

W I T N E S S E T H:

WHEREAS, Landlord and Tropicana AC Sub Corp., a New Jersey corporation ("**Tropicana AC**"), collectively as landlord, and TEI and Trop AC, collectively, as tenant, entered into that certain Master Lease, dated as of October 1, 2018 (the "**Master Lease**"; capitalized terms used and not otherwise defined herein shall have the respective meanings ascribed to them in the Master Lease);

WHEREAS, on or about November 2, 2018, Tropicana AC merged with and into Landlord pursuant to that certain Certificate of Merger dated November 2, 2018, with Landlord remaining as the surviving entity;

WHEREAS, Landlord has hereby agreed to release Trop AC from its duties and obligations under the Master Lease and to amend certain other terms and conditions arising thereunder in connection therewith.

NOW, THEREFORE, in consideration of the provisions set forth in the Master Lease as amended by this Amendment, including, but not limited to, the mutual representations, warranties, covenants and agreements contained therein and herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby respectively acknowledged, and subject to the terms and conditions thereof and hereof, the parties, intending to be legally bound, hereby agree that the Master Lease shall be amended as follows:

ARTICLE I PARTIAL TERMINATION OF LEASE

1.1 Partial Termination. Effective as of the date hereof (the "**Release Date**"), Landlord, Trop AC, and TEI hereby agree that the Master Lease shall be terminated solely with respect to Trop AC and that all of the benefits, obligations and liabilities of Trop AC as tenant thereunder shall cease and terminate and, solely with respect to Trop AC, the Master Lease shall have no further force or effect. Except as otherwise expressly provided herein, the Master Lease shall remain in full force and effect with respect to Landlord, as landlord, and TEI, as tenant, thereunder.

1.2 Release of Trop AC.

(a) Upon the Release Date, Landlord for itself, and its respective members, affiliates, employees, agents, successors and assigns hereby remises, releases and forever discharges, Trop AC of and from all debts, demands, actions, causes of action, suits, accounts,

covenants, contracts, warranties, agreements, damages and any and all claims, demands and liabilities whatsoever of every kind and nature, both at law and in equity, against the Trop AC which Landlord now has or ever had with respect to the Master Lease; provided, that this release shall not apply to (i) Trop AC's obligations under this Amendment or (ii) TEI's failure to perform any of its obligations under the Master Lease.

(b) Upon the Release Date, Trop AC for itself, and its members, affiliates, employees, agents, successors and assigns hereby remises, releases and forever discharges, Landlord of and from all debts, demands, actions, causes of action, suits, accounts, covenants, contracts, warranties, agreements, damages and any and all claims, demands and liabilities whatsoever of every kind and nature, both at law and in equity, against Landlord which Trop AC now has or ever had with respect to the Master Lease or the Leased Premises; provided, that this release shall not apply to Landlord' obligations under this Amendment.

ARTICLE II
AMENDMENTS TO THE MASTER LEASE

2.1 Landlord and Tenant Definitions: From and after the Release Date all references to "Landlord" in the Master Lease shall refer solely to Landlord in its capacity as landlord under the Master Lease and all references to "Tenant" in the Master lease shall refer solely to TEI in its capacity as tenant under the Master Lease. From and after the Release Date:

(a) The definition of "Landlord" set forth in Section 2.1 of the Master Lease is hereby deleted in its entirety and replaced with the following: "Landlord: GLP Capital, L.P."

(b) The definition of "Tenant" set forth in Section 2.1 of the Master Lease is hereby deleted in its entirety and replaced with the following: "Tenant: Tropicana Entertainment, Inc."

2.2 Amendments to Master Lease. After giving effect to this Amendment, the parties agree as follows:

(a) Any and all references to "GLPC" set forth in Sections 3.1, 3.2, 3.3 and 3.4 of the Master Lease are hereby deleted in their entirety and replaced with "Landlord".

(b) Any and all references to "NJ Operator" set forth in the Master Lease are hereby deleted in their entirety.

(c) The following language set forth in Section 1.1 of the Master Lease is hereby deleted in its entirety:

"Notwithstanding anything contained herein to the contrary, NJ Operator shall not acquire a leasehold interest through this Master Lease in any Leased Property or Facility, as applicable, leased to Tenant pursuant to this Master Lease that is located in the State of Louisiana."

ARTICLE III
AUTHORITY TO ENTER INTO AMENDMENT

Each party represents and warrants to the other that: (i) this Amendment and all other documents executed or to be executed by it in connection herewith have been duly authorized and shall be binding upon it; (ii) it is duly organized, validly existing and in good standing under the laws of the state of its formation and is duly authorized and qualified to perform this Amendment and the Master Lease, as amended hereby, within the State(s) where any portion of the Leased Property is located, and (iii) neither this Amendment or the Master Lease, as amended hereby, nor any other document executed or to be executed in connection herewith, violates the terms of any other agreement of such party.

ARTICLE IV
MISCELLANEOUS

4.1 Costs and Expenses; Fees. Each party shall be responsible for and bear all of its own expenses incurred in connection with pursuing or consummating this Amendment and the transactions contemplated by this Amendment, including, but not limited to, fees and expenses, legal counsel, accountants, and other facilitators and advisors.

4.2 Choice of Law and Forum Selection Clause. This Amendment shall be construed and interpreted, and the rights of the parties shall be determined, in accordance with the substantive Laws of the State of New York without regard to the conflict of law principles thereof or of any other jurisdiction

4.3 Counterparts; Facsimile Signatures. This Amendment may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. In proving this Amendment, it shall not be necessary to produce or account for more than one such counterpart signed by the party against whom enforcement is sought. Any counterpart may be executed by facsimile or pdf signature and such facsimile or pdf signature shall be deemed an original.

4.4 No Further Modification. Except as modified hereby, the terms and conditions of the Master Lease shall remain in full force and effect and as amended herein the Master Lease is hereby ratified and affirmed by GLPC and TEI.

[*Signature Pages to Follow*]

IN WITNESS WHEREOF, this Amendment has been duly executed and delivered by each of the undersigned as of the date first above written.

LANDLORD:

GLP CAPITAL, L.P.,
a Pennsylvania limited partnership

By: /s/ Brandon J. Moore
Name: Brandon J. Moore
Title: Senior Vice President, General Counsel and Secretary

TROP AC:

TROPICANA ATLANTIC CITY CORP.,
a New Jersey corporation

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

TEI:

TROPICANA ENTERTAINMENT, INC.

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

Exhibit 31.1

CERTIFICATION PURSUANT TO RULE 13a-14(a) OR 15d-14(a) OF THE SECURITIES EXCHANGE ACT OF 1934

I, Peter M. Carlino, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Gaming and Leisure 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 officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer 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 8, 2019

/s/ Peter M. Carlino
Name: Peter M. Carlino
Chief Executive Officer

Exhibit 31.2

CERTIFICATION PURSUANT TO RULE 13a-14(a) OR 15d-14(a) OF THE SECURITIES EXCHANGE ACT OF 1934

I, Steven T. Snyder, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Gaming and Leisure 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 officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer 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 8, 2019

/s/ Steven T. Snyder
Name: Steven T. Snyder
Chief Financial Officer

Exhibit 32.1

CERTIFICATION PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002
18 U.S.C. SECTION 1350

In connection with the quarterly report of Gaming and Leisure Properties, Inc. (the "Company") on Form 10-Q for the quarter ended June 30, 2019, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Peter M. Carlino, Chief Executive Officer of the Company, certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that, to my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Peter M. Carlino
Peter M. Carlino
Chief Executive Officer
Date: August 8, 2019

Exhibit 32.2

CERTIFICATION PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002
18 U.S.C. SECTION 1350

In connection with the quarterly report of Gaming and Leisure Properties, Inc. (the “Company”) on Form 10-Q for the quarter ended June 30, 2019, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Steven T. Snyder, Chief Financial Officer of the Company, certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that, to my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Steven T. Snyder
Steven T. Snyder
Chief Financial Officer
Date: August 8, 2019