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As filed with the Securities and Exchange Commission on August 30, 2013

Registration No. 333-188608

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

AMENDMENT NO. 2
TO

Form S-11
FOR REGISTRATION UNDER THE SECURITIES ACT OF 1933
OF SECURITIES OF CERTAIN REAL ESTATE COMPANIES

Gaming and Leisure Properties, Inc.
(Exact name of registrant as specified in governing instruments)

825 Berkshire Blvd., Suite 400
Wyomissing, Pennsylvania 19610
(610) 373-2400
(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

William J. Clifford
Chief Financial Officer
825 Berkshire Blvd., Suite 400
Wyomissing, Pennsylvania 19610
(610) 373-2400
(Name, address, including zip code, and telephone number, including area code, of agent for service)

With a copy to:
Daniel A. Neff
Wachtell, Lipton, Rosen & Katz
51 West 52nd Street
New York, NY 10019
(212) 403-1000

Approximate date of commencement of proposed sale to the public:
As soon as practicable after this registration statement becomes effective.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act, check the following box. o

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

If delivery of the prospectus is expected to be made pursuant to Rule 434, check the following box. o

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

Large accelerated filer o	Accelerated filer o	Non-accelerated filer ☒ (Do not check if a smaller reporting company)	Smaller reporting company o

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to Section 8(a), may determine.

EXPLANATORY NOTE

This Registration Statement has been prepared on a prospective basis on the assumption that, among other things, the spin-off of the Registrant from Penn National Gaming, Inc. (as described in the Prospectus which is a part of this Registration Statement) and the related transactions contemplated to occur prior to or contemporaneously with the spin-off will be consummated as contemplated by the Prospectus. There can be no assurance, however, that any or all of such transactions will occur or will occur as so contemplated. Any significant modifications to or variations in the transactions contemplated will be reflected in an amendment or supplement to this Registration Statement.

The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

Subject to Completion, dated August 30, 2013

PROSPECTUS

Gaming and Leisure Properties, Inc.

[•] Shares of Common Stock, Par Value $0.01 Per Share

This Prospectus is being furnished to you as a shareholder of Penn National Gaming, Inc. ("Penn") in connection with the pro rata distribution (the "Spin-Off") to Penn shareholders, following the Carlino Stock Exchange (as defined below), of all of the outstanding shares of common stock of Gaming and Leisure Properties, Inc. (the "Registrant," "Company" or "GLPI"), currently a wholly-owned subsidiary of Penn that at the time of the distribution will hold directly or indirectly 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 the Hollywood Casino Baton Rouge and the Hollywood Casino Perryville, owned by Penn immediately prior to the Spin-Off.

To implement the Spin-Off, Penn (and its affiliates) and the Company will effect a series of restructuring transactions following which Penn will distribute all outstanding shares of GLPI common stock to the holders of Penn common and preferred stock. Each of you, as a holder of Penn common stock or Penn Series C convertible preferred stock, par value $0.01 per share (the "Penn Series C preferred stock"), will receive one share of common stock of GLPI for every share of Penn common stock and every 1/1,000th of a share of Penn Series C preferred stock that you held at the close of business on [•], 2013, the record date for the Spin-Off. Peter M. Carlino, who we sometimes refer to as "Mr. Carlino," will also exchange (i) shares of Penn common stock for shares of GLPI common stock prior to the Spin-Off (the "Carlino Stock Exchange") and (ii) options to acquire Penn common stock for options to acquire GLPI common stock following the Spin-Off (the "Carlino Option Exchange," and together with the Carlino Stock Exchange, the "Compliance Exchanges" and, together with the Spin-Off, the "Separation"). Penn will engage in the Compliance Exchanges with Mr. Carlino to ensure that each member of the Carlino family beneficially owns less than 10% of the outstanding shares of Penn common stock for certain federal tax purposes following the Separation, so that GLPI can qualify to be taxed as a real estate investment trust ("REIT") for U.S. federal income tax purposes. Absent a re-alignment of the ownership interests of Mr. Carlino and/or other persons related to the Carlino family, GLPI will not be able to qualify as a REIT and the Spin-Off may not occur.

Immediately after the Spin-Off is completed, GLPI will be a separate public company. All of the outstanding shares of the common stock of GLPI are currently owned directly or indirectly by Penn. Accordingly, there currently is no public trading market for the common stock of GLPI. GLPI intends to list its common stock under the ticker symbol "GLPI" on the NASDAQ Stock Market.

We intend to elect and qualify to be taxed as a REIT for U.S. federal income tax purposes, which we currently expect to occur commencing with our taxable year beginning on January 1, 2014 (the "REIT Conversion"). To assist us in qualifying to be taxed as a REIT, among other purposes, our charter will contain certain restrictions relating to the ownership and transfer of our stock, including and subject to certain exceptions with respect to certain members of the Carlino family and FIF V PFD LLC, an affiliate of Fortress Investment Group LLC that is referred to in this Prospectus as Fortress, a provision generally restricting shareholders from owning more than [•]% by value or number of shares, whichever is more restrictive, of our outstanding shares of common or capital stock without the prior consent of our Board of Directors. See "Description of Capital Stock of GLPI—Restrictions on Ownership and Transfer" for a detailed description of the ownership and transfer restrictions applicable to our common stock.

We are an "emerging growth company" as defined in Section 2(a)(19) of the Securities Act of 1933, as amended (the "Securities Act"), and, as such, are allowed (but have elected not) to provide in this Prospectus more limited disclosures than an issuer that would not so qualify. In addition, for so long as we remain an emerging growth company, we may also take advantage of certain limited exceptions from investor protection laws such as the Sarbanes-Oxley Act of 2002 and the Investor Protection and Securities Reform Act of 2010 for limited periods. Please see "Summary—JOBS Act."

No vote of Penn shareholders is required in connection with the Separation. Neither Penn nor the Company is asking you for a proxy, and you are not requested to send us a proxy. Penn shareholders will not be required to pay any consideration for the shares of common stock of the Company they receive in the Separation, and (except for Mr. Carlino, Fortress and Centerbridge Capital Partners, L.P., Centerbridge Capital Partners Strategic, L.P. and Centerbridge Capital Partners SBS, L.P., as described below) they will not be required to surrender or exchange shares of their Penn common or preferred stock or take any other action in connection with the Separation.

In reviewing this Prospectus, you should carefully consider the matters described under the caption "Risk Factors" beginning on page 13 of this prospectus.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED THESE SECURITIES OR PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The date of this Prospectus is [•], 2013.

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You should not assume that the information contained in this Prospectus is accurate as of any date other than the date set forth on the cover. Changes to the information contained in this Prospectus may occur after that date and the Company does not undertake any obligation to update the information unless required to do so by law.

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SUMMARY

This summary highlights information contained elsewhere in this Prospectus and may not contain all of the information that may be important to you. For a mor complete understanding of our business and the Spin-Off, you should read this summary together with the more detailed information and financial statements appearing elsewhere in this Prospectus. You should read this entire Prospectus carefully, including the "Risk Factors" and "Forward-Looking Statements" sections. "GLPI," "the Company," "we," "our," and "us" refer to GLPI and our subsidiaries.

Our Company

GLPI is a newly formed company that was incorporated in Pennsylvania on February 13, 2013. Its principal offices are currently located at 825 Berkshire Blvd., Suite 400, Wyomissing, Pennsylvania. Its main telephone number is currently (610) [•]. GLPI intends to make an election on its federal income tax return for its taxable year beginning on January 1, 2014 to be treated as a REIT and GLPI, together with an indirectly wholly owned subsidiary of GLPI, GLP Holdings, Inc., will jointly elect to treat each of GLP Holdings, Inc., Louisiana Casino Cruises, Inc. and Penn Cecil Maryland, Inc. as a "taxable REIT subsidiary" (a "TRS") effective on the first day of the first taxable year of GLPI as a REIT, as defined below.

Following the distribution of GLPI shares by Penn to Penn's shareholders, GLPI will be a publicly-traded, self-administered, self-managed REIT primarily engaged in the property business, which will consist of owning, acquiring, developing, expanding, managing, and leasing gaming and related facilities. GLPI will be the first gaming-focused REIT, and expects to grow its portfolio by aggressively pursuing opportunities to acquire additional gaming facilities to lease to gaming operators, which may include Penn. GLPI also anticipates diversifying its portfolio over time, including by acquiring properties outside the gaming industry to lease t third parties.

GLPI expects to generate its revenues in the property business primarily by leasing gaming facilities to gaming operators in "triple-net" lease arrangements, a business model common to a number of publicly-traded REITs in other industries and which GLPI expects to exist with respect to any lease transactions that would b entered by future REIT competitors of GLPI. Initially, GLPI's portfolio will consist of 21 gaming and related facilities (including two properties under development i Dayton, OH and Mahoning Valley, OH). GLP Capital, L.P., a subsidiary of GLPI through which GLPI will own substantially all of its assets, will lease all but two of its gaming and related facilities to Penn Tenant, LLC, a subsidiary of Penn, under a master lease agreement, as discussed below in section "Relationship between GLF and Penn after the Spin-Off—The Master Lease." Louisiana Casino Cruises, Inc. and Penn Cecil Maryland, Inc., both of which will be wholly owned subsidiaries of GLP Holdings, Inc., operate and will operate (following the Spin-Off) the Hollywood Casino Baton Rouge and the Hollywood Casino Perryville, respectively, which are two gaming facilities of GLPI that will not be subject to this master lease agreement, and which we refer to as the "TRS Properties." Our portfolio of 21 propertie (including two properties under development in Dayton, OH and Mahoning Valley, OH), comprising approximately 6.6 million square feet of building space and approximately 3,220 acres of owned and leased land, is broadly diversified by location across 13 states. We believe our geographic diversification will limit the effect of changes in any one market on our overall performance.

Approximately 900 current employees of Penn are expected to be employed by GLPI following the Spin-Off. Substantially all of these employees will be employed at Louisiana Casino Cruises, Inc. and Penn Cecil Maryland, Inc., both of which will be wholly owned subsidiaries of GLP Holdings, Inc., in connection wit the operation of the TRS Properties.

To maintain REIT status, we must meet a number of organizational and operational requirements, including a requirement that we annually distribute to our shareholders at least 90% of our REIT taxable income, determined without regard to the dividends paid deduction and excluding any net capital gains. See "U.S. Federal Income Tax Considerations."

Overview of the Separation

The Board of Directors of Penn has announced a plan to separate its operating assets and real property assets, along with their associated liabilities, into two separate, publicly traded companies: an operating entity and a REIT. Penn will accomplish the separation by contributing 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 the TRS Properties that will be operated by i TRSs, to GLPI through a series of internal corporate restructurings and then distributing all of the outstanding shares of GLPI common stock owned by Penn immediately prior to the Spin-Off to holders of Penn common stock and Penn Series C preferred stock. Prior to the Spin-Off, GLPI and Penn will enter into a separation and distribution agreement setting forth the mechanics of the Spin-Off, certain organizational matters and other ongoing obligations of Penn and GLPI (the "Separation and Distribution Agreement"). Penn and GLPI or their respective subsidiaries, as applicable, will also enter into a number of other agreements prior to the Spin-Off to provide a framework for the restructuring and for the relationships between GLPI and Penn that will exist following the Closing.

Upon satisfaction or waiver of the conditions to the Spin-Off, which are described in more detail in "The Separation—Conditions to the Spin-Off," Penn will effect the Spin-Off by distributing one share of common stock of GLPI to the holders of Penn common stock and Penn Series C preferred stock for every share of Pen common stock and 1/1,000th of a share of Penn Series C preferred stock that they will held at the close of business on [•], 2013, the record date for the Spin-Off.

As of [•], 2013, members of the Carlino family each beneficially owned [•] or fewer shares of Penn common stock (including stock options and restricted shares), which represents beneficial ownership of approximately [•]% or less of Penn's outstanding common stock for the purpose of determining whether GLPI, directly or indirectly, receives any rent from related party tenants under relevant provisions of the Internal Revenue Code of 1986, as amended (the "Code"). See "U.S. Federal Income Tax Considerations—Taxation of GLPI—Requirements for Qualification—General." Penn, GLPI and Mr. Carlino expect to enter into an Exchange Agreement prior to the declaration of the Spin-Off (the "Carlino Exchange Agreement") providing for the Compliance Exchanges, the effect of which will be to reduce the beneficial ownership of Penn of each of the members of the Carlino family immediately following the Separation, for the purpose of determining compliance with the "related party tenant rule," to 9.9% or less of Penn's outstanding common stock, so that GLPI can qualify to be taxed as a REIT for U.S. federal income tax purposes. Absent this re-alignment of ownership interests, GLPI will not be able to qualify as a REIT and the Spin-Off may not occur. The Compliance Exchanges will also result in a corresponding increase in the Carlino family's beneficial ownership of GLPI immediately following the Separation, to approximately [•]% or less of GLPI's outstanding common stock for these purposes.

The Carlino Exchange Agreement is expected to provide that Mr. Carlino will deliver all of the shares of Penn common stock that he holds (including shares hel jointly or through any grantor retained annuity trust, but not including any shares held by the Carlino Family Trust) to Penn on the business day prior to the record dat for the Spin-Off in exchange for a number of shares of GLPI common stock having equivalent value, with the value of Penn common stock and GLPI common stock determined for this purpose by applying multiples of 6.8x for Penn (pro forma for the Spin-Off) and 12.5x for GLPI to the projected adjusted EBITDA (defined as ne income excluding interest, taxes, stock compensation, depreciation and amortization, and gain or loss on disposal of assets) of Penn and GLPI, respectively, for the calendar year 2013. The Carlino Exchange Agreement is also expected to provide that Mr. Carlino will deliver to Penn, on the second business day following the distribution date for the Spin-Off, the minimum number of options to acquire Penn common stock that must be cancelled so that, immediately following such time, the beneficial ownership of Penn common stock of each of the members of the Carlino family, for the purpose of determining compliance with the "related party tenant rule," will be no greater than 9.9%, and in exchange Mr. Carlino will receive options to acquire GLPI common stock with an equivalent aggregate intrinsic value. The Carlino Exchange Agreement also imposes certain transfer and other restrictions on Mr. Carlino to ensure that GLPI may qualify as a REIT, including a prohibition on any acquisition by Mr. Carlino of shares of Penn common stock that would increase the beneficial ownership of Penn of certain members of the Carlino family (for the purpose of determining whether GLPI, directly or indirectly, receives any rent from related party tenants under relevant provisions of the Code) above 9.9% for so long as Penn is considered a related party tenant of GLPI. Although Mr. Carlino, Penn and GLPI have agreed in principle to effect the Carlino Exchange Agreement as described above, the Carlino Exchange Agreement has not been executed and no assurance can be given that such agreement, or another agreement providing for the Compliance Exchanges, will be executed and delivered

Penn and the independent members of Penn's Board of Directors have engaged Duff & Phelps, LLC ("Duff & Phelps") to serve as an independent financial advisor to Penn's independent directors and to provide an opinion as to the fairness, from a financial point of view, of the contemplated transactions with Peter M. Carlino described above, as well as the contemplated transactions with Fortress described below. On November 15, 2012, the independent members of the Board of Directors of Penn received a written opinion from Duff & Phelps, as of such date and based upon and subject to the procedures followed, assumptions made, qualifications and limitations on the review undertaken and other matters considered by Duff & Phelps in preparing its opinion, that the consideration to be received b Peter M. Carlino in the Separation (as described above) is fair from a financial point of view to the shareholders of Penn (other than shareholders who are members of the Carlino family or trusts for their benefit and Fortress, and without giving effect to any impact of the Separation on any particular shareholder other than in its capacity as a shareholder), assuming that the Compliance Exchanges consist solely of the Carlino Stock Exchange according to an exchange ratio determined based o the values and multiples described above. Duff & Phelps' opinion was directed to the independent members of the Board of Directors of Penn and only addressed the fairness from a financial point of view of the consideration to be received by Mr. Carlino in the Separation, and does not address any other aspect or implication of the Separation, except as described in "Certain Relationships and Related Party Transactions—Agreements with Certain Shareholders in Connection with the Spin-Off—Fortress."

As of June 30, 2013, there were 12,050 shares of Series B redeemable preferred stock of Penn ("Penn Series B preferred stock") outstanding, 9,750 of which wer held by Fortress and 2,300 of which were held by Centerbridge Capital Partners, L.P., Centerbridge Capital Partners Strategic, L.P. and Centerbridge Capital Partners SBS, L.P., referred to collectively as Centerbridge. Penn has entered into agreements with the holders of its outstanding Penn Series B preferred stock to redeem for cash, or exchange for Penn Series C preferred stock, all of the outstanding Penn Series B preferred stock prior to the record date of the Spin-Off. Additionally, prior to the record date for the Spin-Off, Penn will have the right to purchase from Fortress the number of shares of Penn Series C preferred stock required to ensure that, immediately following the consummation of the Spin-Off, Fortress will own not more than 9.9% of GLPI's common stock, so that GLPI can qualify to be taxed as a REIT for U.S. federal income tax purposes. For more detail, see "The Separation—Treatment of Penn Preferred Stock in the Spin-Off."

In the Separation, Penn will allocate its accumulated earnings and profits (as determined for U.S. federal income tax purposes) for periods prior to the consummation of the Separation between Penn and GLPI in a manner that, in its best judgment, is in accordance with the provisions of the Code. In connection with its election to be taxed as a REIT for U.S. federal income tax purposes, GLPI will declare a dividend to its shareholders to distribute any accumulated earnings and profits relating to the real property assets and attributable to any pre-REIT years, including any earnings and profits allocated to GLPI in connection with the Separation, to comply with certain REIT qualification requirements (the "Purging Distribution"). We estimate that the Purging Distribution will total approximately $1.05 billion, or approximately $11.92 per share of GLPI common stock outstanding immediately prior to the Purging Distribution. The Purging Distribution will be paid in a combination of cash and GLPI stock, which Penn anticipates will consist of approximately 28% cash and 72% GLPI stock. See "The Separation—The Purging Distribution" for detail, including detail on the calculation of the per share estimate.

The Penn Board of Directors has reserved the right, in its sole discretion, to amend, modify or abandon the Spin-Off and related transactions at any time prior to the distribution date. In addition, the Spin-Off is subject to the satisfaction or waiver of a number of conditions. These conditions include the receipt of all gaming approvals required to be obtained prior to the Spin-Off. See "The Separation—Conditions to the Spin-Off."

Our Relationship with Penn

To govern their ongoing relationship, in connection with the Spin-Off, Penn and GLPI or their respective subsidiaries, as applicable, will enter into: (i) the Separation and Distribution Agreement, (ii) a master lease agreement (the "Master Lease") pursuant to which GLP Capital, L.P., as landlord, will lease to Penn Tenant, LLC, a subsidiary of Penn, as tenant, the GLPI assets relating to the business of Penn (excluding the TRS Properties), (iii) an agreement relating to tax matters (the "Tax Matters Agreement"), (iv) an agreement pursuant to which Penn will provide certain services to GLPI on a transitional basis (the "Transition Services Agreement") and (v) an agreement relating to employee matters (the "Employee Matters Agreement"). The agreements that we will enter into with Penn in connection with the Spin-Off, including the Separation and Distribution Agreement, Master Lease, Tax Matters Agreement, Employee Matters Agreement and Transition Services Agreement, will have been negotiated in the context of the Separation while we are still a wholly owned subsidiary of Penn. Accordingly, during the period in which the terms of those agreements have been negotiated, we will not have had an independent Board of Directors or a management team independent of Penn. As a result, although those agreements are generally intended to reflect arm's-length terms, the terms of those agreements may not reflect terms that would have resulted from arm's-length negotiations between unaffiliated third parties. Accordingly, there can be no assurance that the terms of these agreements will be as favorable for GLPI as would have resulted from negotiations with one or more unrelated third parties.

Financing

In connection with the Spin-Off, (i) GLPI and its subsidiary, GLP Capital, L.P., expect to enter into senior unsecured credit facilities, comprised of a $850 million revolving credit facility and a $300 million term loan facility, and (ii) GLP Capital, L.P. expects to issue $2.05 billion in senior unsecured notes, which senior notes will be guaranteed by GLPI. GLPI and GLP Capital, L.P. expect to have $150 million of indebtedness outstanding under the revolving credit facility following the Spin-Off.

Restrictions on Ownership and Transfer of Our Common Stock

To assist us in complying with the limitations on the concentration of ownership of REIT stock imposed by the Code, among other purposes, our charter will provide for restrictions on ownership and transfer of our shares of stock, including, subject to certain exceptions, prohibitions on any person beneficially or constructively owning more than [•]% of the outstanding shares of our common stock or more than [•]% in value or in number, whichever is more restrictive, of the outstanding shares of all classes and series of our stock. A person that did not acquire more than [•]% of our outstanding stock may become subject to our charter restrictions if repurchases by us cause such person's holdings to exceed [•]% of our outstanding stock. Our Board will make exceptions to the ownership limit for certain existing shareholders and, under certain circumstances, our Board of Directors may also waive the ownership limits. Our charter will provide that shares of our common or capital stock acquired or held in excess of the ownership limit will be transferred to a trust for the benefit of a designated charitable beneficiary, and that any person who acquires shares of our common or capital stock in violation of the ownership limit will not be entitled to any dividends on the shares or be entitled to vote the shares or receive any proceeds from the subsequent sale of the shares in excess of the lesser of the price paid for the shares or the amount realized from the sale. A transfer of shares of our common or capital stock in violation of the limit may be void under certain circumstances. Our [•]% ownership limitation may have the effect of delaying, deferring or preventing a change in control of GLPI, including an extraordinary transaction (such as a merger, tender offer or sale of all or substantially all of our assets) that might provide a premium price for our shareholders. See "Description of Capital Stock of GLPI—Restrictions on Ownership and Transfer."

In addition, all of GLPI's outstanding capital stock shall be held subject to applicable gaming laws. GLPI's charter will provide that capital stock of GLPI that is owned or controlled by an unsuitable person or an affiliate of an unsuitable person is redeemable by GLPI, out of funds legally available for that redemption, by appropriate action of the GLPI Board of Directors to the extent required by the gaming authorities making the determination of unsuitability or to the extent determined by the GLPI Board of Directors. See "Description of Capital Stock of GLPI—Redemption of Securities Owned or Controlled by an Unsuitable Person or Affiliate."

Our Tax Status

We intend to elect and qualify to be taxed as a REIT for U.S. federal income tax purposes, which we currently expect to occur commencing with our taxable year beginning on January 1, 2014. Our qualification as a REIT depends upon our ability to meet, on a continuing basis, through actual investment and operating results, various complex requirements under the Code, relating to, among other things, the sources of our gross income, the composition and value of our assets, our distribution levels and the diversity of ownership of our shares. We believe that, at the time of the Spin-Off, we will be organized in conformity with the requirements for qualification and taxation as a REIT under the Code and that our intended manner of operation will enable us to meet the requirements for qualification and taxation as a REIT.

Penn has received a private letter ruling from the Internal Revenue Service (the "IRS"), subject to the terms and conditions contained therein, with respect to certain issues relevant to our qualification as a REIT. Although we may generally rely upon the ruling subject to the completeness and accuracy of the representations made to the IRS, no assurance can be given that the IRS will not challenge our qualification as a REIT on the basis of other issues or facts outside the scope of the ruling.

So long as we qualify to be taxed as a REIT, we generally will not be subject to U.S. federal income tax on our net REIT taxable income that we distribute currently to our shareholders. If we fail to qualify to be taxed as a REIT in any taxable year and do not qualify for certain statutory relief provisions, we would be subject to U.S. federal income tax at regular corporate rates and would be precluded from re-electing to be taxed as a REIT for the subsequent four taxable years following the year during which we lost our REIT qualification. Even if we qualify to be taxed as a REIT, we may be subject to certain U.S. federal, state and local taxes on our income or property, and the income of our TRSs will be subject to taxation at regular corporate rates. See "U.S. Federal Income Tax Considerations."

JOBS Acts

As a company with less than $1.0 billion in revenue during our last fiscal year, we qualify as an "emerging growth company," as defined in the Jumpstart Our Business Startups Act (the "JOBS Act"). Section 107 of the JOBS Act provides that an emerging growth company can take advantage of the extended transition perio provided in Section 7(a)(2)(B) of the Securities Act, for complying with new or revised accounting standards. Thus, an emerging growth company can delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. However, we are choosing to "opt out" of such extended transition period, and as a result, we will comply with new or revised accounting standards on the relevant dates on which adoption of such standards is required for non-emerging growth companies. Section 107 of the JOBS Act provides that our decision to opt out of the extended transition period for complying with new or revised accounting standards is irrevocable.

An emerging growth company may also take advantage of reduced reporting requirements that are otherwise applicable to public companies. These provisions include, but are not limited to:

- not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act of 2002, as amended ("Sarbanes-Oxley Act");
- reduced disclosure obligations regarding executive compensation in our periodic reports, proxy statements and registration statements; and
- exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and stockholder approval of any golden parachut payments not previously approved.

We may take advantage of these provisions until the last day of our fiscal year following the fifth anniversary of the date of the first sale of our common equity securities pursuant to an effective registration statement under the Securities Act, which such fifth anniversary is expected to occur in 2018. However, if certain event occur prior to the end of such five-year period, including if we become a "large accelerated filer," our annual gross revenues exceed $1.0 billion or we issue more thar $1.0 billion of non-convertible debt in any three-year period, we will cease to be an emerging growth company prior to the end of such five-year period. As described under the caption "Financing," in connection with the Spin-Off (i) GLPI and GLP Capital, L.P. expect to enter into senior unsecured credit facilities, comprised of a $850 million revolving credit facility and a $300 million term loan facility, to be provided by a syndicate of banks and other financial institutions, and (ii) GLP Capital, L.P. expects to issue $2.05 billion in senior unsecured notes, which senior notes will be guaranteed by GLPI, none of which debt is expected to be convertible Accordingly, we expect that GLPI will no longer be an emerging growth company at the time of the Spin-Off.

We have elected not to take advantage of any of the reduced disclosure obligations afforded to emerging growth companies by the JOBS Act.

QUESTIONS AND ANSWERS ABOUT GLPI AND THE SPIN-OFF

What are the reasons for the Spin-Off?

The operation of the gaming and property businesses within the current Penn structure presents significant obstacles to successfully achieving the desired level of growth for Penn's gaming business and property business. The Spin-Off is expected to significantly ameliorate these expansion challenges for both businesses.

Penn expects the Spin-Off to facilitate strategic expansion opportunities for the property business by providing GLPI the ability to:

(i) pursue transactions with other gaming operators that would not pursue transactions with Penn as a current competitor;

(ii) fund acquisitions with its equity on significantly more favorable terms than those that would be available to Penn;

(iii) diversify into different businesses in which Penn, as a practical matter, could not diversify, such as hotels, entertainment facilities and office space; and

(iv) pursue certain transactions that Penn otherwise would be disadvantaged by or precluded from pursuing due to regulatory constraints.

What is a REIT?

Following the Spin-Off, GLPI intends to qualify and elect to be taxed as a REIT under Sections 856 through 859 of the Code, which GLPI currently expects to occur commencing with its taxable year beginning on January 1, 2014. As a REIT GLPI generally will not be subject to U.S. federal income tax on its REIT taxable income it distributes to its shareholders A company's qualification as a REIT depends on its ability to meet, on a continuing basis, through actual investment and operating results, various complex requirements under the Code relating to, among other things, the sources of its gross income, the composition and values of its assets, its distribution levels and the diversity of ownership of its stock. GLPI believes that, immediately after the Spin-Off, it will be organized in conformity with the requirements for qualification an taxation as a REIT under the Code, and that its manner of operation enables it to meet the requirements for qualification and taxation as a REIT. GLPI anticipates that distributions it makes to its shareholders generally will be taxable to its shareholders as ordinary income, although a portion of the distributions may be designated by GLPI as qualified dividend income or capital gain or may constitute a return of capital. For a more complete discussion of the U.S. federal income tax treatment o distributions to shareholders of GLPI, see "U.S. Federal Income Tax Considerations—Taxation of Shareholders—Taxation of Taxable U.S. Shareholders."

How will the Spin-Off occur?

Penn will effect the Spin-Off via a distribution to its shareholders of all of the outstanding shares of common stock of GLPI owned by Penn immediately prior to the Spin-Off. To complete the Separation, in addition to the Spin-Off, Penn will effect the Compliance Exchanges (pursuant to which Peter M. Carlino will exchange (i) shares of Penn common stock for shares of GLPI common stock prior to the Spin-Off and (ii) options to acquire Per common stock for options to acquire GLPI common stock following the Spin-Off). Togethe the shares of common stock of GLPI distributed to shareholders in the Spin-Off and the shares of common stock of GLPI exchanged with Mr. Carlino will be 100% of the common stock of GLPI outstanding immediately prior to the Separation.

How many shares of GLPI will I receive?

Unless otherwise determined by the Penn Board of Directors prior to the distribution date, for every share of Penn common stock and 1/1,000th of a share of Penn Series C preferred stock held by you as of the record date, you will receive one share of common stock of GLPI. Peter M. Carlino will exchange (i) shares of Penn common stock for shares of GLPI common stock prior to the Spin-Off and (ii) options to acquire Penn common stock for options to acquire GLPI common stock following the Spin-Off. See "Certain Relationships and Related Party Transactions—Agreements with Certain Shareholders in Connection wit the Spin-Off—Peter M. Carlino."

What will I receive in connection with the Purging Distribution?

In connection with the Separation, Penn will allocate its accumulated earnings and profits (a determined for U.S. federal income tax purposes) for periods prior to the consummation of the Separation between Penn and GLPI in a manner that, in its best judgment, is in accordance with the provisions of the Code. In connection with its election to be taxed as a REIT for U.S. federal income tax purposes, GLPI will make the Purging Distribution by declaring a dividend to its shareholders to distribute any accumulated earnings and profits relating to the real property assets and attributable to any pre-REIT years, including any earnings and profits allocated to GLPI in connection with the Separation, to comply with certain REIT qualification requirements. Penn estimates that the Purging Distribution will total

	approximately $1.05 billion, or approximately $11.92 per share of GLPI common stock outstanding immediately prior to the Purging Distribution. The Purging Distribution will be paid in a combination of cash and GLPI stock, which Penn anticipates will consist of approximately 28% cash and 72% GLPI stock. See "The Separation—The Purging Distribution."
Can Penn decide not to complete the Spin-Off or to modify its terms?	Yes. The Penn Board of Directors has reserved the right, in its sole discretion, to amend, modify or abandon the Spin-Off and related transactions at any time prior to the distribution date. This means that Penn has the right not to complete the Spin-Off if, at any time, the Penn Board of Directors determines in its sole discretion, that the Spin-Off is not in the best interests of Penn. In addition, the Spin-Off is subject to the satisfaction or waiver of a number of conditions. These conditions include the receipt of all gaming approvals required to be obtained prior to the Spin-Off. See "The Separation—Conditions to the Spin-Off."
What is the record date for the Spin-Off?	The record date for determining shareholders entitled to receive the shares of GLPI in the Spin-Off is the close of business on [•], 2013.
What is the distribution date for the Spin-Off?	The distribution date for distributing the shares of common stock of GLPI under the Spin-Off is [•], 2013. However, the Penn Board of Directors may determine to delay or abandon the Spin-Off.
What are the U.S. federal income tax consequences of the Spin-Off to Penn's shareholders?	Penn has received a private letter ruling from the IRS to the effect that the Spin-Off, together with the Carlino Stock Exchange and certain related transactions, will qualify as a reorganization for U.S. federal income tax purposes under Sections 355 and 368(a)(1)(D) of the Code. Penn expects to receive certain opinions from its tax advisors with respect to certain requirements for tax-free treatment under Section 355 of the Code on which the IRS will not rule, to the effect that such requirements will be satisfied. Based on the foregoing private letter ruling from the IRS, together with the tax opinions, for U.S. federal income tax purposes, you will not recognize any gain or loss, and no amount will be included in your income, upon your receipt of shares of GLPI common stock pursuant to the Spin-Off. You should consult your own tax advisor as to the particular consequences of the Spin-Off to you, including the applicability and effect of any U.S. federal, state and local tax laws, as well as foreign tax laws, which may result in the Spin-Off being taxable to you. For more information regarding the private letter ruling, the tax opinions and certain U.S. federal income tax consequences of the Spin-Off, see the summary under "The Separation—Material

	U.S. Federal Income Tax Consequences of the Spin-Off," included elsewhere in this Prospectus.
What are the U.S. federal income tax consequences of the Purging Distribution to GLPI's shareholders?	Penn has received a private letter ruling from the IRS with respect to certain issues relevant to GLPI's payment of the Purging Distribution in a combination of cash and GLPI stock. Each GLPI shareholder will be permitted to elect to receive the shareholder's entire entitlement under the Purging Distribution in either cash or GLPI common stock, subject to a limitation on the amount of cash to be distributed in the aggregate to all GLPI shareholders (the "Cash Limitation"). The Cash Limitation will in no event b less than 20% of the Purging Distribution declaration (without regard to any cash that may be paid in lieu of fractional shares), although it is currently expected to comprise approximately 28% of the Purging Distribution. If GLPI shareholders elect to receive an amount of cash in excess of the Cash Limitation, each such electing shareholder will receive a pro rata amount of cash corresponding to the shareholder's respective entitlement under the Purging Distribution declaration. In general, the ruling provides, subject to the terms and conditions contained therein, that (1) the Purging Distribution will b treated as a dividend that will first reduce GLPI's accumulated earnings and profits (as determined for U.S. federal income tax purposes) attributable to pre-REIT years in satisfaction of the REIT annual distribution requirement and (2) the amount of any GLPI stock received by any GLPI shareholder as part of the Purging Distribution will be considered to equal the amount of cash that could have been received instead. In the Purging Distribution, a shareholder of GLPI common stock will be required to report dividend income as a result of the Purging Distribution even if GLPI distributes no cash or only nominal amounts of cash to such shareholder. You should consult your own tax advisor as to the particular consequences of the Purging Distribution to you, including the applicability and effect of any U.S. federal, state and local tax laws, as well as foreign tax laws. For more information regarding the Purging Distribution, see "The Separation—The Purging Distribution."
Will I receive physical certificates representing shares of common stock of GLPI following the Separation?	No. Following the Separation, neither Penn nor GLPI will be issuing physical certificates representing shares of the common stock of GLPI. Instead, Penn, with the assistance of Continental Stock Transfer & Trust, the distribution agent, will electronically issue shares of GLPI common stock to you or to you bank or brokerage firm on your behalf by way of direct registration in book-entry form. Continental Stock Transfer & Trust will mail you a book-entry account statement that reflects your shares of GLPI common stock,

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	or your bank or brokerage firm will credit your account for the shares.
What if I want to sell my Penn stock or my common stock in GLPI?	You should consult with your financial advisors, such as your stockbroker or bank. Neithe Penn nor GLPI makes any recommendations on the purchase, retention or sale of shares o Penn common stock or Penn Series C preferred stock, or the GLPI common stock to be distributed in the Spin-Off. If you decide to sell any shares before the Spin-Off, you should make sure your stockbroker, bank or other nominee understands whether you want to sell your Penn share the GLPI shares you will receive in the Spin-Off or both.
Where will I be able to trade shares of the common stock of GLPI?	There is not currently a public market for the common stock of GLPI. We intend to list ou common stock on the NASDAQ Stock Market, or "NASDAQ," under the symbol "GLPI" We anticipate that trading in shares of our common stock will begin on a "when-issued" basis prior to the distribution date and will continue up to and including the distribution date and that "regular-way" trading in shares of our common stock will begin on the first trading day following the distribution date. If trading begins on a "when-issued" basis, you may purchase or sell shares of GLPI common stock up to and including the distribution date, but any such transaction will not settle until after the distribution date. You will not b required to make any payment, surrender or exchange your shares of Penn common stock or Penn Series C preferred stock or take any other action to receive your shares of GLPI common stock.
Will the number of Penn shares I own change as a result of the Separation?	The number of shares of Penn common or preferred stock you own will not change as a result of the Separation, unless you are Fortress, Centerbridge or Peter M. Carlino. See "Certain Relationships and Related Party Transactions—Agreements with Certain Shareholders in Connection with the Spin-Off."
What will be the business of Penn following the Spin-Off?	Penn will operate and manage gaming facilities, including most of the gaming facilities owned directly or indirectly by GLPI pursuant to the Master Lease. Penn will also hold the gaming licenses associated with these leased properties and own and operate other assets, including the Casino Rama casino management contract, the Jamul Indian Village management and development agreements, a 50% interest in three joint ventures including the Hollywood Casino at Kansas Speedway, the Bullwhackers casino in Black Hawk, Colorado, and four wholly owned non-casino racetracks, and gaming equipment.
What will happen to the listing of Penn common stock?	Nothing. Penn common stock will continue to be traded on NASDAQ under the symbol "PENN."

Will the Spin-Off affect the trading price of my Penn common stock?	The trading price of Penn common stock immediately following the Spin-Off is expected to be lower than immediately prior to the Spin-Off because the trading price will no longer reflect the value of the GLPI common stock that is being distributed in the Spin-Off. Furthermore, until the market has fully analyzed the value of Penn without GLPI, the price of Penn common stock may fluctuate significantly.
What are the risks to owning GLPI common stock?	Our business is subject to both general and specific risks relating to our business, our status as a REIT, our relationship with Penn and being a separate publicly traded company. Our business is also subject to risks relating to the separation. These risks are described in the "Risk Factors" section of this Prospectus beginning on page 13. You are encouraged to read that section carefully.
Do I have appraisal rights?	No. Holders of Penn common stock and Penn Series C preferred stock are not entitled to appraisal rights in connection

with the Spin-Off.

What will holders of Penn Series B preferred stock receive in the Spin-Off?

Penn has entered into agreements with the holders of its outstanding shares of Penn Series B preferred stock to redeem for cash, or exchange for shares of Penn Series C preferred stock, all of the outstanding shares of Penn Series B preferred stock prior to the record date of the Spin-Off. Additionally, prior to the record date for the Spin-Off, Penn will have the right to purchase from Fortress the number of shares of Penn Series C preferred stock required to ensure that, immediately following the consummation of the Spin-Off, Fortress will own not more than 9.9% of GLPI's common stock so that GLPI can qualify to be taxed as a REIT for U.S. federal income tax purposes.

Prior to the Spin-Off, GLPI and Fortress will enter into an investor rights agreement that grants Fortress certain registration rights and information rights and prohibits GLPI from taking actions to increase Fortress's beneficial ownership of the outstanding

	shares of GLI common stoc above 9.9%.
Where can Penn shareholders get more information about the Spin-Off?	Before the Spin-Off, if you have any questions relating to the Spin-Off you should contac Joseph N. Jaffoni JCIR 116 East 16th Street, 11th Floor New York, N 10003-2112 Tel: (212) 83 8500 Fax: (212) 835-8525 Email: penn@jcir.co

RISK FACTORS

Risk Factors Relating to Our Spin-Off from Penn

We may be unable to achieve some or all the benefits that we expect to achieve from the Spin-Off.

We believe that, as a publicly traded company independent from Penn, GLPI will have the ability to pursue transactions with other gaming operators that would not pursue transactions with Penn as a current competitor, to fund acquisitions with its equity on significantly more favorable terms than those that would be available to Penn, to diversify into different businesses in which Penn, as a practical matter, could not diversify, such as hotels, entertainment facilities and office space, and to pursue certain transactions that Penn otherwise would be disadvantaged by or precluded from pursuing due to regulatory constraints. However, we may not be able to achieve some or all of the benefits that we expect to achieve as a company independent from Penn in the time we expect, if at all.

After the Spin-Off, we may be unable to make, on a timely or cost-effective basis, the changes necessary to operate as a separate publicly traded company focused on owning a portfolio of gaming properties.

GLPI has no significant historical operations as an independent company and may not, at the time of the Spin-Off, have the infrastructure necessary to operate as a separate publicly traded company without relying on Penn to provide certain services on a transitional basis. Upon the completion of the Spin-Off, Penn will be obligated to provide such transition services pursuant to the terms of the Transition Services Agreement that GLPI will enter into with Penn, to allow GLPI time, if necessary, to build the infrastructure necessary to operate as a separate publicly traded company without relying on such services. Following the expiration of the Transition Services Agreement, Penn will be under no obligation to provide further assistance to GLPI. As a separate public entity, we will be subject to, and responsible for, regulatory compliance, including periodic public filings with the Securities and Exchange Commission (the "SEC") and compliance with NASDAQ's continued listing requirements and with applicable state gaming rules and regulations, as well as compliance with generally applicable tax and accounting rules. Because GLPI's business has not been operated as a separate publicly traded company, GLPI cannot assure you that it will be able to successfully implement the infrastructure necessary to operate as a separate publicly traded company or that GLPI will not incur costs in excess of anticipated costs to establish such infrastructure.

If the Spin-Off, together with certain related transactions, does not qualify as a transaction that is generally tax-free for U.S. federal income tax purposes, Penn, GLPI and Penn shareholders could be subject to significant tax liabilities and, in certain circumstances, GLPI could be required to indemnify Penn for material taxes pursuant to indemnification obligations under the Tax Matters Agreement.

Penn has received a private letter ruling from the IRS substantially to the effect that, among other things, the Spin-Off, together with the Compliance Exchanges and certain related transactions, will qualify as a transaction that is generally tax-free for U.S. federal income tax purposes under Sections 355 and/or 368(a)(1)(D) of the Code (the "IRS Ruling"). The IRS Ruling does not address certain requirements for tax-free treatment of the Spin-Off under Section 355, and Penn expects to receive from its tax advisors a tax opinion substantially to the effect that, with respect to such requirements on which the IRS will not rule, such requirements will be satisfied. The IRS Ruling, and the tax opinions that Penn expects to receive from its tax advisors, relied on and will rely on, among other things, certain representations, assumptions and undertakings, including those relating to the past and future conduct of GLPI's business, and the IRS Ruling and the opinions would not be valid if such representations, assumptions and undertakings were incorrect in any material respect.

Notwithstanding the IRS Ruling and the tax opinions, the IRS could determine the Spin-Off should be treated as a taxable transaction for U.S. federal income tax purposes if it determines any of the representations, assumptions or undertakings that were included in the request for the IRS Ruling are false or have been violated or if it disagrees with the conclusions in the opinions that are not covered by the IRS Ruling. For more information regarding the IRS Ruling and the opinions, see "The Separation—Material U.S. Federal Income Tax Consequences of the Spin-Off."

If the Spin-Off fails to qualify for tax-free treatment, in general, Penn would be subject to tax as if it had sold the GLPI common stock in a taxable sale for its fair market value, and Penn shareholders who receive shares of GLPI common stock in the Spin-Off would be subject to tax as if they had received a taxable distribution equal to the fair market value of such shares.

Under the Tax Matters Agreement that GLPI will enter into with Penn, GLPI generally will be required to indemnify Penn against any tax resulting from the Spin-Off to the extent that such tax resulted from (i) an acquisition of all or a portion of the equity securities or assets of GLPI, whether by merger or otherwise, (ii) other actions or failures to act by GLPI, or (iii) any of GLPI's representations or undertakings being incorrect or violated. For a more detailed discussion, see "Relationship between GLPI and Penn after the Spin-Off—The Tax Matters Agreement." GLPI's indemnification obligations to Penn and its subsidiaries, officers and directors will not be limited by any maximum amount. If GLPI is required to indemnify Penn or such other persons under the circumstance set forth in the Tax Matters Agreement, GLPI may be subject to substantial liabilities.

GLPI may not be able to engage in desirable strategic or capital-raising transactions following the Spin-Off. In addition, GLPI could be liable for adverse tax consequences resulting from engaging in significant strategic or capital-raising transactions.

To preserve the tax-free treatment to Penn of the Spin-Off, for the two-year period following the Spin-Off, GLPI may be prohibited, except in specific circumstances, from: (1) entering into any transaction pursuant to which all or a portion of GLPI's stock would be acquired, whether by merger or otherwise, (2) issuing equity securities beyond certain thresholds, (3) repurchasing GLPI common stock, (4) ceasing to actively conduct the business of operating the Hollywood Casino Baton Rouge or Hollywood Casino Perryville, or (5) taking or failing to take any other action that prevents the Spin-Off and related transactions from being tax-free.

These restrictions may limit GLPI's ability to pursue strategic transactions or engage in new business or other transactions that may maximize the value of GLPI's business. For more information, see "The Separation—Material U.S. Federal Income Tax Consequences of the Spin-Off" and "Relationship between GLPI and Penn after the Spin-Off—The Tax Matters Agreement."

The market price and trading volume of GLPI securities may be volatile and may face negative pressure.

There is currently no trading market for any GLPI securities. Investors may decide to dispose of some or all of the GLPI securities that they receive in the Spin-Off. GLPI securities issued in the Spin-Off will be trading publicly for the first time. Until, and possibly even after, orderly trading markets develop for these securities, there may be significant fluctuations in price. It is not possible to accurately predict how investors in GLPI's securities will behave after the Spin-Off. For many reasons, including the risks identified in this Prospectus, the market price of GLPI's securities following the Spin-Off may be more volatile than the market price of Penn's securities before the Spin-Off. These factors may result in short- or long-term negative pressure on the value of the GLPI securities.

In addition, some of the holders of Penn securities are index funds tied to stock or investment indices, or are institutional investors bound by various investment guidelines. Companies are generally selected for investment indices, and in some cases selected by institutional investors, based on factors such as market capitalization, industry, trading liquidity and financial condition. As an independent company, we expect to initially have a lower market capitalization than Penn has today, and our business will differ from the business of Penn prior to the Spin-Off. As a result, our securities may not qualify for those investment indices. In addition, the securities that are received in the Spin-Off may not meet the investment guidelines of some institutional investors. Consequently, these index funds and institutional investors may have to sell some or all of the securities they receive in the Spin-Off, and the price of our securities may fall as a result. Any such decline could impair our ability to raise capital through future sales of securities.

The Spin-Off agreements will not be the result of negotiations between unrelated third parties.

The agreements that we will enter into with Penn in connection with the Spin-Off, including the Separation and Distribution Agreement, Master Lease, Tax Matters Agreement, Employee Matters Agreement and Transition Services Agreement, will have been negotiated in the context of the Separation while we are still a wholly owned subsidiary of Penn. Accordingly, during the period in which the terms of those agreements have been negotiated, we will not have had an independent Board of Directors or a management team independent of Penn. As a result, although those agreements are generally intended to reflect arm's-length terms, the terms of those agreements may not reflect terms that would have resulted from arm's-length negotiations between unaffiliated third parties. Accordingly, there can be no assurance that the terms of these agreements will be as favorable for GLPI as would have resulted from negotiations with one or more unrelated third parties.

The Penn Board of Directors has reserved the right, in its sole discretion, to amend, modify or abandon the Spin-Off and the related transactions at any time prior to the distribution date. In addition, the Spin-Off and related transactions are subject to the satisfaction or waiver (by Penn's Board of Directors in its sole discretion) of a number of conditions. GLPI and Penn cannot assure that any or all of these conditions will be met.

The Penn Board of Directors has reserved the right, in its sole discretion, to amend, modify or abandon the Spin-Off and the related transactions at any time prior to the distribution date. This means Penn may cancel or delay the planned distribution of common stock of GLPI if at any time the Board of Directors of Penn determines that the distribution of such common stock is not in the best interests of Penn. If Penn's Board of Directors determines to cancel the Spin-Off, shareholders of Penn will not receive any distribution of GLPI common stock and Penn will be under no obligation whatsoever to its shareholders to distribute such shares. In addition, the Spin-Off and related transactions are subject to the satisfaction or waiver (by Penn's Board of Directors in its sole discretion) of a number of conditions. See "The Separation—Conditions to the Spin-Off." GLPI and Penn cannot assure that any or all of these conditions will be met. The fulfillment of the conditions to the Spin-Off will not create any obligation on Penn's part to effect the Internal Reorganization (as defined in section "The Separation—General"), the Spin-Off and the REIT Conversion.

The historical and pro forma financial information included in this Prospectus may not be a reliable indicator of future results.

The historical financial statements included herein are (1) combined historical financial data of Louisiana Casino Cruises, Inc. and Penn Cecil Maryland, Inc., which will be acquired by a subsidiary of GLPI that we anticipate will be called GLP Holdings, Inc., and which will operate the TRS Properties after the Spin-Off, which combined financial statements only reflect the historical operation of these two facilities, (2) a schedule of real estate assets to be acquired by GLPI prior to the Spin-Off and (3) consolidated balance sheets of GLPI. In addition, this Prospectus includes pro forma financial information regarding GLPI.

The historical financial statements and the pro forma financial information included herein may not reflect what the business, financial position or results of operations of GLPI will be in the future when it is a separate, publicly traded company. Prior to the Spin-Off, the business of GLPI will have been operated by Penn as part of one corporate organization and not operated as a stand-alone company. Because GLPI has no significant historical operations and will not acquire the real estate ownership and development business of Penn until immediately prior to the Spin-Off, there are no historical financial statements for GLPI as it will exist following the Spin-Off. Significant changes will occur in the cost structure, financing and business operations of GLPI as a result of its operation as a stand-alone company and the entry into transactions with Penn (and its subsidiaries) that have not existed historically, including the Master Lease. The pro forma financial information included in this Prospectus was prepared on the basis of assumptions derived from available information that we believed to be reasonable. However, these assumptions may change or may be incorrect, and actual results may differ, perhaps significantly. For additional information about the basis of presentation of the financial information included in this Prospectus, see "Financing," "Capitalization," "Selected Historical Consolidated Financial Data," "GLPI Unaudited Pro Forma and Forecasted Consolidated Financial Statements" and the financial statements.

The ownership by our executive officers and directors of common shares, options or other equity awards of Penn may create, or may create the appearance of, conflicts of interest.

Because of their current or former positions with Penn, substantially all of our executive officers, including our chief executive officer and chief financial officer, and certain director nominees own common shares of Penn, options to purchase common shares of Penn or other Penn equity awards. Following the distribution of GLPI common shares to its shareholders, these officers and directors will own common shares, options to purchase common shares and/or other equity awards in Penn and GLPI. The individual holdings of common shares, options to purchase common shares or other equity awards of Penn and GLPI may be significant for some of these persons compared to their total assets. These equity interests may create, or appear to create, conflicts of interest when these directors and officers are faced with decisions that could benefit or affect the equity holders of Penn or GLPI in ways that do not benefit or affect us in the same manner.

After the Spin-Off, Peter M. Carlino, our Chairman and Chief Executive Officer, and David A. Handler, one of our directors, may have actual or potential conflicts of interest because of their position at Penn.

After the Spin-Off, Peter M. Carlino will serve as Chairman of Penn and the Chairman and Chief Executive Officer of GLPI. In addition, David A. Handler, one of our director nominees, will continue to serve as a director at Penn. These overlapping positions could create, or appear to create, potential conflicts of interest when our or Penn's management and directors pursue the same corporate opportunities, such as greenfield development opportunities, or face decisions that could have different implications for us and Penn. For example, potential conflicts of interest could arise in connection with the resolution of any dispute between us and Penn (or its subsidiaries) regarding the terms of the agreements governing the separation and the relationship (e.g. Master Lease) thereafter between us and Penn. Potential conflicts of interest could also arise if we and Penn enter into any commercial arrangements with each other in the future.

Penn's inability to obtain all material authorizations, consents, approvals and clearances of third parties including U.S. federal, state and local governmental agencies ("Third-Party Approvals") in connection with the Spin-Off may have a material adverse effect on Penn's ability to consummate the Spin-Off.

There are numerous Third-Party Approvals that Penn must obtain to consummate the Spin-Off and the restructuring of Penn's business in connection therewith, including approvals by gaming and racing authorities in various jurisdictions. In some cases, these approvals must be obtained before the Spin-Off can be completed. Although Penn has commenced the process of seeking the necessary Third-Party Approvals required in connection with the Spin-Off, it currently does not have all the necessary Third-Party Approvals. There is no assurance that Penn will be able to obtain these Third-Party Approvals. Penn does not intend to consummate the Spin-Off if it does not receive all required Third-Party Approvals, unless it believes that the inability to obtain one or more Third-Party Approvals would not reasonably be expected to have a material adverse effect on Penn or GLPI. However, there can be no assurance that such a material adverse effect will not occur.

The Spin-Off could give rise to disputes or other unfavorable effects, which could have a material adverse effect on the business, financial position or results of operations of GLPI.

Disputes with third parties could arise out of the Spin-Off, and GLPI could experience unfavorable reactions to the Spin-Off from employees, ratings agencies, regulators or other interested parties. These disputes and reactions of third parties could have a material adverse effect on the business, financial position or results of operations of GLPI. In addition, following the Spin-Off, disputes between Penn and GLPI (and their subsidiaries) could arise in connection with any of the Separation and Distribution Agreement, the Master Lease, the Tax Matters Agreement, the Transition Services Agreement or other agreements.

Potential indemnification liabilities of GLPI pursuant to the Separation and Distribution Agreement could materially adversely affect GLPI.

The Separation and Distribution Agreement between GLPI and Penn will provide for, among other things, the principal corporate transactions required to effect the separation, certain conditions to the separation and provisions governing the relationship between GLPI and Penn with respect to and resulting from the separation. For a description of the Separation and Distribution Agreement, see "Relationship between GLPI and Penn after the Spin-Off—The Separation and Distribution Agreement."

Among other things, the Separation and Distribution Agreement will provide for indemnification obligations designed to make GLPI financially responsible for substantially all liabilities that may exist relating to or arising out of its business. If GLPI is required to indemnify Penn under the circumstances set forth in the Separation and Distribution Agreement, GLPI may be subject to substantial liabilities.

In connection with our separation from Penn, Penn will indemnify us for certain liabilities. However, there can be no assurance that these indemnities will be sufficient to insure us against the full amount of such liabilities, or that Penn's ability to satisfy its indemnification obligation will not be impaired in the future.

Pursuant to the Separation and Distribution Agreement, Penn will agree to indemnify us for certain liabilities. However, third parties could seek to hold us responsible for any of the liabilities that Penn will agree to retain, and there can be no assurance that Penn will be able to fully satisfy its indemnification obligations. Moreover, even if we ultimately succeed in recovering from Penn any amounts for which we are held liable, we may be temporarily required to bear these losses while seeking recovery from Penn.

A court could deem the distribution to be a fraudulent conveyance and void the transaction or impose substantial liabilities upon us.

A court could deem the distribution of GLPI common shares or certain internal restructuring transactions undertaken by Penn in connection with the Spin-Off, or the Purging Distribution by GLPI, to be a fraudulent conveyance or transfer. Fraudulent conveyances or transfers are defined to include transfers made or obligations incurred with the actual intent to hinder, delay or defraud current or future creditors or transfers made or obligations incurred for less than reasonably equivalent value when the debtor was insolvent, or that rendered the debtor insolvent, inadequately capitalized or unable to pay its debts as they become due. In such circumstances, a court could void the transactions or impose substantial liabilities upon us, which could adversely affect our financial condition and our results of operations. Among other things, the court could require our shareholders to return to Penn some or all of the shares of our common stock issued in the distribution, to return some of the Purging

Distribution to GLPI, or require us to fund liabilities of other companies involved in the restructuring transactions for the benefit of creditors. Whether a transaction is a fraudulent conveyance or transfer will vary depending upon the jurisdiction whose law is being applied.

Risk Factors Relating to the Status of GLPI as a REIT

If GLPI does not qualify to be taxed as a REIT, or fails to remain qualified as a REIT, GLPI will be subject to U.S. federal income tax as a regular corporation and could face a substantial tax liability, which would reduce the amount of cash available for distribution to shareholders of GLPI.

GLPI intends to operate in a manner that will allow GLPI to qualify to be taxed as a REIT for U.S. federal income tax purposes, which GLPI currently expects to occur commencing with its taxable year beginning on January 1, 2014. References throughout this document to the "first taxable year" for which GLPI has elected to be taxed as a REIT refer to the taxable year beginning on January 1, 2014. GLPI expects to receive opinions of its special REIT tax advisors, Wachtell, Lipton, Rosen & Katz and KPMG LLP ("Special Tax Advisors"), with respect to its qualification as a REIT in connection with this transaction. Investors should be aware, however, that opinions of advisors are not binding on the IRS or any court. The opinions of Special Tax Advisors represent only the view of Special Tax Advisors based on their review and analysis of existing law and on certain representations as to factual matters and covenants made by GLPI, including representations relating to the values of GLPI's assets and the sources of GLPI's income. The opinions are expressed as of the date issued. Special Tax Advisors will have no obligation to advise GLPI or the holders of GLPI common stock of any subsequent change in the matters stated, represented or assumed or of any subsequent change in applicable law. Furthermore, both the validity of the opinions of Special Tax Advisors and GLPI's qualification as a REIT will depend on GLPI's satisfaction of certain asset, income, organizational, distribution, shareholder ownership and other requirements on a continuing basis, the results of which will not be monitored by Special Tax Advisors. GLPI's ability to satisfy the asset tests depends upon GLPI's analysis of the characterization and fair market values of its assets, some of which are not susceptible to a precise determination, and for which GLPI will not obtain independent appraisals.

Penn has received a private letter ruling from the IRS with respect to certain issues relevant to GLPI's qualification as a REIT. In general, the ruling provides, subject to the terms and conditions contained therein, that (1) certain of the assets to be held by GLPI after the Spin-Off and (2) the methodology for calculating a certain portion of rent received by GLPI pursuant to the Master Lease will not adversely affect GLPI's qualification as a REIT. Although GLPI may generally rely upon the ruling, no assurance can be given that the IRS will not challenge GLPI's qualification as a REIT on the basis of other issues or facts outside the scope of the ruling.

If GLPI were to fail to qualify to be taxed as a REIT in any taxable year, it would be subject to U.S. federal income tax, including any applicable alternative minimum tax, on its taxable income at regular corporate rates, and dividends paid to GLPI shareholders would not be deductible by GLPI in computing its taxable income. Any resulting corporate liability could be substantial and would reduce the amount of cash available for distribution to its shareholders, which in turn could have an adverse impact on the value of GLPI common stock. Unless GLPI were entitled to relief under certain Code provisions, GLPI also would be disqualified from re-electing to be taxed as a REIT for the four taxable years following the year in which GLPI failed to qualify to be taxed as a REIT.

Qualifying as a REIT involves highly technical and complex provisions of the Code.

Qualification as a REIT involves the application of highly technical and complex Code provisions for which only limited judicial and administrative authorities exist. Even a technical or inadvertent violation could jeopardize GLPI's REIT qualification. GLPI's qualification as a REIT will depend on its satisfaction of certain asset, income, organizational, distribution, shareholder ownership and other requirements on a continuing basis. In addition, GLPI's ability to satisfy the requirements to qualify to be taxed as a REIT may depend in part on the actions of third parties over which it has no control or only limited influence.

Legislative or other actions affecting REITs could have a negative effect on GLPI.

The rules dealing with U.S. federal income taxation are constantly under review by persons involved in the legislative process and by the IRS and the U.S. Department of the Treasury (the "Treasury"). In particular, in June 2013 several companies pursuing REIT conversions disclosed that they have been informed by the IRS that it has formed a new internal working group to study the current legal standards the IRS uses to define "real estate" for purposes of the REIT provisions of the Code. While GLPI has no reason to believe that its private letter ruling will be adversely affected by the IRS internal working group, changes to the tax laws or interpretations thereof by the IRS and the Treasury, with or without retroactive application, could materially and adversely affect GLPI investors or GLPI. GLPI cannot predict how changes in the tax laws might affect its investors or GLPI. New legislation, Treasury regulations, administrative interpretations or court decisions could significantly and negatively affect GLPI's ability to qualify to be taxed as a REIT or the U.S. federal income tax consequences to GLPI investors and GLPI of such qualification.

GLPI could fail to qualify to be taxed as a REIT if income it receives from Penn or its subsidiaries is not treated as qualifying income.

Under applicable provisions of the Code, GLPI will not be treated as a REIT unless it satisfies various requirements, including requirements relating to the sources of its gross income. See "U.S. Federal Income Tax Considerations." Rents received or accrued by GLPI from Penn or its subsidiaries will not be treated as qualifying rent for purposes of these requirements if the Master Lease is not respected as a true lease for U.S. federal income tax purposes and is instead treated as a service contract, joint venture or some other type of arrangement. If the Master Lease is not respected as a true lease for U.S. federal income tax purposes, GLPI may fail to qualify to be taxed as a REIT. Furthermore, GLPI's qualification as a REIT will depend on GLPI's satisfaction of certain asset, income, organizational, distribution, shareholder ownership and other requirements on a continuing basis. GLPI's ability to satisfy the asset tests depends upon GLPI's analysis of the characterization and fair market values of its assets, some of which are not susceptible to a precise determination, and for which GLPI will not obtain independent appraisals.

In addition, subject to certain exceptions, rents received or accrued by GLPI from Penn or its subsidiaries will not be treated as qualifying rent for purposes of these requirements if GLPI or an actual or constructive owner of 10% or more of GLPI stock actually or constructively owns 10% or more of the total combined voting power of all classes of Penn stock entitled to vote or 10% or more of the total value of all classes of Penn stock. GLPI's charter will provide for restrictions on ownership and transfer of its shares of stock, including restrictions on such ownership or transfer that would cause the rents received or accrued by GLPI from Penn or its subsidiaries to be treated as non-qualifying rent for purposes of the REIT gross income requirements. The provisions of GLPI's charter that will restrict the ownership and transfer of its stock are described in "Description of Capital Stock of GLPI—Restrictions on Ownership and Transfer." Nevertheless, there can be no assurance that such restrictions will be effective in ensuring that rents received or accrued by GLPI from Penn or its subsidiaries will not be treated as qualifying rent for purposes of REIT qualification requirements.

Dividends payable by REITs do not qualify for the reduced tax rates available for some dividends.

The maximum U.S. federal income tax rate applicable to income from "qualified dividends" payable by U.S. corporations to U.S. shareholders that are individuals, trusts and estates is currently 20%. Dividends payable by REITs, however, generally are not eligible for the reduced rates. Although these rules do not adversely affect the taxation of REITs, the more favorable rates applicable to regular corporate qualified dividends could cause investors who are individuals, trusts and estates to perceive investments in REITs to be relatively less attractive than investments in the stocks of non-REIT corporations that pay dividends, which could adversely affect the value of the stock of REITs, including GLPI's stock.

REIT distribution requirements could adversely affect GLPI's ability to execute its business plan.

GLPI generally must distribute annually at least 90% of its REIT taxable income, determined without regard to the dividends paid deduction and excluding any net capital gains, in order for GLPI to qualify to be taxed as a REIT (assuming that certain other requirements are also satisfied) so that U.S. federal corporate income tax does not apply to earnings that GLPI distributes. To the extent that GLPI satisfies this distribution requirement and qualifies for taxation as a REIT but distributes less than 100% of its REIT taxable income, determined without regard to the dividends paid deduction and including any net capital gains, GLPI will be subject to U.S. federal corporate income tax on its undistributed net taxable income. In addition, GLPI will be subject to a 4% nondeductible excise tax if the actual amount that GLPI distributes to its shareholders in a calendar year is less than a minimum amount specified under U.S. federal income tax laws. GLPI intends to make distributions to its shareholders to comply with the REIT requirements of the Code.

From time to time, GLPI may generate taxable income greater than its cash flow as a result of differences in timing between the recognition of taxable income and the actual receipt of cash or the effect of nondeductible capital expenditures, the creation of reserves or required debt or amortization payments. If GLPI does not have other funds available in these situations, GLPI could be required to borrow funds on unfavorable terms, sell assets at disadvantageous prices or distribute amounts that would otherwise be invested in future acquisitions to make distributions sufficient to enable GLPI to pay out enough of its taxable income to satisfy the REIT distribution requirement and to avoid corporate income tax and the 4% excise tax in a particular year. These alternatives could increase GLPI's costs or reduce its equity. Thus, compliance with the REIT requirements may hinder GLPI's ability to grow, which could adversely affect the value of GLPI stock. Restrictions in GLPI's indebtedness following the Spin-Off, including restrictions on GLPI's ability to incur additional indebtedness or make certain distributions, could preclude it from meeting the 90% distribution requirement. Decreases in funds from operations due to unfinanced expenditures for acquisitions of properties or increases in the number of shares of GLPI common stock outstanding without commensurate increases in funds from operations each would adversely affect the ability of GLPI to maintain distributions to its shareholders. Moreover, the failure of Penn to make rental payments under the Master Lease would materially impair the ability of GLPI to make distributions. Consequently, there can be no assurance that GLPI will be able to make distributions at the anticipated distribution rate or any other rate. See "Dividend Policy."

Even if GLPI remains qualified as a REIT, GLPI may face other tax liabilities that reduce its cash flow.

Even if GLPI remains qualified for taxation as a REIT, GLPI may be subject to certain U.S. federal, state, and local taxes on its income and assets, including taxes on any undistributed income and state or local income, property and transfer taxes. See "U.S. Federal Income Tax Considerations—Taxation of GLPI." For example, GLPI will hold some of its assets or conduct certain of its activities through one or more TRS or other subsidiary corporations that will be subject to federal, state, and local corporate-level income taxes as regular C corporations as well as state and local gaming taxes. In addition, GLPI may incur a 100% excise tax on transactions with a TRS if they are not conducted on an arm's-length basis. Any of these taxes would decrease cash available for distribution to GLPI shareholders.

Complying with REIT requirements may cause GLPI to forego otherwise attractive acquisition opportunities or liquidate otherwise attractive investments.

To qualify to be taxed as a REIT for U.S. federal income tax purposes, GLPI must ensure that, at the end of each calendar quarter, at least 75% of the value of its assets consists of cash, cash items, government securities and "real estate assets" (as defined in the Code), including certain mortgage loans and securities. The remainder of GLPI's investments (other than government securities, qualified real estate assets and securities issued by a TRS) generally cannot include more than 10% of the outstanding voting securities of any one issuer or more than 10% of the total value of the outstanding securities of any one issuer. In addition, in general, no more than 5% of the value of GLPI's total assets (other than government securities, qualified real estate assets and securities issued by a TRS) can consist of the securities of any one issuer, and no more than 25% of the value of GLPI's total assets can be represented by securities of one or more TRSs. See "U.S. Federal Income Tax Considerations—Taxation of GLPI." If GLPI fails to comply with these requirements at the end of any calendar quarter, it must correct the failure within 30 days after the end of the calendar quarter or qualify for certain statutory relief provisions to avoid losing its REIT qualification and suffering adverse tax consequences. As a result, GLPI may be required to liquidate or forego otherwise attractive investments. These actions could have the effect of reducing GLPI's income and amounts available for distribution to GLPI shareholders.

In addition to the asset tests set forth above, to qualify to be taxed as a REIT GLPI must continually satisfy tests concerning, among other things, the sources of its income, the amounts it distributes to GLPI shareholders and the ownership of GLPI stock. GLPI may be unable to pursue investments that would be otherwise advantageous to GLPI in order to satisfy the source-of-income or asset-diversification requirements for qualifying as a REIT. Thus, compliance with the REIT requirements may hinder GLPI's ability to make certain attractive investments.

Complying with REIT requirements may limit GLPI's ability to hedge effectively and may cause GLPI to incur tax liabilities.

The REIT provisions of the Code substantially limit GLPI's ability to hedge its assets and liabilities. Income from certain hedging transactions that GLPI may enter into to manage risk of interest rate changes with respect to borrowings made or to be made to acquire or carry real estate assets or from transactions to manage risk of currency fluctuations with respect to any item of income or gain that satisfy the REIT gross income tests (including gain from the termination of such a transaction) does not constitute "gross income" for purposes of the 75% or 95% gross income tests that apply to REITs, provided that certain identification requirements are met. To the extent that GLPI enters into other types of hedging transactions or fails to properly identify such transaction as a hedge, the income is likely to be treated as non-qualifying income for purposes of both of the gross income tests. See "U.S. Federal Income Tax Considerations—Taxation of GLPI." As a result of these rules, GLPI may be required to limit its use of advantageous hedging techniques or implement those hedges through a TRS. This could increase the cost of GLPI's hedging activities because the TRS may be subject to tax on gains or expose GLPI to greater risks associated with changes in interest rates that GLPI would otherwise want to bear. In addition, losses in the TRS will generally not provide any tax benefit, except that such losses could theoretically be carried back or forward against past or future taxable income in the TRS.

GLPI will pay the Purging Distribution in common stock and cash and may pay taxable dividends on GLPI common stock in common stock and cash. GLPI's shareholders may sell shares of GLPI common stock to pay tax on such dividends, placing downward pressure on the market price of GLPI common stock.

GLPI will pay the Purging Distribution in a combination of cash and GLPI stock, which Penn expects will consist of approximately 28% cash and 72% GLPI stock. Each GLPI shareholder will be permitted to elect to receive the shareholder's entire entitlement under the Purging Distribution in either cash or GLPI common stock, subject to the Cash Limitation. The Cash Limitation will in no event be less than 20% of the Purging Distribution declaration (without regard to any cash that may be paid in lieu of fractional shares), although it is currently expected to comprise approximately 28% of the Purging Distribution. If GLPI shareholders elect to receive an amount of cash in excess of the Cash Limitation, each such electing shareholder will receive a pro rata amount of cash corresponding to the shareholder's respective entitlement under the Purging Distribution declaration. Penn has received a private letter ruling from the IRS with respect to certain issues relevant to GLPI's payment of the Purging Distribution in a combination of cash and GLPI stock. In general, the ruling provides, subject to the terms and conditions contained therein, that (1) the Purging Distribution will be treated as a dividend that will first reduce GLPI's accumulated earnings and profits (as determined for U.S. federal income tax purposes) attributable to pre-REIT years in satisfaction of the REIT annual distribution requirement and (2) the amount of any GLPI stock received by any GLPI shareholder as part of the Purging Distribution will be considered to equal the amount of cash that could have been received instead. In the Purging Distribution, a shareholder of GLPI common stock will be required to report dividend income as a result of the Purging Distribution even though GLPI distributed no cash or only nominal amounts of cash to such shareholder.

GLPI currently intends to pay dividends (other than the Purging Distribution) in cash only, and not in-kind. However, if for any taxable year, GLPI has significant amounts of taxable income in excess of available cash flow, GLPI may declare dividends in-kind in order to satisfy the REIT annual distribution requirements. GLPI may distribute a portion of its dividends in the form of its stock or its debt instruments. In either event, a shareholder of GLPI common stock will be required to report dividend income as a result of such distributions even though GLPI distributed no cash or only nominal amounts of cash to such shareholder.

The IRS has issued private letter rulings to other REITs (and, with respect to the Purging Distribution and as described above, to Penn) treating certain distributions that are paid partly in cash and partly in stock as taxable dividends that would satisfy the REIT annual distribution requirement and qualify for the dividends paid deduction for U.S. federal income tax purposes. Those rulings may be relied upon only by taxpayers to whom they were issued, but GLPI could request a similar ruling from the IRS. GLPI cannot rely on the private letter ruling Penn received from the IRS, as described above, with respect to the payment of dividends other than the Purging Distribution. In addition, the IRS previously issued a revenue procedure authorizing publicly traded REITs to make elective cash/stock dividends, but that revenue procedure does not apply to GLPI's taxable year beginning on January 1, 2014 and future taxable years. Accordingly, it is unclear whether and to what extent GLPI will be able to make taxable dividends (other than the Purging Distribution) payable in-kind.

If GLPI made any taxable dividend payable in cash and common stock, taxable shareholders receiving such dividends will be required to include the full amount of the dividend as ordinary income to the extent of GLPI's current and accumulated earnings and profits, as determined for U.S. federal income tax purposes. As a result, shareholders may be required to pay income tax with respect to such dividends in excess of the cash dividends received. If a U.S. shareholder sells the GLPI stock that it receives as a dividend in order to pay this tax, the sales proceeds may be less than the amount included in income with respect to the dividend, depending on the market price of the stock at the time of the sale. Furthermore, with respect to certain non-U.S. shareholders, GLPI may be required to withhold federal income tax with respect to such dividends, including in respect of all or a portion of such dividend that is payable in GLPI stock. If, in any taxable dividend payable in cash and GLPI stock, a significant number of GLPI shareholders determine to sell shares of GLPI stock in order to pay taxes owed on dividends, it may be viewed as economically equivalent to a dividend reduction and put downward pressure on the market price of GLPI stock.

If the total cash payable to shareholders in the Purging Distribution is limited, the amount of cash received by each shareholder is dependent on the election of other shareholders.

GLPI expects to limit the total amount of cash payable in the Purging Distribution to a maximum of 28% of the total value of the Purging Distribution. The balance of the Purging Distribution will be in the form of shares of GLPI common stock. Each GLPI shareholder will be permitted to elect to receive the shareholder's entire entitlement under the Purging Distribution in either cash or GLPI common stock, subject to the Cash Limitation. The Cash Limitation will in no event be less than 20% of the Purging Distribution declaration (without regard to any cash that may be paid in lieu of fractional shares), although it is currently expected to comprise approximately 28% of the Purging Distribution. If GLPI shareholders elect to receive an amount of cash in excess of the Cash Limitation, each such electing shareholder will receive a pro rata amount of cash corresponding to the shareholder's respective entitlement under the Purging Distribution declaration. Therefore, shareholders may not receive exactly the dividend that they elect and may receive a pro rata amount of the Cash Limitation and shares of GLPI common stock.

Even if GLPI qualifies to be taxed as a REIT, GLPI could be subject to tax on any unrealized net built-in gains in the assets held before electing to be treated as a REIT.

GLPI will own appreciated assets that were held by a C corporation before GLPI elected to be treated as a REIT and were acquired by GLPI in a transaction in which the adjusted tax basis of the assets in GLPI's hands is determined by reference to the adjusted tax basis of the assets in the hands of the C corporation. If GLPI disposes of any such appreciated assets during the ten-year period following GLPI's acquisition of the assets from the C corporation (i.e., during the ten-year period following GLPI's qualification as a REIT), GLPI will be subject to tax at the highest corporate tax rates on any gain from such assets to the extent of the excess of the fair market value of the assets on the date that they were acquired by GLPI (i.e., at the time that GLPI became a REIT) over the adjusted tax basis of such assets on such date, which are referred to as built-in gains. GLPI would be subject to this tax liability even if it qualifies and maintains its status as a REIT. Any recognized built-in gain will retain its character as ordinary income or capital gain and will be taken into account in determining REIT taxable income and GLPI's distribution requirement. Any tax on the recognized built-in gain will reduce REIT taxable income. GLPI may choose not to sell in a taxable transaction appreciated assets it might otherwise sell during the ten-year period in which the built-in gain tax applies in order to avoid the built-in gain tax. However, there can be no assurances that such a taxable transaction will not occur. If GLPI sells such assets in a taxable transaction, the amount of corporate tax that GLPI will pay will vary depending on the actual amount of net built-in gain or loss present in those assets as of the time GLPI became a REIT. The amount of tax could be significant.

Risk Factors Relating to Our Business following the Spin-Off

We will be dependent on Penn (including its subsidiaries) until we substantially diversify our portfolio, and an event that has a material adverse effect on Penn's business, financial position or results of operations could have a material adverse effect on our business, financial position or results of operations.

Immediately following the Spin-Off, a subsidiary of Penn will be the lessee of substantially all of our properties pursuant to the Master Lease and account for a significant portion of our revenues. Additionally, because the Master Lease is a triple-net lease, we will depend on Penn to pay all insurance, taxes, utilities and maintenance and repair expenses in connection with these leased properties and to indemnify, defend and hold us harmless from and against various claims, litigation and liabilities arising in connection with its business. There can be no assurance that Penn will have sufficient assets, income and access to financing to enable it to satisfy its payment obligations under the Master Lease. The inability or unwillingness of Penn to meet its subsidiary's rent obligations and other obligations under the Master Lease could materially adversely affect our business, financial position or results of operations, including our ability to pay dividends to our shareholders as required to maintain our status as a REIT. For these reasons, if Penn were to experience a material adverse effect on its gaming business, financial position or results of operations, our business, financial position or results of operations could also be materially adversely affected.

Due to our dependence on rental payments from Penn and its tenant subsidiary as our main source of revenues, we may be limited in our ability to enforce our rights under the Master Lease or to terminate the lease with respect to a particular property. Failure by Penn's tenant subsidiary to comply with the terms of the Master Lease or to comply with the gaming regulations to which the leased properties are subject could require us to find another lessee for such leased property and there could be a decrease or cessation of rental payments by Penn. In such event, we may be unable to locate a suitable lessee at similar rental rates or at all, which would have the effect of reducing our rental revenues.

Our management team, including chairman and chief executive officer (Peter M. Carlino) and chief financial officer (William J. Clifford), has limited experience operating a REIT.

The requirements for qualifying as a REIT are highly technical and complex. Penn has never operated as a REIT, and our management team, including chairman and chief executive officer (Peter M. Carlino) and chief financial officer (William J. Clifford), has limited experience in complying with the income, asset and other limitations imposed by the REIT provisions of the Code. Any failure to comply with those provisions in a timely manner could prevent GLPI from qualifying as a REIT or could force GLPI to pay unexpected taxes and penalties. In such event, GLPI's net income would be reduced and GLPI could incur a loss, which could materially harm its business, financial position or results of operations. In addition, there is no assurance that their past experience with the acquisition, development and disposition of gaming facilities will be sufficient to enable them to successfully manage GLPI's portfolio of properties as required by its business plan or the REIT provisions of the Code.

We may have future capital needs and may not be able to obtain additional financing on acceptable terms.

In connection with our Spin-Off from Penn, we expect to incur indebtedness of approximately $2.5 billion, with an additional $700 million available for borrowing under our senior unsecured credit facilities. We expect that we will transfer most of the proceeds from this indebtedness to Penn or one of its affiliates in connection with the Internal Reorganization. We may incur additional indebtedness in the future to refinance our existing indebtedness or to finance newly-acquired properties. Any significant additional indebtedness could require a substantial portion of our cash flow to make interest and principal payments due on our indebtedness. Greater demands on our cash resources may reduce funds available to us to pay dividends, make capital expenditures and acquisitions, or carry out other aspects of our business strategy. Increased indebtedness can also limit our ability to adjust rapidly to changing market conditions, make us more vulnerable to general adverse economic and industry conditions and create competitive disadvantages for us compared to other companies with relatively lower debt levels. Increased future debt service obligations may limit our operational flexibility, including our ability to acquire properties, finance or refinance our properties, contribute properties to joint ventures or sell properties as needed.

Moreover, our ability to obtain additional financing and satisfy our financial obligations under indebtedness outstanding from time to time will depend upon our future operating performance, which is subject to then prevailing general economic and credit market conditions, including interest rate levels and the availability of credit generally, and financial, business and other factors, many of which are beyond our control. The prolonged continuation or worsening of current credit market conditions would have a material adverse effect on our ability to obtain financing on favorable terms, if at all.

We may be unable to obtain additional financing or financing on favorable terms or our operating cash flow may be insufficient to satisfy our financial obligations under indebtedness outstanding from time to time (if any). Among other things, the absence of an investment grade credit rating or any credit rating downgrade could increase our financing costs and could limit our access to financing sources. If financing is not available when needed, or is available on unfavorable terms, we may be unable to develop new or enhance our existing properties, complete acquisitions or otherwise take advantage of business opportunities or respond to competitive pressures, any of which could have a material adverse effect on our business, financial condition and results of operations.

Our ability to engage in significant equity issuances will be limited or restricted after our Spin-Off from Penn in order to preserve the tax-free nature of the Spin-Off. If and when additional funds are raised through the issuance of equity securities, our shareholders may experience significant dilution. Additionally, sales of substantial amounts of our common stock in the public market following the Spin-Off, or the perception that such sales could occur, could adversely affect the market price of our common stock, may make it more difficult for our shareholders to sell their GLPI common stock at a time and price that they deem appropriate and could impair our future ability to raise capital through an offering of our equity securities.

Covenants in our debt agreements may limit our operational flexibility, and a covenant breach or default could materially adversely affect our business, financial position or results of operations.

The agreements governing our indebtedness are expected to contain customary covenants, including restrictions on our ability to grant liens on our assets, incur indebtedness, sell assets, make investments, engage in acquisitions, mergers or consolidations and pay certain dividends and other restricted payments. We also anticipate having to comply with the following financial covenants: a maximum total debt to total asset value ratio of 60% (subject to increase to 65% for specified periods in connection with certain acquisitions), a minimum fixed charge coverage ratio of 2 to 1, a maximum senior secured debt to total asset value ratio of 40% and a maximum unsecured debt to unencumbered asset value ratio of 60%. These restrictions may limit our operational flexibility. Covenants that limit our operational flexibility as well as defaults under our debt instruments could have a material adverse effect on our business, financial position or results of operations.

An increase in market interest rates could increase our interest costs on existing and future debt and could adversely affect our stock price.

If interest rates increase, so could our interest costs for any new debt and our variable rate debt obligations. This increased cost could make the financing of any acquisition more costly, as well as lower our current period earnings. Rising interest rates could limit our ability to refinance existing debt when it matures or cause us to pay higher interest rates upon refinancing. In addition, an increase in interest rates could decrease the access third parties have to credit, thereby decreasing the amount they are willing to pay for our assets and consequently limiting our ability to reposition our portfolio promptly in response to changes in economic or other conditions.

Further, the dividend yield on our common stock, as a percentage of the price of such common stock, will influence the price of such common stock. Thus, an increase in market interest rates may lead prospective purchasers of our common stock to expect a higher dividend yield, which would adversely affect the market price of our common stock.

We are dependent on the gaming industry and may be susceptible to the risks associated with it, which could materially adversely affect our business, financial position or results of operations.

As the owner of gaming facilities, we will be impacted by the risks associated with the gaming industry. Therefore, our success is to some degree dependent on the gaming industry, which could be adversely affected by economic conditions in general, changes in consumer trends and preferences and other factors over which we and our tenants have no control. As we are subject to risks inherent in substantial investments in a single industry, a decrease in the gaming business would likely have a greater adverse effect on our revenues than if we owned a more diversified real estate portfolio, particularly because a component of the rent under the Master Lease is based, over time, on the performance of the gaming facilities operated by Penn on our properties.

The gaming industry is characterized by a high degree of competition among a large number of participants, including riverboat casinos, dockside casinos, land-based casinos, video lottery, sweepstakes and poker machines not located in casinos, Native American gaming, internet lotteries and other internet wagering gaming services and, in a broader sense, gaming operators face competition from all manner of leisure and entertainment activities. Gaming competition is intense in most of the markets where our facilities are located. Recently, there has been additional significant competition in the gaming industry as a result of the upgrading or expansion of facilities by existing market participants, the entrance of new gaming participants into a market or legislative changes. As competing properties and new markets are opened our business results may be negatively impacted. Additionally, increases in discretionary consumer spending brought about by weakened general economic conditions such as, but not limited to, high unemployment levels, higher income taxes, low levels of consumer confidence, weakness in the housing market and increased stock market volatility may negatively impact our revenues. Inclement weather and other casualty events could seriously disrupt our business and have a material adverse effect on our financial condition and results of operations.

The operations of our facilities are subject to disruptions or reduced patronage as a result of severe weather conditions, natural disasters and other casualty events. Because many of our facilities are located on or adjacent to bodies of water, they are subject to risks in addition to those associated with land-based facilities, including loss of service due to casualty, forces of nature, mechanical failure, extended or extraordinary maintenance, flood, hurricane or other severe weather conditions. A component of the rent under the Master Lease is based, over time, on the performance of the gaming facilities operated by Penn on our properties; consequently, a casualty that leads to the loss of use of a casino facility subject to the Master Lease for an extended period may negatively impact our revenues.

We face extensive regulation from gaming and other regulatory authorities.

The ownership, operation, and management of gaming and racing facilities are subject to pervasive regulation. These regulations will impact both our ownership and operation of the TRS Properties and the operations of our gaming tenants. Our ownership and operation of the TRS Properties will subject GLPI and its officers and directors to the jurisdiction of the gaming regulatory agencies in Louisiana and Maryland. Further, many gaming and racing regulatory agencies in the jurisdictions in which Penn operates will require GLPI and its affiliates to maintain a license as a key business entity or supplier of Penn because of GLPI's status as landlord.

In many jurisdictions, gaming laws can require certain of our shareholders to file an application, be investigated, and qualify or have his, her or its suitability determined by gaming authorities. Gaming authorities have very broad discretion in determining whether an applicant should be deemed suitable. Subject to certain administrative proceeding requirements, the gaming regulators have the authority to deny any application or limit, condition, restrict, revoke or suspend any license, registration, finding of suitability or approval, or fine any person licensed, registered or found suitable or approved, for any cause deemed reasonable by the gaming authorities.

Many jurisdictions also require any person who acquires beneficial ownership of more than a certain percentage of voting securities of a gaming company and, in some jurisdictions, non-voting securities, typically 5%, to report the acquisition to gaming authorities, and gaming authorities may require such holders to apply for qualification or a finding of suitability, subject to limited exceptions for "institutional investors" that hold a company's voting securities for investment purposes only. Some jurisdictions may also limit the number of gaming licenses in which a person may hold an ownership or a controlling interest.

Additionally, substantially all material loans, leases, sales of securities and similar financing transactions by GLPI and its subsidiaries must be reported to and in some cases approved by gaming authorities. Neither GLPI nor any of its subsidiaries may make a public offering of securities without the prior approval of certain gaming authorities. Changes in control through merger, consolidation, stock or asset acquisitions, management or consulting agreements, or otherwise are subject to receipt of prior approval of gaming authorities. Entities seeking to acquire control of GLPI or one of its subsidiaries must satisfy gaming authorities with respect to a variety of stringent standards prior to assuming control.

Required regulatory approvals can delay or prohibit transfers of our gaming properties, which could result in periods in which we are unable to receive rent for such properties.

The tenants of our gaming properties will be operators of gaming facilities, which operators must be licensed under applicable state law. Prior to the transfer of gaming facilities, the new operator generally must become licensed under state law. In the event that the Master Lease or any future lease agreement we will enter into is terminated or expires and a new tenant is found, then any delays in the new tenant receiving regulatory approvals from the applicable state government agencies, or the inability to receive such approvals, may prolong the period during which we are unable to collect the applicable rent.

Our pursuit of investments in, and acquisitions or development of, additional properties may be unsuccessful or fail to meet our expectations.

We will operate in a highly competitive industry and face competition from other REITs, investment companies, private equity and hedge fund investors, sovereign funds, lenders, gaming companies and other investors, some of whom are significantly larger and have greater resources and lower costs of capital. Increased competition will make it more challenging to identify and successfully capitalize on acquisition opportunities that meet our investment objectives. If we cannot identify and purchase a sufficient quantity of gaming properties and other properties at favorable prices or if we are unable to finance acquisitions on commercially favorable terms, our business, financial position or results of operations could be materially adversely affected. Additionally, the fact that we must distribute 90% of our net taxable income in order to maintain our qualification as a REIT may limit our ability to rely upon rental payments from our leased properties or subsequently acquired properties in order to finance acquisitions. As a result, if debt or equity financing is not available on acceptable terms, further acquisitions might be limited or curtailed.

Investments in and acquisitions of gaming properties and other properties we might seek to acquire entail risks associated with real estate investments generally, including that the investment's performance will fail to meet expectations, that the cost estimates for necessary property improvements will prove inaccurate or that the tenant, operator or manager will underperform. Real estate development projects present other risks, including construction delays or cost overruns that increase expenses, the inability to obtain required zoning, occupancy and other governmental approvals and permits on a timely basis, and the incurrence of significant development costs prior to completion of the project.

Our charter will restrict the ownership and transfer of our outstanding stock, which may have the effect of delaying, deferring or preventing a transaction or change of control of our company.

In order for GLPI to qualify to be taxed as a REIT, not more than 50% in value of its outstanding shares of stock may be owned, actually or constructively, by five or fewer individuals at any time during the last half of each taxable year after the first year for which GLPI elects to qualify to be taxed as a REIT. Additionally, at least 100 persons must beneficially own GLPI stock during at least 335 days of a taxable year (other than the first taxable year for which GLPI elects to be taxed as a REIT). GLPI's charter, with certain exceptions, will authorize the Board of Directors to take such actions as are necessary and desirable to preserve GLPI's qualification as a REIT. GLPI's charter will also provide that, subject to certain exceptions with respect to certain members of the Carlino family and Fortress and unless exempted by the Board of Directors, no person may beneficially or constructively own more than [•]% in value or in number, whichever is more restrictive, of GLPI's outstanding shares of all classes and series of stock. See "Description of Capital Stock of GLPI—Restrictions on Ownership and Transfer" and "U.S. Federal Income Tax Considerations." The constructive ownership rules are complex and may cause shares of stock owned directly or constructively by a group of related individuals or entities to be constructively owned by one individual or entity. These ownership limits could delay or prevent a transaction or a change in control of GLPI that might involve a premium price for shares of GLPI stock or otherwise be in the best interests of GLPI shareholders. The acquisition of less than [•]% of our outstanding stock by an individual or entity could cause that individual or entity to own beneficially or constructively in excess of [•]% in value of our outstanding stock, and thus violate our charter's ownership limit. Our charter will also prohibit any person from owning shares of our stock that would result in our being "closely held" under Section 856(h) of the Code. Any attempt to own or transfer shares of our stock in violation of these restrictions may result in the transfer being automatically void. To assist GLPI in complying with applicable gaming laws, GLPI's charter will also provide that capital stock of GLPI that is owned or controlled by an unsuitable person or an affiliate of an unsuitable person is redeemable by GLPI, out of funds legally available for that redemption, by appropriate action of the GLPI Board of Directors to the extent required by the gaming authorities making the determination of unsuitability or to the extent determined by the GLPI Board of Directors.

Pennsylvania law and provisions in our charter and bylaws may delay or prevent takeover attempts by third parties and therefore inhibit GLPI's shareholders from realizing a premium on their stock.

GLPI's charter and by-laws will contain, and Pennsylvania law contains, provisions that are intended to deter coercive takeover practices and inadequate takeover bids and to encourage prospective acquirors to negotiate with GLPI's board of directors rather than to attempt a hostile takeover. GLPI's charter and bylaws will, among other things (i) permit the board of directors, without further action of the shareholders, to issue and fix the terms of preferred stock, which may have rights senior to those of the common stock; (ii) establish certain advance notice procedures for shareholder proposals, and require all director candidates to be recommended by the nominating committee of the board of directors; (iii) classify our board of directors into three separate classes with staggered terms; (iv) provide that a director may only be removed by shareholders for cause and upon the vote of 75% of the outstanding shares of common stock; and (v) provide for supermajority approval requirements for amending or repealing certain provisions in our charter.

In addition, specific anti-takeover provisions in Pennsylvania law could make it more difficult for a third party to attempt a hostile takeover. These provisions require (i) approval of certain transactions by a majority of the voting stock other than that held by the potential acquirer; (ii) the acquisition at "fair value" of all the outstanding shares not held by an acquirer of 20% or more; (iii) a five-year moratorium on certain "business combination" transactions with an "interested shareholder"; (iv) the loss by interested shareholders of their voting rights over "control shares"; (v) the disgorgement of profits realized by an interested shareholder from certain dispositions of GLPI shares; and (vi) severance payments for certain employees and prohibiting termination of certain labor contracts.

GLPI's believes these provisions will protect its shareholders from coercive or otherwise unfair takeover tactics by requiring potential acquirors to negotiate with GLPI's board of directors and by providing GLPI's board of directors with more time to assess any acquisition proposal. These provisions are not intended to make GLPI immune from takeovers. However, these provisions will apply even if the offer may be considered beneficial by some shareholders and could delay or prevent an acquisition that GLPI's board of directors determines is not in the best interests of GLPI. These provisions may also prevent or discourage attempts to remove and replace incumbent directors.

If we lose our key management personnel, we may not be able to successfully manage our business and achieve our objectives.

Our success depends in large part upon the leadership and performance of our executive management team, particularly Peter M. Carlino, our chief executive officer, and William J. Clifford, our chief financial officer. If we lose the services of Messrs. Carlino or Clifford, we may not be able to successfully manage our business or achieve our business objectives.

We may experience uninsured or underinsured losses, which could result in a significant loss of the capital we have invested in a property, decrease anticipated future revenues or cause us to incur unanticipated expense.

While the Master Lease will require, and new lease agreements are expected to require, that comprehensive insurance and hazard insurance be maintained by the tenants, there are certain types of losses, generally of a catastrophic nature, such as earthquakes, hurricanes and floods, that may be uninsurable or not economically insurable. Insurance coverage may not be sufficient to pay the full current market value or current replacement cost of a loss. Inflation, changes in building codes and ordinances, environmental considerations, and other factors also might make it infeasible to use insurance proceeds to replace the property after such property has been damaged or destroyed. Under such circumstances, the insurance proceeds received might not be adequate to restore the economic position with respect to such property.

If we experience a loss that is uninsured or that exceeds our policy coverage limits, we could lose the capital invested in the damaged properties as well as the anticipated future cash flows from those properties. In addition, if the damaged properties were subject to recourse indebtedness, we could continue to be liable for the indebtedness even if these properties were irreparably damaged.

In addition, even if damage to our properties is covered by insurance, a disruption of our business caused by a casualty event may result in the loss of business or tenants. The business interruption insurance we carry may not fully compensate us for the loss of business or tenants due to an interruption caused by a casualty event. Further, if one of our tenants has insurance but is underinsured, that tenant may be unable to satisfy its payment obligations under its lease with us.

A disruption in the financial markets may make it more difficult to evaluate the stability, net assets and capitalization of insurance companies and any insurer's ability to meet its claim payment obligations. A failure of an insurance company to make payments to us upon an event of loss covered by an insurance policy could adversely affect our business, financial condition and results of operations.

Environmental compliance costs and liabilities associated with real estate properties owned by us may materially impair the value of those investments.

As an owner of real property, we will be subject to various federal, state and local environmental and health and safety laws and regulations. Although we will not operate or manage most of our property, we may be held primarily or jointly and severally liable for costs relating to the investigation and clean-up of any property from which there has been a release or threatened release of a regulated material as well as other affected properties, regardless of whether we knew of or caused the release.

In addition to these costs, which are typically not limited by law or regulation and could exceed the property's value, we could be liable for certain other costs, including governmental fines and injuries to persons, property or natural resources. Further, some environmental laws create a lien on the contaminated site in favor of the government for damages and the costs the government incurs in connection with such contamination.

Although we intend to require our operators and tenants to undertake to indemnify us for certain environmental liabilities, including environmental liabilities they cause, the amount of such liabilities could exceed the financial ability of the tenant or operator to indemnify us. The presence of contamination or the failure to remediate contamination may adversely affect our ability to sell or lease the real estate or to borrow using the real estate as collateral.

FORWARD-LOOKING STATEMENTS

Forward-looking statements in this Prospectus, the public filings or other public statements of the Company are subject to known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other public statements. Forward-looking statements include information concerning the Company's future financial performance, business strategy, plans, goals and objectives and information concerning the completion of the Spin-Off and the realization of related anticipated benefits.

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 effects of local and national economic, credit, capital market, housing, and energy conditions on the economy in general and on the gaming and lodging industries in particular;
- 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, 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 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 ability and willingness of our tenants to renew their leases with us upon expiration of the leases, our ability to reposition our properties on the same or better terms in the event of nonrenewal or in the event we exercise our right to replace an existing tenant, and obligations, including indemnification obligations, we may incur in connection with the replacement of an existing tenant;
- availability of suitable properties to acquire and our ability to acquire and lease those properties on favorable terms;
- our 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;
- the degree and nature of our competition;
- our failure to generate sufficient cash flows to service our outstanding indebtedness;
- access to debt and equity capital markets;
- fluctuating interest rates;
- availability of qualified personnel and our ability to retain our key management personnel;
- the outcome of any legal proceedings to which we are a party;
- failure to maintain our status as a REIT;

- changes in the U.S. tax law and other state, federal or local laws, whether or not specific to REITs or to the gaming or lodging industries;
- 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 discussed in the sections entitled "Business and Properties of GLPI," "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations of GLPI" in this Prospectus.

Certain of these factors and other factors, risks and uncertainties are discussed in the "Risk Factors" section of this Prospectus. 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 Penn and the Company.

You should consider the areas of risk described above, as well as those set forth under the heading "Risk Factors," 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.

THE SEPARATION

General

The Board of Directors of Penn has announced a plan to separate its operating assets and real property assets, along with their associated liabilities, into two separate, publicly traded companies: an operating entity and a REIT. Penn will accomplish the separation by contributing 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 the TRS Properties that will be operated by its TRSs, to GLPI through a series of internal corporate restructurings, which we refer to herein as the "Internal Reorganization," and then distributing all of the outstanding shares of GLPI common stock owned by Penn immediately prior to the Spin-Off to holders of Penn common stock and Penn Series C preferred stock on the record date. Immediately following the distributions, Penn shareholders will own 100% of the outstanding common stock of Penn and 100% of the outstanding common stock of GLPI.

In connection with the Separation, Penn will allocate its accumulated earnings and profits (as determined for U.S. federal income tax purposes) for periods prior to the consummation of the Separation between Penn and GLPI in a manner that, in its best judgment, is in accordance with the provisions of the Code. In connection with its election to be taxed as a REIT for U.S. federal income tax purposes, GLPI will make the Purging Distribution by declaring a dividend to its shareholders to distribute any accumulated earnings and profits relating to the real property assets and attributable to any pre-REIT years, including any earnings and profits allocated to GLPI in connection with the Separation, to comply with certain REIT qualification requirements. Penn estimates that the Purging Distribution will total approximately $1.05 billion, or approximately $11.92 per share of GLPI common stock outstanding immediately prior to the Purging Distribution. The Purging Distribution will be paid in a combination of cash and GLPI stock, which Penn anticipates will consist of approximately 28% cash and 72% GLPI stock. See "—The Purging Distribution."

The Penn Board of Directors has reserved the right, in its sole discretion, to amend, modify or abandon the Spin-Off and related transactions at any time prior to the distribution date. In addition, the Spin-Off is subject to the satisfaction or waiver of a number of conditions. These conditions include the receipt of all gaming approvals required to be obtained prior to the Spin-Off. See "—Conditions to the Spin-Off."

Reasons for the Separation

As part of its long term business strategy to increase shareholder value, Penn's Board of Directors has long sought to significantly expand Penn's gaming business and its property business through (i) strategic acquisitions of existing gaming properties and (ii) development of new gaming facilities. However, the operation of the gaming and property businesses within the current Penn structure presents significant obstacles to successfully achieving the desired level of growth for this business strategy. The Spin-Off is expected to significantly ameliorate these expansion challenges.

Penn expects the Spin-Off to facilitate strategic expansion opportunities for the property business by providing GLPI the ability to:

(i) pursue transactions with other gaming operators that would not pursue transactions with Penn as a current competitor,

(ii) fund acquisitions with its equity on significantly more favorable terms than those that would be available to Penn,

(iii) diversify into different businesses in which Penn, as a practical matter, could not diversify, such as hotels, entertainment facilities and office space, and

(iv) pursue certain transactions that Penn otherwise would be disadvantaged by or precluded from pursuing due to regulatory constraints.

The Number of Shares You Will Receive in the Spin-Off

For every share of Penn common stock and every 1/1,000th of a share of Penn Series C preferred stock that you owned at the close of business on [•], 2013, the record date, you will receive one share of common stock of GLPI on the distribution date. Pursuant to the Compliance Exchanges, Peter M. Carlino will exchange (i) shares of Penn common stock for shares of GLPI common stock prior to the Spin-Off and (ii) options to acquire Penn common stock for options to acquire GLPI common stock following the Spin-Off, as described below under "Certain Relationships and Related Party Transactions—Agreements with Certain Shareholders in Connection with the Spin-Off—Peter M. Carlino."

When and How You Will Receive the Distribution

Penn will distribute the shares of GLPI common stock on [•], 2013, the distribution date. However, the Penn Board of Directors may determine to delay or abandon the Spin-Off. Continental Stock Transfer & Trust will serve as transfer agent and registrar for the GLPI common stock and as distribution agent in connection with the Spin-Off.

If you own Penn common stock and/or Penn Series C preferred stock as of the close of business on the record date, the shares of GLPI common stock that you are entitled to receive in the Spin-Off will be issued electronically, as of the distribution date, to you or to your bank or brokerage firm on your behalf by way of direct registration in book-entry form. Registration in book-entry form refers to a method of recording stock ownership when no physical share certificates are issued to shareholders, as is the case in the Spin-Off.

Commencing on or shortly after the distribution date, if you hold physical stock certificates that represent your shares of Penn common stock and/or Penn Series C preferred stock and you are the registered holder of the Penn shares represented by those certificates, the distribution agent will mail to you an account statement that indicates the number of shares of GLPI common stock that have been registered in book-entry form in your name. If you have any questions concerning the mechanics of having shares of GLPI common stock registered in book-entry form, you are encouraged to contact Continental Stock Transfer & Trust by mail at 17 Battery Place, 8th Floor, New York NY 10004, by phone at (800) 509-5586 or (212) 509-4000 or by email at cstmail@continentalstock.com.

Most Penn shareholders hold their shares of Penn common stock through a bank or brokerage firm. In such cases, the bank or brokerage firm would be said to hold the stock in "street name" and ownership would be recorded on the bank or brokerage firm's books. If you hold your Penn common stock through a bank or brokerage firm, your bank or brokerage firm will credit your account for the shares of common stock of GLPI that you are entitled to receive in the Spin-Off. If you have any questions concerning the mechanics of having shares of GLPI common stock held in "street name," you are encouraged to contact your bank or brokerage firm.

Results of the Separation

After the Spin-Off, we will be a separate publicly traded company. Immediately following the Spin-Off, based on the number of registered shareholders of Penn common stock and preferred stock on [•], 2013, and without giving effect to "when-issued" trading, we expect to have approximately [•] shareholders of record.

The actual number of shares to be distributed will be determined based on the number of shares of Penn common stock and preferred stock outstanding on the record date and will reflect the issuance of Penn common stock in connection with any exercise of Penn options, vesting of restricted stock or conversion of other convertible Penn securities between the date the Penn Board of Directors declares the dividend for the distribution and the record date for the Spin-Off and the issuance of Penn shares under vested Penn equity-based awards between the record date for the Spin-Off and the distribution date.

The Spin-Off will not affect the rights of Penn shareholders. The number of outstanding shares of Penn common stock and Penn preferred stock will only change as a result of, or in connection with, the Spin-Off to the extent resulting from (1) the exchange of (i) shares of Penn common stock beneficially owned by Peter M. Carlino for shares of GLPI common stock prior to the distribution, and (ii) options to acquire Penn common stock, beneficially owned by Mr. Carlino for options to acquire GLPI common stock following the Spin-Off, (2) the Exchange Agreement with Fortress, and (3) the agreement with Centerbridge, as defined and described below. See "Certain Relationships and Related Party Transactions—Agreements with Certain Shareholders in Connection with the Spin-Off."

The Purging Distribution

In connection with the Separation, Penn will allocate its accumulated earnings and profits (as determined for U.S. federal income tax purposes) for periods prior to the consummation of the Separation between Penn and GLPI in a manner that, in its best judgment, is in accordance with the provisions of the Code. In connection with its election to be taxed as a REIT for U.S. federal income tax purposes, GLPI will make the Purging Distribution by declaring a dividend to its shareholders to distribute any accumulated earnings and profits relating to real property assets and attributable to any pre-REIT years, including any earnings and profits allocated to GLPI in connection with the Separation, to comply with certain REIT qualification requirements. The Purging Distribution will be paid in a combination of cash and GLPI stock, which Penn anticipates will consist of approximately 28% cash and 72% GLPI stock. Penn estimates that the Purging Distribution will total approximately $1.05 billion, or approximately $11.92 per share of GLPI common stock outstanding immediately prior to the Purging Distribution. For purposes of this calculation, the number of shares of GLPI common stock outstanding immediately prior to the Purging Distribution was determined assuming that approximately 900,000 shares of GLPI common stock, and options to acquire approximately 875,000 shares of GLPI common stock, will be issued and/or awarded to Peter M. Carlino in exchange for shares of Penn common stock and/or options to acquire Penn common stock in the Compliance Exchanges.

Penn has received a private letter ruling from the IRS with respect to certain issues relevant to GLPI's payment of the Purging Distribution in a combination of cash and GLPI stock. Each GLPI shareholder will be permitted to elect to receive the shareholder's entire entitlement under the Purging Distribution in either cash or GLPI common stock, subject to the Cash Limitation. The Cash Limitation will in no event be less than 20% of the Purging Distribution declaration (without regard to any cash that may be paid in lieu of fractional shares), although it is currently expected to comprise approximately 28% of the Purging Distribution. If GLPI shareholders elect to receive an amount of cash in excess of the Cash Limitation, each such electing shareholder will receive a pro rata amount of cash corresponding to the shareholder's respective entitlement under the Purging Distribution declaration. In general, the ruling provides, subject to the terms and conditions contained therein, that (1) the Purging Distribution will be treated as a dividend that will first reduce GLPI's accumulated earnings and profits (as determined for U.S. federal income tax purposes) attributable to pre-REIT years in satisfaction of the REIT annual distribution requirement and (2) the amount of any GLPI stock received by any GLPI shareholder as part of the Purging Distribution will be considered to equal the amount of cash that could have been received instead. In the Purging Distribution, a shareholder of GLPI common stock will be required to report dividend income as a result of the Purging Distribution even though GLPI distributed no cash or only nominal amounts of cash to such shareholder.

GLPI's shareholders should consult your own tax advisor as to the particular consequences of the Purging Distribution to you, including the applicability and effect of any U.S. federal, state and local tax laws, as well as foreign tax laws.

Material U.S. Federal Income Tax Consequences of the Spin-Off

Subject to the limitations and qualifications described herein and in Exhibit 8.1, the discussion entitled "Certain U.S. Federal Income Tax Consequences: The Spin-Off Qualifies as a Transaction That Is Generally Tax Free under Sections 355 and 368(a)(1)(D) of the Code" constitutes the opinion of Wachtell, Lipton, Rosen & Katz as to the material U.S. federal income tax consequences of the Spin-Off to U.S. holders (as defined below) of Penn common stock that receive shares of GLPI common stock in the distribution. This summary is based on the Code, the U.S. Treasury regulations promulgated thereunder, and interpretations of the Code and the U.S. Treasury regulations by the courts and the IRS, in effect as of the date hereof, and all of which are subject to change, possibly with retroactive effect. This summary does not discuss all the tax considerations that may be relevant to Penn shareholders in light of their particular circumstances, nor does it address the consequences to Penn shareholders subject to special treatment under the U.S. federal income tax laws (such as holders other than U.S. Holders (as defined below), insurance companies, dealers or brokers in securities or currencies, tax-exempt organizations, financial institutions, mutual funds, pass-through entities and investors in such entities, holders who hold their shares as a hedge or as part of a hedging, straddle, conversion, synthetic security, integrated investment or other risk-reduction transaction or who are subject to alternative minimum tax or holders who acquired their shares upon the exercise of employee stock options or otherwise as compensation). In addition, this summary does not address the U.S. federal income tax consequences to those Penn shareholders who do not hold their Penn common stock as a capital asset. Finally, this summary does not address any state, local or foreign tax consequences.

PENN SHAREHOLDERS ARE URGED TO CONSULT THEIR OWN TAX ADVISORS CONCERNING THE U.S. FEDERAL, STATE AND LOCAL AND NON-U.S. TAX CONSEQUENCES OF THE SPIN-OFF TO THEM.

For purposes of this discussion, a U.S. holder is a beneficial owner of Penn common stock that is, for U.S. federal income tax purposes:

- an individual who is a citizen or resident of the United States;
- a corporation, or other entity taxable as a corporation for U.S. federal income tax purposes, created or organized under the laws of the United States, any state thereof, or the District of Columbia;
- an estate, the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust if (1) a court within the United States is able to exercise primary supervision over its administration and one or more U.S. persons have the authority to control all substantial decisions of such trust or (2) in the case of a trust that was treated as a domestic trust under the law in effect before 1997, a valid election is in place under applicable U.S. Treasury regulations.

If a partnership, including any entity treated as a partnership for U.S. federal income tax purposes, holds Penn common stock, the tax treatment of a partner generally will depend on the status of the partner and on the activities of the partnership. Partners in a partnership holding Penn common stock should consult their own tax advisors regarding the tax consequences of the Spin-Off.

Spin-Off

Penn has received the IRS Ruling substantially to the effect that the Spin-Off, together with the Carlino Stock Exchange and certain related transactions, will qualify as a reorganization for U.S. federal income tax purposes under Sections 355 and 368(a)(1)(D) of the Code.

Certain U.S. Federal Income Tax Consequences: The Spin-Off Qualifies as a Transaction That Is Generally Tax Free under Sections 355 and 368(a)(1)(D) of the Code

The U.S. federal income tax consequences of the Spin-Off are as follows: (i) the Spin-Off will not result in any taxable income, gain or loss to Penn, except for taxable income or gain possibly arising as a result of certain intercompany transactions; (ii) no gain or loss will be recognized by (and no amount will be included in the income of) U.S. Holders of Penn common stock upon their receipt of shares of GLPI common stock in the Spin-Off; (iii) the aggregate tax basis of the Penn common stock and the GLPI common stock in the hands of each U.S. Holder of Penn common stock after the Spin-Off will equal the aggregate basis of Penn common stock held by the U.S. Holder immediately before the Spin-Off, allocated between the Penn common stock and the common stock of GLPI in proportion to the relative fair market value of each on the date of the Spin-Off; and (iv) the holding period of the GLPI common stock received by each U.S. Holder of Penn common stock will include the holding period at the time of the Spin-Off for the Penn common stock on which the distribution is made, provided that Penn common stock is held as a capital asset on the date of the distribution. U.S. Treasury regulations also generally provide that if a U.S. Holder of Penn common stock holds different blocks of Penn common stock (generally shares of Penn common stock purchased or acquired on different dates or at different prices), the aggregate basis for each block of Penn common stock purchased or acquired on the same date and at the same price will be allocated, to the greatest extent possible, between the shares of GLPI common stock received in the Spin-Off in respect of such block of Penn common stock and such block of Penn common stock, in proportion to their respective fair market values, and the holding period of the shares of GLPI common stock received in the Spin-Off in respect of such block of Penn common stock will include the holding period of such block of Penn common stock, provided that such block of Penn common stock was held as a capital asset on the distribution date. If a U.S. Holder of Penn common stock is not able to identify which particular shares of GLPI common stock are received in the Spin-Off with respect to a particular block of Penn common stock, for purposes of applying the rules described above, the U.S. Holder may designate which shares of GLPI common stock are received in the Spin-Off in respect of a particular block of Penn common stock, provided that such designation is consistent with the terms of the Spin-Off. Holders of Penn common stock are urged to consult their own tax advisors regarding the application of these rules to their particular circumstances.

Certain U.S. Federal Income Tax Consequences if the Spin-Off Were Taxable

Although a private letter ruling from the IRS generally is binding on the IRS, if the factual representations or assumptions made in the letter ruling request are untrue or incomplete in any material respect, GLPI will not be able to rely on the ruling. Furthermore, the IRS will not rule on whether a distribution satisfies certain requirements necessary to obtain tax-free treatment under Section 355 of the Code. Rather, the IRS Ruling is based upon representations by Penn that these conditions have been or will be satisfied, and any material inaccuracy in such representations could invalidate the rulings. In addition to obtaining the IRS Ruling, Penn expects to obtain opinions of Wachtell, Lipton, Rosen & Katz and KPMG LLP substantially to the effect that, with respect to certain requirements for tax-free treatment under Section 355 of the Code on which the IRS will not rule, such requirements will be satisfied. The opinions will rely on the ruling as to matters covered by the ruling. In addition, the opinions will be based on, among other things, certain assumptions and representations made by Penn and GLPI, which if incorrect or inaccurate in any material respect would jeopardize the conclusions reached in the opinions. The opinions will not be binding on the IRS or the courts.

Notwithstanding receipt by Penn of the IRS Ruling and the opinions, the IRS could assert that the Spin-Off does not qualify for tax-free treatment for U.S. federal income tax purposes. If the IRS were successful in taking this position, Penn shareholders and Penn could be subject to significant U.S. federal income tax liability. In general, Penn would be subject to tax as if it had sold the GLPI common stock in a taxable sale for its fair market value and Penn shareholders who receive shares of GLPI common stock in the distribution would be subject to tax as if they had received a taxable distribution equal to the fair market value of such shares. In addition, even if the Spin-Off was otherwise to qualify under Section 355 of the Code, it may be taxable to Penn (but not to Penn shareholders) under Section 355(e) of the Code, if the Spin-Off were later deemed to be part of a plan (or series of related transactions) pursuant to which one or more persons acquire, directly or indirectly, stock representing a 50 percent or greater interest (by vote or value) in Penn or GLPI. For this purpose, any acquisitions of Penn stock or of GLPI stock within the period beginning two years before the Separation and ending two years after the Separation are presumed to be part of such a plan, although GLPI or Penn may be able to rebut that presumption.

Tax Matters Agreement

In connection with the Spin-Off, Penn and GLPI will enter into a Tax Matters Agreement pursuant to which GLPI will agree to be responsible for certain liabilities and obligations following the Spin-Off. In general, under the terms of the Tax Matters Agreement, in the event the Spin-Off were to fail to qualify for U.S. federal income tax purposes under Sections 355 and 368(a)(1)(D) of the Code (including as a result of Section 355(e) of the Code) and if such failure were the result of actions taken after the Spin-Off by Penn or GLPI, the party responsible for such failure will be responsible for all taxes imposed on Penn to the extent such taxes result from such actions. However, if such failure was the result of any acquisition of GLPI shares or assets or any of GLPI's representations or undertakings being incorrect or breached, GLPI will be responsible for all taxes imposed on Penn as a result of such acquisition or breach. For a more detailed discussion, see "Relationship between GLPI and Penn after the Spin-Off—The Tax Matters Agreement." GLPI's indemnification obligations to Penn and its subsidiaries, officers and directors will not be limited in amount or subject to any cap. If GLPI is required to indemnify Penn and its subsidiaries and their respective officers and directors under the circumstances set forth in the Tax Matters Agreement, GLPI may be subject to substantial liabilities.

Information Reporting and Backup Withholding

U.S. Treasury regulations require certain shareholders who receive stock in a distribution to attach to the shareholder's U.S. federal income tax return for the year in which the distribution occurs a detailed statement setting forth certain information relating to the tax-free nature of the distribution.

THE FOREGOING IS A SUMMARY OF CERTAIN U.S. FEDERAL INCOME TAX CONSEQUENCES OF THE SPIN-OFF UNDER CURRENT LAW AND IS FOR GENERAL INFORMATION ONLY. THE FOREGOING DOES NOT PURPORT TO ADDRESS ALL U.S. FEDERAL INCOME TAX CONSEQUENCES OR TAX CONSEQUENCES THAT MAY ARISE UNDER THE TAX LAWS OF OTHER JURISDICTIONS OR THAT MAY APPLY TO PARTICULAR CATEGORIES OF SHAREHOLDERS. EACH PENN SHAREHOLDER SHOULD CONSULT HIS, HER OR ITS TAX ADVISOR AS TO THE PARTICULAR TAX CONSEQUENCES OF THE SPIN-OFF TO SUCH SHAREHOLDER, INCLUDING THE APPLICATION OF U.S. FEDERAL, STATE, LOCAL AND FOREIGN TAX LAWS, AND THE EFFECT OF POSSIBLE CHANGES IN TAX LAWS THAT MAY AFFECT THE TAX CONSEQUENCES DESCRIBED ABOVE.

Market for Common Stock of GLPI

There is currently no public market for the GLPI common stock. We intend to list our common stock on NASDAQ under the symbol "GLPI."

Trading Before the Distribution Date

Beginning on or shortly before the record date and continuing through the distribution date, it is expected that there will be two markets in Penn common stock: a "regular-way" market and an "ex-distribution" market. Shares of Penn common stock that trade on the regular way market will trade with an entitlement to shares of the common stock of GLPI distributed pursuant to the Spin-Off. Shares that trade on the ex-distribution market will trade without an entitlement to shares of the common stock of GLPI distributed pursuant to the Spin-Off. Therefore, if you sell shares of Penn common stock in the "regular-way" market up to and including the distribution date, you will be selling your right to receive shares of the common stock of GLPI in the Spin-Off. If you own shares of Penn common stock at the close of business on the record date and sell those shares on the "ex-distribution" market, up to and including the distribution date, you will still receive the shares of the common stock of GLPI that you would be entitled to receive pursuant to your ownership of the shares of Penn common stock.

Furthermore, beginning shortly before the distribution date and continuing up to and including the distribution date, it is expected that there will be a "when-issued" market in the common stock of GLPI. "When-issued" trading refers to a sale or purchase made conditionally because the security has been authorized but not yet issued. The "when-issued" trading market will be a market for shares of GLPI common stock that will be distributed to Penn shareholders on the distribution date. If you owned shares of Penn common stock at the close of business on the record date, you would be entitled to shares of GLPI's common stock distributed pursuant to the Spin-Off. You may trade this entitlement to shares of common stock of GLPI, without the shares of Penn common stock you own, on the "when-issued" market. On the first trading day following the distribution date, "when-issued" trading with respect to GLPI common stock will end and "regular-way" trading will begin.

Conditions to the Spin-Off

The Penn Board of Directors has reserved the right, in its sole discretion, to amend, modify or abandon the Spin-Off and the related transactions at any time prior to the distribution date. This means Penn may cancel or delay the planned distribution of common stock of GLPI if at any time the Board of Directors of Penn determines that the distribution of such common stock is not in the best interests of Penn. If Penn's Board of Directors determines to cancel the Spin-Off, shareholders of Penn will not receive any distribution of GLPI common stock and Penn will be under no obligation whatsoever to its shareholders to distribute such shares.

Absent a determination of Penn's Board of Directors to the contrary, GLPI expects that the Spin-Off will be effective on [•], 2013, the distribution date. In addition, the Spin-Off and related transactions are subject to the satisfaction or waiver (by Penn's Board of Directors in its sole discretion) of the following conditions:

- the Separation and Distribution Agreement, the Master Lease, the Tax Matters Agreement, the Transition Services Agreement and the Employee Matters Agreement shall have been duly executed and delivered to the parties thereto and the separation, the distribution and the related transactions in accordance with the plan of reorganization set forth in the Separation and Distribution Agreement shall have been completed;

- the IRS Ruling to the effect that the Spin-Off, together with the Carlino Stock Exchange and certain related transactions, will qualify as a reorganization for U.S. federal income tax purposes under Sections 355 and 368(a)(1)(D) of the Code shall not have been modified, revoked or withdrawn;

- Penn shall have received the respective opinions of Wachtell, Lipton, Rosen & Katz and KPMG LLP to the effect that certain requirements for tax-free treatment under Section 355 of the Code on which the IRS will not rule will be satisfied;

- Penn shall have received the respective opinions of Wachtell, Lipton, Rosen & Katz and KPMG LLP that GLPI will qualify to be taxed as a REIT under Sections 856 through 859 of the Code following the Spin-Off;

- the Form S-11 containing this Prospectus shall have been declared effective by the SEC or become effective under the Securities Act, no stop order suspending the effectiveness of the Form S-11 shall be in effect, no proceedings for such purpose shall be pending before or threatened by the SEC, and this Prospectus shall have been mailed to Penn's shareholders as of the Record Date;

- all actions and filings necessary or appropriate under applicable federal, state or foreign securities or "blue sky" Laws and the rules and regulations thereunder shall have been taken and, where applicable, become effective or been accepted;

- the GLPI common stock shall have been accepted for listing on NASDAQ, subject to compliance with applicable listing requirements;

- no order, injunction or other legal restraint or prohibition preventing the consummation of the Spin-Off or related transactions shall be threatened, pending or in effect;

- any material consents and governmental authorizations necessary to complete the Spin-Off (including all required regulatory approvals) shall have been obtained and be in full force and effect;

- GLPI shall have entered into the financing transactions described in this Prospectus and contemplated to occur on or prior to the Spin-Off and Penn shall have entered into the financing transactions in connection with the Internal Reorganizations to occur on or prior to the Spin-Off, which financing arrangements shall be in full force and effect immediately prior to the Distribution, the respective financings thereunder to occur on or prior to the Spin-Off shall have been consummated and GLPI shall have transferred to Penn, directly or indirectly, approximately $2.06 billion of proceeds from its borrowings under the senior credit facilities that it will enter into prior to the Spin-Off;

- prior to the Spin-Off, the current GLPI board of directors shall have duly elected all individuals specified in this Prospectus as members of the GLPI board of directors who have not yet been elected as members of the GLPI board of directors;

- Peter M. Carlino shall have delivered shares of Penn common stock as contemplated by the Carlino Exchange Agreement, and the Carlino Exchange Agreement shall be in full force and effect immediately prior to the Spin-Off;

- Penn and GLPI shall each have taken all necessary action to provide for the adoption and filing with the Secretary of State of the Commonwealth of Pennsylvania of the amended and restated GLPI charter and bylaws substantially as described in this Prospectus;

- at or prior to the Spin-Off, Penn and GLPI shall have taken all necessary action to approve the stock-based employee benefit plans of GLPI in order to satisfy the requirements of Rule 16b-3 under the Exchange Act and the applicable rules and regulations of NASDAQ; and

- no event or development shall have occurred that, in the judgment of the Penn Board of Directors, makes it inadvisable to proceed with the transactions contemplated by the Separation and Distribution Agreement.

The fulfillment of the foregoing conditions will not create any obligation on the part of Penn to effect the Spin-Off.

Treatment of Penn Preferred Stock in the Spin-Off

Penn Series B Preferred Stock

As of June 30, 2013, there were 12,050 shares of Penn Series B preferred stock outstanding, 9,750 of which were held by Fortress and 2,300 of which were held by Centerbridge Capital Partners, L.P., Centerbridge Capital Partners Strategic, L.P. and Centerbridge Capital Partners SBS, L.P., referred to collectively as Centerbridge. Penn has entered into agreements with each of the holders of Penn Series B preferred stock to redeem for cash, or exchange for Penn Series C preferred stock, all of the outstanding shares of Penn Series B preferred stock prior to the record date of the Spin-Off.

Fortress

On January 16, 2013, Penn entered into an exchange agreement with Fortress (the "Exchange Agreement") The Exchange Agreement provides Fortress with the right to exchange each share of Penn Series B preferred stock for approximately 1.49 shares of Penn Series C preferred stock, an exchange ratio that treats each 1/1,000th of a share of Penn Series C preferred stock (and therefore each share of Penn common stock into which such fractional share is convertible) as having a value of $67 per share, which is the "ceiling price" at which the shares of Penn Series B preferred stock are redeemable by Penn at maturity in 2015. Pursuant to the Exchange Agreement, any shares of Penn Series B preferred stock not exchanged for shares of Penn Series C preferred stock prior to the second business day before the record date for the Spin-Off shall automatically be exchanged for shares of Penn Series C preferred stock at 12:01a.m. Eastern Time on such date. Then, prior to the record date for the Spin-Off, Penn will have the right to purchase from Fortress the number of shares of Penn Series C preferred stock required to ensure that, immediately following the consummation of the Spin-Off, Fortress will own not more than 9.9% of GLPI's common stock.

Pursuant to the Exchange Agreement, Fortress may not transfer any shares of Penn Series B preferred stock prior to their conversion into Penn Series C preferred stock unless the transferee agrees to become bound by the terms, obligations and conditions of the Exchange Agreement applicable to Fortress.

Centerbridge

On January 30, 2013, Penn entered into an agreement with Centerbridge to repurchase all 2,300 outstanding shares of the Penn Series B preferred stock held by Centerbridge for $230 million. The closing of the repurchase will occur two business days prior to the record date of the Spin-Off. Centerbridge has agreed not to transfer any shares of Penn Series B preferred stock prior to the repurchase unless such transfer is made to a party that agrees to be bound by the same obligation to sell its shares to Penn as Centerbridge and generally is made with the prior written consent of Penn, which consent shall not be unreasonably withheld or delayed.

Penn Series C Preferred Stock

As of June 30, 2013, there were no shares of Penn Series C preferred stock outstanding. As described above in "—Penn Series B Preferred Stock," it is anticipated that shares of Penn Series B preferred stock owned by Fortress will be converted into approximately 14,552 shares of Penn Series C preferred stock prior to the Spin-Off. Each 1/1,000th of a share of Penn Series C preferred stock automatically converts into a share of Penn common stock upon its sale to a third party not affiliated with the original holder.

Each 1/1,000th of a share of Penn Series C preferred stock will receive one share of common stock of GLPI in the Spin-Off.

Accounting Treatment

At the time of the Spin-Off, the balance sheet of GLPI will include 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 TRS Properties that will be operated by its TRSs. The assets and liabilities of GLPI will be recorded at their respective historical carrying values at the time of the Separation in accordance with the provisions of FASB ASC 505-60, "Spinoffs and Reverse Spinoffs."

Financial Advisor

Wells Fargo & Company and Bank of America Merrill Lynch provided financial advice in connection with the Spin-Off. Each was retained in connection with the transaction because of the firm's familiarity with the businesses and assets of Penn and the firm's qualifications and reputation. Penn will pay Wells Fargo & Company a fee of [•], and Bank of America Merrill Lynch a fee of [•], in connection with its engagement.

In addition to providing the written opinion described in "Certain Relationships and Related Party Transactions—Agreements with Certain Shareholders in Connection with the Spin-Off," Duff & Phelps provided financial advice to the independent directors of the Board of Directors of Penn in connection with the Spin-Off and is expected to be engaged to provide a solvency opinion in connection with the Spin-Off. Penn will pay Duff & Phelps a fee of [•] in connection with its engagement.

Reason for Furnishing this Prospectus

This Prospectus is being furnished solely to provide information to Penn shareholders who will receive shares of GLPI common stock in the Spin-Off. It is not to be construed as an inducement or encouragement to buy or sell any of our securities or any securities of Penn, nor is it to be construed as a solicitation of proxies in respect of the proposed Spin-Off or any other matter. We believe that the information contained in this Prospectus is accurate as of the date set forth on the cover. Changes to the information contained in this Prospectus may occur after that date, and neither we nor Penn undertakes any obligation to update the information except in the normal course of our respective public disclosure obligations and practices.

RELATIONSHIP BETWEEN GLPI AND PENN AFTER THE SPIN-OFF

Following the Spin-Off, GLPI will be a publicly traded company independent from Penn. Although GLPI will lease all but two of its gaming and related facilities (the TRS Properties) to a subsidiary of Penn, GLPI anticipates diversifying its portfolio over time, including by acquiring properties outside the gaming industry to lease to third parties.

To govern their ongoing relationship, GLPI and Penn or their respective subsidiaries, as applicable, will enter into the various agreements as described in this section on or prior to completion of the Spin-Off. These summaries are qualified in their entirety by reference to the full text of the applicable agreements, which either are included as exhibits to this Registration Statement or which, upon filing, will be incorporated by reference into this Prospectus.

The Separation and Distribution Agreement

The following discussion summarizes the material provisions of the Separation and Distribution Agreement. The Separation and Distribution Agreement will set forth, among other things, our agreements with Penn regarding the principal transactions necessary to separate us from Penn. It also will set forth other agreements that govern certain aspects of our relationship with Penn after the distribution date.

Transfer of Assets and Assumption of Liabilities

The Separation and Distribution Agreement will identify assets to be transferred, liabilities to be assumed and contracts to be assigned to us as part of the separation of Penn into two companies, and it will provide for when and how these transfers, assumptions and assignments will occur. In particular, the Separation and Distribution Agreement will provide, among other things, that, subject to the terms and conditions contained therein:

- certain assets related to the businesses and operations of Penn's real property holdings, as well as the TRS Properties, which we refer to as the "GLPI Assets," will be transferred to us or one of our subsidiaries;
- certain liabilities (including whether accrued, contingent or otherwise) arising out of or resulting from the GLPI Assets, and other liabilities related to the businesses and operations of Penn's real property assets and the TRS Properties, which we refer to as the "GLPI Liabilities," will be retained by or transferred to us or one of our subsidiaries; and
- all of the assets and liabilities (including whether accrued, contingent or otherwise) other than the GLPI Assets and GLPI Liabilities will be retained by Penn or one of its subsidiaries.

Except as may expressly be set forth in the Separation and Distribution Agreement or any other transaction agreements, all assets will be transferred on an "as is," "where is" basis and the respective transferees will bear the economic and legal risks that (i) any conveyance will prove to be insufficient to vest in the transferee good title, free and clear of any security interest, and (ii) any necessary consents or governmental approvals are not obtained or that any requirements of laws or judgments are not complied with.

The Separation and Distribution Agreement will provide, subject to the terms and considerations contained therein, that, in consideration for the transfer of the GLPI Assets to us, we will (i) issue (actually or constructively) to Penn shares of GLPI common stock which, along with any other shares of GLPI common stock owned by Penn, will constitute all of the outstanding stock of GLPI, and (ii) transfer to Penn, directly or indirectly, approximately $2.06 billion of proceeds from our borrowings under the senior credit facilities that we will enter into prior to the Spin-Off and of the proceeds of the senior notes that we will issue prior to the Spin-Off. The remainder of these borrowings and proceeds will be used to fund transaction fees and expenses and to fund the Purging Distribution. See "The Separation—Conditions to the Spin-Off."

Information in this Prospectus with respect to the assets and liabilities of the parties following the separation is presented based on the allocation of such assets and liabilities pursuant to the Separation and Distribution Agreement, unless the context otherwise requires. Certain of the liabilities and obligations to be assumed by one party or for which one party will have an indemnification obligation under the Separation and Distribution Agreement and the other transaction agreements relating to the separation are, and following the separation may continue to be, the legal or contractual liabilities or obligations of the other party. Each party that continues to be subject to such legal or contractual liability or obligation will rely on the applicable party that assumed the liability or obligation or the applicable party that undertook an indemnification obligation with respect to the liability or obligation, as applicable, under the Separation and Distribution Agreement to satisfy the performance and payment obligations or indemnification obligations with respect to such legal or contractual liability or obligation.

Conditions to the Separation and Distribution

The Separation and Distribution Agreement will provide that the separation and the distribution are subject to the satisfaction (or waiver by Penn's Board of Directors in its sole discretion) of certain conditions. These conditions are described under "The Separation—Conditions to the Spin-Off." The Penn Board of Directors has reserved the right, in its sole discretion, to amend, modify or abandon the Spin-Off and the related transactions at any time prior to the distribution date. This means Penn may cancel or delay the planned distribution of common stock of GLPI if at any time the Board of Directors of Penn determines that the distribution of such common stock is not in the best interests of Penn. If Penn's Board of Directors determines to cancel the Spin-Off, shareholders of Penn will not receive any distribution of GLPI common stock and Penn will be under no obligation whatsoever to its shareholders to distribute such shares.

The Distribution

As described elsewhere in this document, the Separation and Distribution Agreement will provide that each holder of Penn common shares will receive a pro rata distribution of one share of GLPI common stock per share of Penn common stock. In addition, each holder of record of Penn Series C preferred stock will receive a pro rata distribution of one share of GLPI common stock for every 1/1,000th of a share of Penn Series C preferred stock. Peter M. Carlino will exchange (i) shares of Penn common stock for shares of GLPI common stock prior to the Spin-Off and (ii) options to acquire Penn common stock for options to acquire GLPI common stock following the Spin-Off, as described under "Certain Relationships and Related Party Transactions—Agreements with Certain Shareholders in Connection with the Spin-Off—Peter M. Carlino."

Intellectual Property Matters

Under and subject to the terms and conditions set forth in the Separation and Distribution Agreement, Penn will grant GLPI a perpetual non-exclusive, royalty-free license to use the "Hollywood" trade name, trade dress and other intellectual property only in connection with the operation of the TRS Properties.

Releases

Except as otherwise provided in the Separation and Distribution Agreement or any other transaction agreements, each party will release and forever discharge the other party and its respective subsidiaries and affiliates from all liabilities existing or arising from any acts or events occurring or failing to occur or alleged to have occurred or to have failed to occur or any conditions existing or alleged to have existed on or before the separation from Penn. The releases will not extend to or amend obligations or liabilities under any agreements between the parties that remain in effect following the separation.

Indemnification

In addition, the Separation and Distribution Agreement will provide for cross-indemnities principally designed to place financial responsibility for the obligations and liabilities of our business with us and financial responsibility for the obligations and liabilities of Penn's business with Penn. Specifically, each party will indemnify, defend and hold harmless the other party, its affiliates and subsidiaries and its officers, directors, employees and agents for any losses arising out of or otherwise in connection with the liabilities that each such party assumed or retained pursuant to the Separation and Distribution Agreement and the other transaction agreements.

Insurance

The Separation and Distribution Agreement will provide for the allocation between the parties of rights and obligations under existing insurance policies with respect to occurrences prior to the distribution and sets forth procedures for the administration of insured claims. In addition, the Separation and Distribution Agreement will allocate between the parties the right to proceeds and the obligation to incur certain deductibles and/or self-insured retentions under certain insurance policies.

Further Assurances

In addition to the actions specifically provided for in the Separation and Distribution Agreement, except as otherwise set forth therein or in any other transaction document, both GLPI and Penn will agree in the Separation and Distribution Agreement to use commercially reasonable efforts, prior to, on and after the distribution date, to take, or cause to be taken, all actions, and to do, or cause to be done, all things necessary, proper or advisable under applicable laws, regulations and agreements to consummate and to make effective the transactions contemplated by the Separation and Distribution Agreement and the other transaction documents.

Dispute Resolution

The Separation and Distribution Agreement will contain provisions that govern, except as otherwise provided in the Master Lease, the resolution of disputes, controversies or claims that may arise between GLPI and Penn related to the Spin-Off. These provisions will contemplate that either GLPI or Penn may submit the dispute, controversy or claim to binding alternative dispute resolution, subject to the provisions of the Separation and Distribution Agreement.

Termination

The Separation and Distribution Agreement will provide that it may be terminated and the separation and distribution may be modified or abandoned at any time prior to the distribution date in the sole discretion of Penn without the approval of any person. In the event of a termination of the Separation and Distribution Agreement, no party, nor any of its directors, officers, or employees, will have any liability of any kind to the other party. After the distribution date, the Separation and Distribution Agreement may not be terminated except by an agreement in writing signed by both Penn and GLPI.

Other Matters

Other matters governed by the Separation and Distribution Agreement will include access to financial and other information and confidentiality.

The Master Lease

Penn Tenant, LLC, a subsidiary of Penn ("Tenant") will enter into the Master Lease with GLP Capital, L.P., a subsidiary of GLPI through which GLPI will own substantially all of its assets ("Lessor"), pursuant to which Tenant will lease 19 facilities that will be owned by GLP Capital, L.P.

following the Spin-Off. The obligations of the Tenant under the Master Lease will be guaranteed by Penn and by all Penn subsidiaries that will occupy and operate the facilities leased under the Master Lease, or that own a gaming license, other license or other material asset necessary to operate any portion of the facilities. A default by Penn or its subsidiaries with regard to any facility will cause a default with regard to the entire portfolio.

Penn endeavored to have the Master Lease reflect customary, arm's-length commercial terms and conditions. In particular, to determine the rent payable to GLPI under the Master Lease, Penn and its advisors conducted a valuation of the property to be acquired by GLPI and, after reviewing the rent terms under the comparable lease arrangements, and considering factors specific to the properties being leased, fixed the rental payments at amounts intended to represent fair value. However, the terms summarized below have been, and the complete Master Lease will have been, negotiated in the context of the Separation while we are still a wholly owned subsidiary of Penn. Accordingly, during the period in which the terms of the Master Lease have been and will be negotiated, we have not had and will not have had an independent Board of Directors or a management team independent of Penn. As a result, although the Master Lease is generally intended to reflect arms'-length terms, the terms of the Master Lease, including the terms summarized below, may not reflect terms that would have resulted from arm's-length negotiations between unaffiliated third parties. Accordingly, there can be no assurance that the terms of the Master Lease will be as favorable for GLPI as would have resulted from negotiations with one or more unrelated third parties.

The following description of the Master Lease does not purport to be complete but contains a summary of certain material provisions of the Master Lease.

Term and Renewals

The Master Lease will provide for the lease of land, buildings, structures and other improvements on the land, easements and similar appurtenances to the land and improvements relating to the operation of the leased properties.

The Master Lease will provide for an initial term of 15 years with no purchase option. At the option of the Tenant, the Master Lease may be extended for up to four five-year renewal terms beyond the initial term, on the same terms and conditions. If the Tenant elects to renew the term of the Master Lease, the renewal will be effective as to all, but not less than all, of the leased property then subject to the Master Lease, provided that each renewal option shall only be exercisable with respect to any of the barge-based facilities—i.e., facilities where barges serve as foundations upon which buildings are constructed to serve as gaming or related facilities or serve ancillary purposes such as access platforms or shear barges to protect a gaming facility from floating debris—following an independent third party expert's review of the total useful life of the applicable barged-based facility measured from the beginning of the initial term. If the exercise of any renewal term would cause the aggregate term to exceed 80% of the estimated useful life of any facility, such facility shall be included in such five-year renewal only for the period of time that is within 80% of the estimated useful life of such facility. We believe that each of the barge-based facilities that Penn will transfer to us have a sufficient amount of time remaining in its useful life that this final five-year renewal term would not cause the aggregate term to exceed 80% of the estimated useful life of any such facility, with the possible exception of the property located at the Argosy Casino Alton. However, we believe that we could extend the useful life of the Alton property, by engaging in renovations or redevelopment, such that it would be subject to the full final five-year renewal term as well. In the event that a barge-based facility is not included in all or any portion of the final five-year renewal term, such property shall cease to be subject to the Master Lease at the end of such partial period and will no longer be occupied by Tenant absent the entry by GLPI and Tenant into a new lease (which lease could govern such property individually or apply to a group of properties, subject to the agreement of GLPI and Tenant).

Tenant will not have the ability to terminate its obligations under the Master Lease prior to its expiration without the Lessor's consent. If the Master Lease is terminated prior to its expiration other than with Lessor's consent, the Tenant may be liable for damages and incur charges such as continued payment of rent through the end of the lease term and maintenance costs for the property. See "Risk Factors—Risks Relating to Our Business following the Spin-Off."

Rental Amounts and Escalators

The Master Lease is commonly known as a triple-net lease. Accordingly, in addition to rent, the Tenant will be required to pay the following: (1) all facility maintenance, (2) all insurance required in connection with the leased properties and the business conducted on the leased properties, (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.

Under the Master Lease, it is anticipated that the initial annual aggregate rent payable by Tenant will be approximately $430 million. Penn will make the rent payment in monthly installments. The rent will be comprised of "Base Rent" and "Percentage Rent" components which are described below.

Base Rent

Fixed amount for duration of lease. This amount will be:

(i) a fixed component equal to $243.3 million during the first year of the Master Lease, and thereafter escalated annually by 2%, subject to a cap that would cause the preceding year's adjusted revenue to rent ratio (as it will be defined in the Master Lease) for the properties in the aggregate not to fall below 1.8:1 ("Building Base Rent"); plus

(ii) an additional fixed component equal to $91.2 million ("Land Base Rent").

We currently expect the revenue to rent ratio for 2014 to exceed 1.8:1. As a result, if the Spin-Off occurs prior to January 1, 2014, the Building Base Rent would increase by 2% in 2015.

Percentage Rent

A variable percentage rent component that will be calculated as follows and is expected to equal $95.5 million during the first year of the Master Lease:

(iii) *Percentage Rent (other than Columbus and Toledo Facilities)*: Fixed amount for the first 5 years. An adjustment will be recorded every five years to establish a new fixed amount for the next five-year period based on the average actual net revenues of Penn from the Facilities (other than the Columbus and Toledo Facilities) during the five year period then ended (and calculated by multiplying 4% by the excess (if any) of (i) the average net revenues for the trailing five-year period over (ii) 50% of the 2013 projected revenues).

(iv) *Percentage Rent (Columbus and Toledo Facilities)*: Variable amount, determined monthly, based on 20% of the excess of Penn's actual net revenues from the Columbus and Toledo Facilities of the month then ended over 50% of $^{1}/_{12}$ of the 2013 projected net revenues.

Maintenance and Capital Improvements

The Tenant will be required to make all expenditures reasonably necessary to maintain the premises in good appearance, repair and condition. The Tenant will own and be required to maintain all personal property located at the leased properties in good repair and condition as is necessary to operate all the premises in compliance with applicable legal, insurance and licensing requirements. Without limiting the foregoing, the Tenant will be required to spend an amount equal to at least 1% of its actual net revenue each calendar year on installation or maintenance, restoration and repair of items that are capitalized in accordance with accounting principles generally accepted in the United States of America ("GAAP") with a life of not less than three years.

"Capital Improvements" (defined as any improvements, alterations or modifications other than ordinary maintenance of existing improvements, including, without limitation, capital improvements and structural alterations, modifications or improvements, one or more additional structures annexed to any facility or the expansion of existing improvements) by the Tenant will be permitted without Lessor's consent only if such Capital Improvements (i) are of equal or better quality than the existing improvements they are improving, altering or modifying, (ii) do not consist of adding new structures or enlarging existing structures and (iii) do not have an adverse effect on the structure of any existing improvements. All other Capital Improvements will require the Lessor's review and approval, which approval shall not be unreasonably withheld. The Tenant will be required to provide copies of the plans and specifications in respect of all Capital Improvements, which shall be prepared in a high-grade professional manner and shall adequately demonstrate compliance with the foregoing with respect to permitted projects not requiring approval and shall be in such form as Lessor may reasonably require for any other projects.

The Tenant will be required to pay for all maintenance expenditures and Capital Improvements, provided that the Lessor will have a right of first offer to finance certain Capital Improvement projects. The Tenant shall be permitted to seek outside financing for such Capital Improvements during the six month period following Lessor's offer of financing only on terms that are economically more advantageous to the Tenant than those offered by the Lessor. Whether or not Capital Improvements are financed by the Lessor, the Lessor will be entitled to receive Percentage Rent based on the net revenues generated by the new improvements as described above and such Capital Improvements will be subject to the terms of the Master Lease, provided that in no event shall Tenant be obligated to obtain financing from Lessor to the extent such financing from Lessor would violate or cause a default or breach under any material indebtedness of Penn or Tenant.

Use of the Leased Property

The Master Lease will require that the Tenant utilize the leased property solely for gaming and/or pari-mutuel use and related uses as specified in the Master Lease and such other uses as the Lessor of the leased property may otherwise approve in its sole discretion. The Tenant will be responsible for maintaining or causing to be maintained all licenses, certificates and permits necessary for the leased properties to comply with various gaming and other regulations.

Events of Default

Under the Master Lease, an "Event of Default" will be deemed to occur upon certain events, including: (1) the failure by a Tenant to pay rent or other amounts when due or within certain grace or cure periods of the due date, (2) the failure by a Tenant to comply with the covenants set forth in the Master Lease when due or within any applicable cure period, (3) certain events of bankruptcy or insolvency with respect to Tenant or a guarantor, (4) the occurrence of an event that causes, or permits the holders thereof to cause, any material indebtedness of Tenant and its subsidiaries or any guarantor of the Master Lease (including Penn), (5) the occurrence of a default under any guaranty of the Master Lease that is not cured within a certain grace period, (6) Tenant breaches a representation or warranty in the Master Lease in a material manner which materially and adversely affects Lessor, (7) the occurrence of a cross default under another agreement executed by Penn or its affiliates in favor of Lessor or its affiliates or their subsidiaries, and is not cured within any applicable grace period, (8) the occurrence of a default in respect of a loan secured by a leased property, which default is the responsibility of Tenant or (9) the occurrence of certain events of regulatory non-compliance which would reasonably be expected to have a material adverse effect on the operations at the leased property or the financial condition of the Tenant.

Remedies for an Event of Default

Upon an Event of Default under the Master Lease, the Lessor of the leased property may, at its option, exercise the following remedies:

(i) terminate the Master Lease, repossess any leased property, relet any leased property to a third party and require that the Tenant pay to the Lessor, as liquidated damages, the net present value of the rent for the balance of the term, discounted at the discount rate of the Federal Reserve Bank of New York at the time of award plus one percent (1%) and reducing such amount by the portion of the unpaid rent that Tenant proves could be reasonably avoided, plus any other amount necessary to compensate Landlord for Tenant's failure to perform (or likely to result therefrom) in the ordinary course,

(ii) with or without terminating the Master Lease, decline to terminate Tenant's right to possession of the leased property and require that Tenant pay to Lessor rent and other sums payable pursuant to the Master Lease with interest calculated at the overdue rate provided for in the Master Lease with Lessor permitted to enforce any other provision of the Master Lease or terminate Tenant's right to possession of the leased property and seek any liquidated damages as set forth in clause (i) above, and/or

(iii) seek any and all other rights and remedies available under law or in equity.

Assignment and Subletting

Except as noted below, the Master Lease will provide that a Tenant may not assign or otherwise transfer any leased property or any portion of a leased property as a whole (or in substantial part), including by virtue of a change of control of the Tenant, without the consent of the Lessor, which may not be unreasonably withheld. Lessor's consent to an assignment of the Master Lease will not be required if (i) the proposed purchaser (1) is a creditworthy entity with sufficient financial stability to satisfy its obligations under the Master Lease, (2) agrees to assume the Master Lease without modification beyond that necessary to reflect the new party, (3) is licensed by each gaming authority with jurisdiction over one or more facilities covered by the Master Lease, (4) is solvent and (5) has, or retains a manager with, at least five years of experience operating casinos with revenues in the immediately preceding fiscal year of at least $750 million and is not in the business of leasing properties to gaming operators, or has agreement(s) in place to retain 80% of Tenant's and Penn's management team and 80% of Tenant and its subsidiaries' employees with employment contracts, (ii) the adjusted revenues to rent ratio for each of the four calendar quarters immediately prior to the consummation of the proposed transaction is at least 1.4:1 (provided that this requirement shall not be in effect with respect to (x) a secured lender that is foreclosing, as well as with respect to such leasehold mortgagee's effectuating thereafter an initial sale or (y) a change of control resulting from the acquisition by any person or group of 35% or more of the voting power of Penn), and (iii) the leverage to EBITDA ratio after giving effect to the proposed transaction and assumption of Penn's obligations will be less than 8:1 or receives a guaranty from an entity with an investment grade rating from a nationally recognized rating agency (provided that this requirement shall not be in effect with respect to Penn becoming controlled by a secured lender that is foreclosing on a permitted pledge of interests in Penn). In connection with certain assignments, the ultimate parent company of such assignee shall also execute a guaranty and shall be required to be solvent.

The Master Lease will also provide that Tenant may assign or otherwise transfer any leased property or a portion thereof to an affiliate subject to the Lessor's reasonable approval of the transfer documents. Upon any such assignment or transfer to an affiliate of the Tenant, such affiliate shall guaranty Tenant's obligations under the Master Lease and the Tenant will not be released from obligations under the applicable Master Lease.

In addition, the Master Lease will allow Penn to sublease any space at any of the properties, subject in certain instances to Lessor's consent not to be unreasonably withheld as set forth in the

Master Lease. Lessor shall be entitled to receive the same base and percentage rent that would have been received had Penn continued to operate the subleased space.

New Opportunities

Penn and the Lessor generally will not be prohibited from developing, redeveloping, expanding, purchasing, building or operating facilities. However, certain limitations will apply within a sixty (60) mile radius of a facility (or, in the case of facilities in Nevada, within a 7 mile radius) that will be subject to the Master Lease (the "Restricted Area"). Within the Restricted Area, Penn and the Lessor will be subject to the following restrictions.

(i) Developing or building a new facility within the Restricted Area:

- Penn may develop or build a new facility only if it first offers Lessor the opportunity to participate (by including the newly developed property in the Master Lease portfolio) on terms to be negotiated by the parties. If Lessor declines, or if the parties cannot reach agreement on the terms, the annual Percentage Rent due from the affected existing facility subject to the Master Lease will thereafter (y) be subject to a floor which will be calculated based on the Percentage Rent that would have been paid for such facility if such Percentage Rent were adjusted based on net revenues for the calendar year immediately prior to the year in which the new facility is first opened to the public (the "Floor") and (z) Percentage Rent will be subject to normal periodic adjustments provided that it may not be reduced below the Floor.

- Lessor may not build or develop a new facility without Penn's prior consent, which may be withheld in Penn's sole discretion (but post-development sale-leasebacks or financings with third parties will be permitted without restriction as provided in paragraph (iii) (Acquisition/Refinance existing facilities within the Restricted Area) below).

(ii) Expanding existing facilities within the Restricted Area:

- Penn shall provide the Lessor with a right of first offer to finance any proposed expansion. Tenant shall be permitted to seek outside financing for such Capital Improvements during the six month period following Lessor's offer of financing only on terms that are economically more advantageous to the Tenant than offered by the Lessor.

- Lessor shall have the right to finance expansions by competitors but the Percentage Rent from the affected facilities will thereafter be calculated monthly, based on the percentage applicable to such facility (and thereafter no longer based on the trailing five-year period that would have been the case for Facilities other than Columbus and Toledo Facilities).

(iii) Acquisition/refinance existing facilities within the Restricted Area:

Either Penn or Lessor may avail itself on the following terms of opportunities to, in the case of Penn, purchase or operate (and, in the case of Lessor, purchase or refinance) an existing facility (whether built prior to or after the date of the Master Lease) within the Restricted Area:

- Penn: The annual Percentage Rent due from the affected existing facility in the territory will thereafter (i) be subject to the Floor and (ii) be subject to normal periodic adjustments provided that it may not be reduced below the Floor.

- Lessor: No restriction on the purchase or refinance of an existing gaming facility.

Gaming Licenses/Successor Lessee Provisions

Gaming licenses and all other assets ("Gaming Assets") necessary to operate the facilities that will be subject to the Master Lease will be held and maintained by Penn pursuant to the terms of the

Master Lease. The Master Lease will require Penn to transfer the Gaming Assets at the end of the term of the Master Lease to a successor lessee at their fair market value.

The Tax Matters Agreement

The Tax Matters Agreement will govern Penn's and GLPI's respective rights, responsibilities and obligations with respect to taxes (including taxes arising in the ordinary course of business and taxes, if any, incurred as a result of any failure of the Spin-Off and certain related transactions to qualify as tax-free for U.S. federal income tax purposes), tax attributes, tax returns, tax contests and certain other tax matters.

In addition, the Tax Matters Agreement will impose certain restrictions on GLPI and its subsidiaries (including restrictions on share issuances, business combinations, sales of assets and similar transactions) that will be designed to preserve the tax-free status of the Spin-Off and certain related transactions. The Tax Matters Agreement will provide special rules allocating tax liabilities in the event the Spin-Off, together with certain related transactions, was not tax-free. In general, under the Tax Matters Agreement, each party is expected to be responsible for any taxes imposed on Penn that arise from the failure of the Spin-Off and certain related transactions to qualify as a tax-free transaction for U.S. federal income tax purposes within the meaning of Sections 355 and 368(a)(1)(D) and certain other relevant provisions of the Code to the extent that the failure to qualify is attributable to actions, events, or transactions relating to such party's respective stock, assets or business, or a breach of the relevant representations or covenants made by that party in the Tax Matters Agreement.

The Tax Matters Agreement will also set forth Penn's and GLPI's obligations as to the filing of tax returns, the administration of tax contests and assistance and cooperation on tax matters.

The Employee Matters Agreement

The Employee Matters Agreement will govern Penn's and GLPI's respective compensation and employee benefit obligations with respect to the current and former employees of each company, and generally will allocate liabilities and responsibilities relating to employee compensation and benefit plans and programs. The Employee Matters Agreement will provide for the treatment of outstanding Penn equity awards in connection with the Spin-Off, as described in more detail under "Treatment of Outstanding Compensatory Equity-Based Awards." In addition, the Employee Matters Agreement will set forth the general principles relating to employee matters, including with respect to the assignment of employees and the transfer of employees from Penn to GLPI, the assumption and retention of liabilities and related assets, workers' compensation, labor relations, the provision of benefits following the Spin-Off, employee service credit, the sharing of employee information and related matters.

The Transition Services Agreement

Penn will agree to provide GLPI with administrative and support services on a transitional basis pursuant to the Transition Services Agreement, including accounting and finance support, human resources support, legal and regulatory compliance support, insurance advisory services, internal audit services, governmental affairs monitoring and reporting services, information technology support, construction services, and various other support services (the "Transition Services") for a period of up to two years. We expect that the fees charged to GLPI for Transition Services furnished pursuant to the Transition Services Agreement will approximate the actual cost incurred by Penn in providing the Transition Services to GLPI for the relevant period.

The Transition Services Agreement will provide that GLPI has the right to terminate a Transition Service after an agreed notice period, generally thirty days. The Transition Services Agreement also will contain provisions whereby GLPI will generally agree to indemnify Penn for all claims, losses, damages, liabilities and other costs incurred by Penn to a third party which arise in connection with the provision of a Transition Service, other than those costs resulting from Penn's gross negligence or willful misconduct.

Overlapping Directors

In serving on the board of directors of both GLPI and Penn following the Spin-Off, Peter M. Carlino and David A. Handler could have a conflict of interest with respect to matters at GLPI involving Penn and matters at Penn involving GLPI. In order to mitigate this conflict of interest, each of GLPI and Penn expects to adopt governance guidelines prior to the Spin-Off that will require Messrs. Carlino and Handler to report any matter that may create, or may create the appearance of, a conflict of interest to a designated independent director for evaluation and appropriate resolution. Each board may, in the future, also form committees of independent directors to discuss and act upon matters involving both GLPI and Penn. No other person will be a director, executive officer or other employee of both GLPI and Penn.

TREATMENT OF OUTSTANDING COMPENSATORY EQUITY-BASED AWARDS

The Employee Matters Agreement will provide for the conversion, following the Spin-Off of all outstanding awards granted under Penn's long term incentive compensation plans (whether held by Penn or GLPI employees or other participants) into adjusted Penn awards and GLPI awards. The material terms of the conversion are described in the following.

Options and Cash Settled Stock Appreciation Rights

Options and Stock Appreciation Rights

Generally, each outstanding option and cash settled stock appreciation right ("SAR") with respect to Penn common stock which is outstanding on the distribution date will be converted, following the Spin-Off, into two awards, an adjusted Penn option and a GLPI option, or, in the case of the SARs, an adjusted Penn SAR and a GLPI SAR. The adjustment would preserve the aggregate intrinsic value of the options and SARs. However, Peter M. Carlino will transfer some of his Penn options to Penn in exchange for options to acquire GLPI common stock in the Compliance Exchanges, which are designed to ensure that each member of the Carlino family will beneficially own less than 10% of the outstanding shares of Penn common stock for certain federal tax purposes following the Separation. See "Certain Relationships and Related Party Transactions—Agreements with Certain Shareholders in Connection with the Spin-Off—Peter M. Carlino."

Option and SAR Adjustment

The per share exercise price of each GLPI option or GLPI SAR shall be equal to the product of (i) the per share exercise price of the Penn option or Penn SAR immediately prior to the distribution date (the "Pre-Distribution Exercise Price") multiplied by (ii) a fraction, the numerator of which shall be the post-distribution GLPI stock price and the denominator of which shall be the pre-distribution Penn stock price, rounded up to the nearest cent. The per share exercise price of each adjusted Penn option or Penn SAR shall be equal to the product of (i) the Pre-Distribution Exercise Price multiplied by (ii) a fraction, the numerator of which shall be the post-distribution Penn stock price and the denominator of which shall be the pre-distribution Penn stock price, rounded up to the nearest cent.

Service

The adjusted options and SARs will otherwise remain subject to their original terms, except that for purposes of the adjusted Penn options and Penn SARs (including in determining exercisability and the post-termination exercise period), continued service with GLPI following the distribution date shall be deemed continued service with Penn; and for purposes of the GLPI options and GLPI SARs (including in determining exercisability and the post-termination exercise period), continued service with Penn following the distribution date shall be deemed continued service with GLPI.

Dividends—Unvested Options and SARs

In respect of any GLPI options and GLPI SARs which are unvested as of the distribution date, holders of such options or SARs will be granted a right to receive a payment equal to the value of any ordinary dividend declared with respect to GLPI common stock subject to such options or SARs, which payment will accrue and be paid, if applicable, on the vesting date of the related option or SAR.

Dividends—Vested Options and SARs

Notwithstanding the Spin-Off, Penn will retain approximately $45 million of funding, intended to reflect the aggregate dividend that would be expected to be paid within a three year period following the Spin-Off in respect of shares subject to vested GLPI options and GLPI SARs held by Penn employees. Penn shall consider using this amount for the purpose of paying bonuses to its employees who are GLPI option holders or GLPI SARs holders. No employee will have any right to be paid any amount from the special incentive bonus pool.

Purging Distribution—Vested and Unvested Options and SARs

Upon the declaration of the Purging Distribution, GLPI options and GLPI SARs shall be adjusted in a manner that preserves both the pre-distribution intrinsic value of the options and SARs and the pre-distribution ratio of the stock price to exercise price that existed immediately before the Purging Distribution. Specifically, each option or SAR will become an option or SAR with respect to the number of GLPI shares equal to the product of (i) the number of GLPI shares originally subject to the option or SAR multiplied by (ii) a fraction, the numerator of which shall be the pre-dividend GLPI stock price and the denominator of which shall be the post-dividend GLPI stock price (such ratio, the "Exchange Ratio"), rounded down to the nearest whole share. The exercise price per share following the adjustment will be equal to the per share exercise price before the adjustment divided by the Exchange Ratio, rounded up to the nearest cent.

Restricted Stock Awards and Phantom Stock Units

Restricted Stock and Phantom Stock Units

Holders of outstanding restricted stock and phantom stock units ("PSUs") with respect to Penn common stock would become entitled following the distribution to an additional share of restricted stock or PSU with respect to GLPI common stock for each share of Penn restricted stock or PSU held.

Service

The restricted stock and PSUs will otherwise remain subject to their original terms, except that for purposes of the adjusted Penn awards (including vesting and treatment on termination) continued service with GLPI following the distribution date shall be deemed continued service with Penn; and for purposes of the GLPI awards (including vesting and treatment on termination), continued service with Penn following the distribution date shall be deemed continued service with GLPI.

Dividends

In respect of any GLPI PSUs, holders of such PSUs will be granted a right to receive a payment equal to the value of a dividend with respect to such PSUs that would be expected to be accrued and paid, if applicable, on the payment date of the related PSU. Holders of GLPI restricted stock will be entitled to receive any dividends paid with respect to such restricted shares on the same date or dates that dividends are payable on GLPI common stock to shareholders of GLPI generally.

Purging Distribution

Upon declaration of the Purging Distribution, holders of GLPI PSUs will be credited with the special dividend, which will accrue and be paid, if applicable, on the payment date of the related PSU. Holders of GLPI restricted stock will be entitled to receive the special dividend with respect to such restricted stock on the same date or dates that the special dividend is payable on GLPI common stock to shareholders of GLPI generally.

DIVIDEND POLICY

GLPI intends to elect and qualify to be taxed as a REIT for U.S. federal income tax purposes. Commencing with GLPI's taxable year beginning on January 1, 2014, consistent with industry standards, GLPI expects to pay distributions in cash in an amount equal to approximately 80% of GLPI's adjusted funds from operations ("Adjusted FFO") for each quarterly period but in no event will the annual dividend be less than 90% of GLPI's REIT taxable income on an annual basis, determined without regard to the dividends paid deduction and excluding any net capital gains. U.S. federal income tax law generally requires that a REIT distribute annually at least 90% of its REIT taxable income, without regard to the deduction for dividends paid and excluding net capital gains, and that it pay regular corporate rates to the extent that it annually distributes less than 100% of its taxable income. For purposes of determining its cash distributions, GLPI's Adjusted FFO will be calculated by starting with The National Association of Real Estate Investment Trusts' ("NAREIT") definition of funds from operations ("FFO"), which is net income (computed in accordance with generally accepted accounting principles), excluding gains (or losses) from sales of property, plus real estate depreciation. The NAREIT definition will then be adjusted to exclude the effect of stock-based and other non-cash compensation expense and subtract maintenance capital expenditures, resulting in Adjusted FFO for GLPI.

Initially, cash available for distribution to GLPI shareholders will be derived solely from the rental payments under the Master Lease and the income of our TRSs. All distributions will be made by GLPI at the discretion of its board of directors and will depend on the financial position, results of operations, cash flows, capital requirements, debt covenants (which are expected to include limits on distributions by GLPI), applicable law and other factors as the board of directors of GLPI deems relevant. The board of directors of GLPI has not yet determined when any distributions will be declared or paid.

GLPI currently intends to pay quarterly distributions in cash. For purposes of satisfying the minimum distribution requirement to qualify for and maintain REIT status, GLPI's taxable income will be calculated without reference to its cash flow. Consequently, under certain circumstances, GLPI may not have available cash to pay its required distributions and may distribute a portion of its dividends in the form of its stock or its debt instruments. In either event, a shareholder of GLPI will be required to report dividend income as a result of such distributions even though GLPI distributed no cash or only nominal amounts of cash to such shareholder. The IRS has issued private letter rulings to other REITs (and, with respect to the Purging Distribution and as described above in "Risk Factors—Risk Factors Relating to the Status of GLPI as a REIT," to Penn) treating certain distributions that are paid partly in cash and partly in stock as taxable dividends that would satisfy that REIT annual distribution requirement and qualify for the dividends paid deduction for U.S. federal income tax purposes. Those rulings may be relied upon only by taxpayers to whom they were issued, but GLPI could request a similar ruling from the IRS. GLPI cannot rely on the private letter ruling Penn received from the IRS, as described above, with respect to the payment of dividends other than the Purging Distribution. In addition, the IRS previously issued a revenue procedure authorizing publicly traded REITs to make elective cash/stock dividends, but that revenue procedure does not apply to GLPI's taxable year beginning on January 1, 2014 and future taxable years. Accordingly, it is unclear whether and to what extent GLPI will be able to make taxable dividends (other than the Purging Distribution) payable in-kind. For more information, see "U.S. Federal Income Tax Considerations—Taxation of GLPI—Annual Distribution Requirements." GLPI currently believes that it will have sufficient available cash to pay its required distribution for 2014 in cash but there can be no assurance that this will be the case.

It presently is anticipated that acquisitions will be financed through borrowings under the debt agreements to be entered into by GLPI and GLP Capital, L.P. in connection with the Spin-Off, other debt financing or the issuance of equity securities. To the extent that those sources of funds are insufficient to meet all such cash needs, or the cost of such financing exceeds the cash flow generated by the acquired properties for any period, cash available for distribution could be reduced. In that event, GLPI may also borrow funds, liquidate or sell a portion of its properties or find another source of funds, such as the issuance of equity securities, in order to pay its required distributions. However, the sale of any properties within a ten year period following the Spin-Off may subject GLPI to adverse tax consequences. See "Risk Factors—Risk Factors Relating to the Status of GLPI as a REIT" for further discussion.

GLPI anticipates that its distributions generally will be taxable as ordinary income to its shareholders, although a portion of the distributions may be designated by GLPI as qualified dividend income or capital gain or may constitute a return of capital. GLPI will furnish annually to each GLPI shareholder a statement setting forth distributions paid during the preceding year and their characterization as ordinary income, return of capital, qualified dividend income or capital gain. For a more complete discussion of the U.S. federal income tax treatment of distributions to shareholders of GLPI, see "U.S. Federal Income Tax Considerations—Taxation of Shareholders—Taxation of Taxable U.S. Shareholders."

FINANCING

In connection with the Spin-Off, (i) GLPI and its subsidiary, GLP Capital, L.P., expect to enter into senior unsecured credit facilities, comprised of a $850 million revolving credit facility and a $300 million term loan facility (the "Credit Facilities") and (ii) GLP Capital, L.P. expects to issue $2.05 billion in senior unsecured notes (the "Senior Notes"), which Senior Notes will be guaranteed by GLPI. GLPI and GLP Capital, L.P. expect to have $150 million of indebtedness outstanding under the revolving credit facility following the Spin-Off.

Senior Unsecured Credit Facilities

The Credit Facilities will be provided by a syndicate of banks and other financial institutions. The borrower under the Credit Facilities will be GLP Capital, L.P., a subsidiary of GLPI, and the Credit Facilities will be guaranteed by GLPI.

Subject to customary conditions, including pro forma compliance with financial covenants, the Credit Facilities will permit GLP Capital, L.P. to obtain additional revolving commitments and incur additional term loans, so long as the aggregate principal amount of the loans and unused commitments under the Credit Facilities does not exceed $1.5 billion. There is currently no commitment in respect of these incremental loans, nor is one currently anticipated to be in place upon the consummation of the Spin-Off.

The proceeds of these loans, together with the proceeds of the senior notes issued prior to the Spin-Off, will be used to finance payments to Penn, directly or indirectly, in connection with the transfer of property and assets to GLPI, to pay transaction fees and expenses and to fund the cash portion of the Purging Distribution. The revolving loans under the Credit Facilities may be repaid and reborrowed from time to time. The proceeds of additional revolving loans will be used for working capital, to fund permitted dividends, distributions and acquisitions, for general corporate purposes and for any other purpose not prohibited by the documentation governing the Credit Facilities.

Interest Rate and Fees

The interest rates per annum applicable to loans under the Credit Facilities are, at GLP Capital, L.P.'s option, equal to either a base rate or a LIBOR rate plus an applicable margin, which will range from [•]% to [•]% per annum for LIBOR loans and [•]% to [•]% per annum for base rate loans, in each case, depending on the ratings assigned to the Credit Facilities. In addition, GLP Capital, L.P. will pay a commitment fee on the unused portion of the commitments under the revolving facility at a rate that will range from [•]% to [•]% per annum, depending on the ratings assigned to the Credit Facilities.

Amortization and Prepayments

The Credit Facilities will not be subject to interim amortization. GLP Capital, L.P. will not be required to repay any loans under the Credit Facilities prior to maturity. GLP Capital, L.P may prepay all or any portion of the loans under the Credit Facilities prior to maturity without premium or penalty, subject to reimbursement of any LIBOR breakage costs of the lenders.

Certain Covenants and Events of Default

The Credit Facilities contain customary covenants that, among other things, restrict, subject to certain exceptions, the ability of GLPI and its subsidiaries, including GLP Capital, L.P, to grant liens on their assets, incur indebtedness, sell assets, make investments, engage in acquisitions, mergers or consolidations and pay certain dividends and other restricted payments. It is expected that the Credit Facilities will contain the following financial covenants: a maximum total debt to total asset value ratio of 60% (subject to increase to 65% for specified periods in connection with certain acquisitions), a maximum senior secured debt to total asset value ratio of 40%, a maximum unsecured debt to unencumbered asset value ratio of 60% and a minimum fixed charge coverage ratio of 2 to 1. In addition, GLPI will be required to maintain a minimum tangible net worth, which will take into account the net proceeds received from any issuances of equity interests of GLPI after the closing date of the Credit Facilities. The Credit Facilities will also contain certain customary affirmative covenants and events of default, including the occurrence of a change of control and termination of the Master Lease (subject to certain replacement rights). GLPI will be required to maintain its status as a REIT on and after its election to be treated as a REIT in the first full fiscal year following the Spin-Off.

The foregoing summarizes some of the expected terms of the Credit Facilities; however, the foregoing summary does not purport to be complete, and the terms of the Credit Facilities have not yet been finalized. There may be changes to the expected principal amount and terms of the Credit Facilities, some of which may be material.

Senior Notes

The Senior Notes are expected to be issued by GLP Capital, L.P. and guaranteed by GLPI. The Senior Notes are expected to have terms customary for senior notes of this type, including: customary "make whole" redemption provisions; customary covenants relating to debt incurrence; maintenance of unencumbered assets and mergers or sales of all or substantially all of GLPI's assets; and customary events of default.

The foregoing summarizes some of the expected terms of the Senior Notes; however, the foregoing summary does not purport to be complete, and the terms of the Senior Notes have not yet been finalized. There may be changes to the expected principal amount and terms of the Senior Notes, some of which may be material. Nothing herein shall constitute or be deemed to constitute an offer to sell or the solicitation of an offer to buy the Senior Notes.

BUSINESS AND PROPERTIES OF GLPI

Our Business

GLPI will be a publicly-traded, self-administered, self-managed REIT primarily engaged in the property business, which will consist of owning, acquiring, developing, expanding, managing, and leasing gaming and related facilities. GLPI will be the first gaming-focused REIT, and expects to grow its portfolio by aggressively pursuing opportunities to acquire additional gaming facilities to lease to gaming operators, which may include Penn. GLPI also anticipates diversifying its portfolio over time, including by acquiring properties outside the gaming industry to lease to third parties.

GLPI expects to generate its revenues in the property business primarily by leasing gaming facilities to gaming operators in "triple-net" lease arrangements, a business model common to a number of publicly-traded REITs in other industries and which GLPI expects to exist with respect to any transactions that would be entered into by future REIT competitors of GLPI. Initially, GLPI's portfolio will consist of 21 gaming and related facilities, including the TRS Properties and the real property associated with 19 gaming and related facilities (including two properties under development in Dayton, OH and Mahoning Valley, OH). GLP Capital, L.P., a subsidiary of GLPI through which GLPI will own substantially all of its assets, will lease all but two of its gaming and related facilities (the TRS Properties, both of which will be operated by GLPI through its TRSs) to Penn Tenant, LLC, a subsidiary of Penn, under the Master Lease. Our portfolio of 21 properties (including two properties under development in Dayton, OH and Mahoning Valley, OH), comprising approximately 6.6 million square feet of building space and approximately 3,220 acres of owned and leased land, is broadly diversified by location across 13 states. Our geographic diversification will limit the effect of a decline in any one regional market on our overall performance.

GLPI intends to make an election on its first federal income tax return to be treated as a REIT and, GLPI, together with GLP Holdings, Inc., will jointly elect to treat each of GLP Holdings, Inc., Louisiana Casino Cruises, Inc. and Penn Cecil Maryland, Inc. as a TRS effective on the first day of the first taxable year of GLPI as a REIT. Immediately following the distribution of GLPI shares by Penn to Penn's shareholders, GLPI will be a publicly-traded, self-administered, self-managed REIT primarily engaged in the property business, which will consist of owning, acquiring, developing, expanding, managing, and leasing gaming and related facilities. To maintain REIT status, we must meet a number of organizational and operational requirements, including a requirement that we annually distribute to our shareholders at least 90% of our REIT taxable income, determined without regard to the dividends paid deduction and excluding any net capital gains. See "U.S. Federal Income Tax Considerations."

Our History

GLPI is a newly formed company that was incorporated in Pennsylvania on February 13, 2013. GLPI will not have operated prior to the Spin-Off. Prior to the Separation, Penn will contribute 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 the TRS Properties that will be operated by its TRSs, to GLPI and its subsidiaries. Penn is a Pennsylvania corporation headquartered in Wyomissing, Pennsylvania that became a public company in 1994. Penn, directly and indirectly through its affiliates, is a leading, geographically diversified, multi-jurisdictional owner and manager of gaming and pari-mutuel properties. GLPI has provided historical financial statements for the TRS Properties in this Prospectus as these two properties were fully operational prior to the Spin-Off and will be acquired entirely by GLPI.

Industry Background / Market Opportunity

Strategic Expansion Opportunities

GLPI expects the Spin-Off to facilitate strategic expansion opportunities for its property business that did not exist prior to the Spin-Off by providing GLPI the ability to (i) pursue transactions with other gaming operators that would not pursue transactions with Penn as a current competitor, (ii) fund acquisitions with its equity on significantly more favorable terms than those that would be available to Penn, (iii) diversify into different businesses in which Penn, as a practical matter, could not diversify, such as hotels, entertainment facilities and other real estate asset classes, and (iv) pursue certain transactions that Penn otherwise would be disadvantaged by or precluded from pursuing due to regulatory constraints. With respect to acquisitions of additional gaming facilities, GLPI either would enter into long-term lease agreements with gaming operators for the operation of such facilities or operate such facilities through its TRSs, depending on a number of factors, including (i) any limitations under the REIT provisions as to the percentage of GLPI's value to be represented by TRSs, (ii) the impact of the decision on other growth opportunities, and (iii) profit expectations.

Competitor Opportunities

GLPI believes that a number of gaming operators would de-lever or are seeking liquidity while continuing to generate the benefits of continued operations, which may present significant expansion opportunities for GLPI to pursue. Of particular significance, GLPI believes that a number of gaming operators would be willing to enter into transactions designed to monetize their real estate assets (i.e., gaming facilities) through sale-leaseback transactions with an unrelated party not perceived to be a competitor. These gaming operators could use the proceeds from the sale of those assets to repay debt and rebalance their capital structures, while maintaining the use of the sold gaming facilities through long term leases. GLPI also hopes to provide such gaming operators with expansion opportunities that these may not otherwise be in a position to pursue by providing them with secured capital at more attractive rates. Certain of these opportunities involve jurisdictions that do not currently permit gaming. GLPI's strategy involves acquiring and developing additional gaming properties to lease to gaming operators or building out related amenities, such as movie theaters, hotels and bowling alleys, with respect to existing structures.

Currently, GLPI believes there are numerous opportunities, some of which involve gaming operators, for GLPI to evaluate and potentially pursue following the Spin-Off.

Diversification Opportunities

GLPI believes it has the ability to leverage the expertise its management team has developed over the years to secure additional avenues for growth beyond the gaming industry. The Spin-Off will facilitate GLPI expanding into significant new business activities outside of the relatively mature gaming industry. Historically, Penn has not pursued significant development opportunities unrelated to the gaming industry, in part because of the expectations and preferences of its shareholders. However, GLPI is being formed as a property acquisition, development, ownership and management company, and will be positioned to capitalize on these opportunities without similar constraints. Accordingly, following the Spin-Off, GLPI will be able to effect strategic acquisitions unrelated to the gaming industry as well as other acquisitions that may prove complementary to GLPI's gaming facilities.

Regulatory Opportunities

State Regulatory Constraints

Certain jurisdictions impose restrictions on the number of licensed gaming facilities (or interests in licensed gaming facilities) that any one entity (in certain cases, including its affiliates and other related parties) can own (the "Regulatory Constraints") in such jurisdiction (a "Constrained Jurisdiction"). For example, Regulatory Constraints in Pennsylvania prohibit a slot machine licensee (as well as its affiliate, intermediary, subsidiary, or holding company) from possessing an ownership or financial interest that is greater than 33.3% of another slot machine licensee, effectively limiting Penn to owning one facility and a 33.3% interest in other licensed gaming facilities in Pennsylvania. Similarly, Regulatory Constraints in Ohio, Indiana, Maryland, and Illinois limit the number of licensed gaming facilities that Penn can own in such jurisdictions. In addition to mechanical limitations, certain jurisdictions impose other limitations such as economic concentration. Thus, although Penn has expressed an interest in acquiring other gaming facilities in each of the above states, it is precluded from doing so by virtue of its existing ownership of gaming licenses. These Regulatory Constraints have caused Penn to engage in divestitures, to forgo acquisition and development opportunities, to incur incremental expenses, and to engage in complex joint venture and other complex structures in order to consummate acquisitions.

GLPI expects to have significant expansion opportunities in Constrained Jurisdictions that would be prohibited or restrained absent the Spin-Off. In particular, GLPI may seek to acquire additional Pennsylvania or Illinois gaming facilities that Penn otherwise could not acquire due to state-specific Regulatory Constraints. GLPI could either operate one of such facilities through its TRSs or lease multiple acquired facilities either to the sellers or operators other than Penn.

Federal Regulatory Constraints

The Spin-Off also is expected to alleviate the federal antitrust constraints (the "Federal Regulatory Constraints") that have created challenges for Penn in capitalizing on certain expansion opportunities under the current combined structure. GLPI's anticipated acquisitions and leasing arrangements of gaming facilities are not expected to be limited by Federal Regulatory Constraints to any degree near that to which Penn is currently limited. GLPI expects to be able to expand through acquisition and accompanying leases to the seller or an operator other than Penn in a manner that has not been possible for Penn because the consolidation of land ownership, which will constitute the substantial majority of GLPI's activities following the Spin-Off, generally is not subject to the same restrictions under federal antitrust law and other Federal Regulatory Constraints as the operation of gaming facilities. Therefore, following the Spin-Off, GLPI's anticipated acquisitions and leasing arrangements of gaming facilities are not expected to be limited by Federal Regulatory Constraints to the degree that Penn is currently limited.

Cost of Capital Considerations

The Spin-Off is expected to cause the aggregate market value of the stock of Penn and the stock of GLPI to exceed the market value of Penn's stock before the announcement of the Spin-Off, thereby reducing the equity cost of capital relative to that of Penn prior to the Spin-Off. Penn has not previously used its stock as acquisition currency, because acquisitions in the gaming industry have historically been debt financed for a variety of reasons. However, as a real estate company for which the financing of significant acquisition activity customarily involves the issuance of both equity capital and debt, GLPI is anticipated to issue a meaningful amount of equity in connection with acquisitions.

Our Competitive Strengths

We believe the following competitive strengths will contribute significantly to our success:

Geographically Diverse Property Portfolio

Initially, GLPI's portfolio will consist 21 gaming and related facilities (including two properties under development in Dayton, OH and Mahoning Valley, OH). Our portfolio of 21 properties, comprising approximately 6.6 million square feet at building space and approximately 3,220 acres of owned and leased land, is broadly diversified by location across 13 states. Our geographic diversification will limit the effect of a decline in any one regional market on our overall performance.

Financially Secure Tenants

Immediately following the Spin-Off, a subsidiary of Penn will be our only tenant. Penn is a leading, diversified, multi-jurisdictional owner and manager of gaming and pari-mutuel properties, and an established gaming provider with strong financial performance. Penn will operate the leased gaming facilities, hold the associated gaming licenses and own and operate other assets, including the Casino Rama casino management contract, the Jamul Indian Village management and development agreements, a 50% interest in three joint ventures including the Hollywood Casino at Kansas Speedway, four wholly owned non-casino racetracks, and gaming equipment. Penn's reported net revenues and income from operations were $2,899.5 million and $442.6 million, respectively, for the year ended December 31, 2012. As of December 31, 2012, Penn had available cash and cash equivalents of $260.5 million, $2,893.5 million in long-term liabilities and $609.7 million available under its revolving credit facility. Penn's management team has a proven track record of public company performance. Penn currently has a credit rating of BB/Stable from Standard & Poor's and Ba1 from Moody's Corporation, and we do not anticipate that the ratings of Penn will change substantially as a result of the Separation. Additionally, Penn is publicly traded and is subject to SEC reporting requirements, which provide ongoing transparency regarding its operating and financial performance.

Long-Term, Triple-Net Lease Structure

Immediately following the Spin-Off, 19 of our 21 real estate properties (including two properties under development in Dayton, OH and Mahoning Valley, OH) will be leased to a subsidiary of Penn under the Master Lease, a "triple-net" operating lease guaranteed by Penn with a term of 15 years (in addition to four 5 year renewals at Penn's option), pursuant to which the tenant is responsible for all facility maintenance, insurance required in connection with the leased properties and the business conducted on the leased properties, taxes levied on or with respect to the leased properties and all utilities and other services necessary or appropriate for the leased properties and the business conducted on the leased properties.

Strong Relationships with Operators

The members of our management team have developed an extensive network of relationships with qualified local, regional and national operators of gaming facilities across the United States. This extensive network has been built by our management team through over 30 years of operating experience, involvement in industry trade organizations and the development of banking relationships and investor relations within the gaming industry. We believe these strong relationships with operators will allow us to effectively source investment opportunities from operators other than Penn. We intend to work collaboratively with our operators to help them achieve their growth and business objectives.

Experienced and Committed Management Team

Although our management team has limited experience in operating a REIT, it has extensive gaming and real estate experience. Peter M. Carlino, Chief Executive Officer of GLPI, has more than 30 years of experience in the acquisition and development of gaming facilities and other real estate projects. William J. Clifford, Chief Financial Officer of GLPI, is a finance professional with more than 30 years of experience in the gaming industry including four years of gaming regulatory experience, sixteen years of casino property operations, and twelve years of corporate experience. Through years of public company experience, our management team also has extensive experience accessing both debt and equity capital markets to fund growth and maintain a flexible capital structure.

Ability to Identify Talented Operators

As a result of our management team's operating experience, network of relationships and industry insight, we expect to be able to identify qualified local, regional and national operators. We will seek operators who possess local market knowledge, demonstrate hands-on management and have proven track records. We believe our management team's experience gives us a key competitive advantage in objectively evaluating an operator's financial position and operating efficiency.

Flexible UPREIT Structure

We will have the flexibility to operate through an umbrella partnership, commonly referred to as an UPREIT structure, in which substantially all of our properties and assets are held by GLP Capital, L.P. or by subsidiaries of GLP Capital, L.P. Conducting business through GLP Capital, L.P. allows us flexibility in the manner in which we structure and acquire properties. In particular, an UPREIT structure enables us to acquire additional properties from sellers in exchange for limited partnership units, which provides property owners the opportunity to defer the tax consequences that would otherwise arise from a sale of their real properties and other assets to us. As a result, this structure potentially may facilitate our acquisition of assets in a more efficient manner and may allow us to acquire assets that the owner would otherwise be unwilling to sell because of tax considerations. Although we have no current plan or intention, and at the time of the Spin-Off will have no plan or intention to use limited partnership units in GLP Capital, L.P. as consideration for properties we acquire or to issue any limited partnership units in connection with the Spin-Off, we believe that the flexibility to do so provides us an advantage in seeking future acquisitions.

Business Strategies

We plan to pursue business strategies focused on opportunistic acquisitions and property diversification. We do not currently have a fixed schedule of the number of acquisitions we intend to make over a particular time period, but instead we intend to pursue those acquisitions that meet our investing and financing strategy and that are attractively priced. We also intend to further develop our relationships with tenants and gaming providers with a goal to progressively expand the mixture of tenants managing and operating our properties.

The key components of our business strategies include:

Diversify Asset Portfolio

We expect to diversify through the acquisition of new properties. We will employ what we believe to be a disciplined, opportunistic acquisition strategy. Initially following the Spin-Off, we expect to grow our portfolio by aggressively pursuing opportunities to acquire additional gaming facilities to lease to gaming operators, which may include Penn. We also anticipate diversifying our portfolio over time, including by acquiring properties outside the gaming industry to lease to third parties.

Maintain Balance Sheet Strength and Liquidity

We will seek to maintain a capital structure that provides the resources and flexibility to support the growth of our business. We intend to maintain a mix of credit facility debt, mortgage debt and unsecured term debt which, together with our anticipated ability to complete future equity financings, we expect will fund the growth of our operations.

Develop New Tenant Relationships

We will seek to cultivate our relationships with tenants and gaming providers in order to expand the mixture of tenants operating our properties and, in doing so, to reduce our dependence on any single tenant or operator. We expect that this objective will be achieved over time as part of our overall strategy to acquire new properties and further diversify our overall portfolio of gaming properties.

Capital Source to Underserved Operators

We believe that there is a significant opportunity to be a capital source to gaming operators through the acquisition and leasing of gaming properties that are consistent with our investment and financing strategy. We will utilize our management team's operating experience, network of relationships and industry insight to identify financially strong and growing operators in need of capital funding for future growth. In appropriate circumstances, we may negotiate with operators to acquire individual gaming properties from those operators and then lease those properties back to the operators pursuant to long-term triple-net leases.

Strategic Capital Improvements

We intend to support operators by providing capital to them for a variety of purposes, including for capital expenditures and facility modernization. We expect to structure these investments as either lease amendments that produce additional rents or as loans that are repaid by operators during the applicable lease term.

Pursue Strategic Development Opportunities

We intend to work with our operators to identify strategic development opportunities. These opportunities may involve replacing or renovating facilities in our portfolio that may have become less competitive. We also intend to identify new development opportunities that present attractive risk-adjusted returns.

Our Portfolio / Property (including Operating Data)

The following table summarizes certain features of the properties that we will own following the Spin-Off. The properties will be used for gaming and pari-mutuel activities:

	Location	Type of Facility	Approx. Property Square Footage(1)	Owned Acreage	Leased Acreage(2)	Hotel Rooms
Midwest						
Hollywood Casino Lawrenceburg	Lawrenceburg, IN	Dockside gaming	634,000	74.1	32.1	295
Hollywood Casino Aurora	Aurora, IL	Dockside gaming	222,189	.4	2.1	—
Hollywood Casino Joliet	Joliet, IL	Dockside gaming	322,446	276.4	—	100
Argosy Casino Alton	Alton, IL	Dockside gaming	241,762	.2	3.6	—
Hollywood Casino Toledo	Toledo, OH	Land-based gaming	285,335	44.3	—	—
Hollywood Casino Columbus	Columbus, OH	Land-based gaming	354,075	116.2	—	—
Hollywood Gaming at Dayton Raceway	Dayton, OH	Land-based gaming/Harness racing	—	119.4	—	—
Hollywood Gaming at Mahoning Valley Race Course	Youngstown, OH	Land-based gaming/Thoroughbred racing	—	193.4	—	—
Subtotal			2,059,807	824.4	37.8	395
East/West						
Hollywood Casino at Charles Town Races	Charles Town, WV	Land-based gaming/Thoroughbred racing	511,249	298.6	—	153
Hollywood Casino at Penn National Race Course	Grantville, PA	Land-based gaming/Thoroughbred racing	451,758	573.7	—	—
M Resort	Henderson, NV	Land-based gaming	910,173	87.6	4.0	390
Hollywood Casino Perryville	Perryville, MD	Land-based gaming	97,961	36.4	—	—
Hollywood Casino Bangor	Bangor, ME	Land-based gaming/Harness racing	257,085	6.7	27.0	152
Zia Park Casino	Hobbs, NM	Land-based gaming/Thoroughbred racing	109,067	317.4	—	—
Subtotal			2,337,293	1,320.4	31.0	695
Southern Plains						
Hollywood Casino Bay St. Louis	Bay St. Louis, MS	Land-based gaming	425,920	579.9	—	291
Argosy Casino Riverside	Riverside, MO	Dockside gaming	450,397	41.0	6.8	258
Hollywood Casino Tunica	Tunica, MS	Dockside gaming	315,831	—	67.7	494
Boomtown Biloxi	Biloxi, MS	Dockside gaming	134,800	1.6	26.6	—
Hollywood Casino Baton Rouge	Baton Rouge, LA	Dockside gaming	120,517	28.9	—	—
Argosy Casino Sioux City	Sioux City, IA	Dockside gaming	73,046	—	4.6	—
Hollywood Casino St. Louis	Maryland Heights, MO	Dockside gaming	645,270	247.8	—	502
Subtotal			2,165,781	899.2	105.7	1,545
Total			6,562,881	3,044.0	174.5	2,635

(1) Square footage includes conditioned space. Excludes parking garages and barns.

(2) Leased acreage reflects land subject to leases with third parties and includes land on which certain of the current facilities and ancillary supporting structures are located as well as parking lots and access rights. Failure to retain such leased land could have a material adverse impact on the operations of Penn at such properties.

Description of the Properties

Midwest

Hollywood Casino Lawrenceburg

We will own and lease 53 acres in Lawrenceburg, Indiana, a portion of which serves as the dockside embarkation for the gaming vessel, and includes a Hollywood-themed casino riverboat, an entertainment pavilion, a 295-room hotel, two parking garages and an adjacent surface lot. In addition, we will own 53-acres on Route 50 used for remote parking.

The City of Lawrenceburg is currently constructing a hotel near the Hollywood Casino Lawrenceburg property. By contractual agreement reached with the City of Lawrenceburg, the project will ultimately be owned by us upon completion of construction. Currently slated to include 165 rooms and approximately 18,000 square feet of multipurpose space, the City of Lawrenceburg anticipates an opening date in the first quarter of 2014.

Hollywood Casino Aurora

We will own a dockside barge structure and land-based pavilion in Aurora, Illinois. We will own the land, which is approximately 0.4 acres, on which the pavilion is located and a pedestrian walkway bridge. The property also includes a parking lot under an operating lease agreement and two parking garages under capital lease agreements, together comprising over 2 acres.

Hollywood Casino Joliet

We will own approximately 276 acres in Joliet, Illinois, which includes a barge-based casino, land-based pavilion, a 100-room hotel, a 1,100 space parking garage, surface parking areas and a recreational vehicle park.

Argosy Casino Alton

We will lease 3.6-acres in Alton, Illinois, a portion of which serves as the dockside boarding for the Alton Belle II, a riverboat casino. The dockside facility includes an entertainment pavilion and office space, as well as surface parking areas with 1,341 spaces. In addition, we will lease a warehouse facility and will own an office building property consisting of 0.2 acres.

Hollywood Casino Toledo

We will own a 44-acre site in Toledo, Ohio, where Penn opened Hollywood Casino Toledo on May 29, 2012. The property includes the casino as well as structured and surface parking.

Hollywood Casino Columbus

We will own approximately 116 acres of land in Columbus, Ohio, where Penn opened Hollywood Casino Columbus on October 8, 2012. The property includes the casino as well as structured and surface parking.

Hollywood Gaming at Dayton Raceway

We will own approximately 119 acres in Dayton, Ohio, where we intend to develop a new integrated racing and gaming facility, a standardbred track, which we anticipate completing in 2014 before leasing that property to Penn.

Hollywood Gaming at Mahoning Valley Race Course

We will own approximately 193 acres in Youngstown, Ohio, where we intend to develop a new integrated racing and gaming facility, a thoroughbred track, which we anticipate completing in 2014 before leasing that property to Penn.

East/West

Hollywood Casino at Charles Town Races

We will own approximately 300 acres on various parcels in Charles Town and Ranson, West Virginia of which 155 acres comprise Hollywood Casino at Charles Town Races. The facility includes a 153-room hotel and a 3/4-mile all-weather lighted thoroughbred racetrack, a training track, two parking garages, an employee parking lot, an enclosed grandstand/clubhouse and housing facilities for over 1,300 horses.

Hollywood Casino at Penn National Race Course

We will own approximately 574 acres in Grantville, Pennsylvania, where Penn National Race Course is located on 181 acres. The facility includes a one-mile all-weather lighted thoroughbred racetrack and a 7/8-mile turf track, a parking garage and surface parking spaces. The property also includes approximately 393 acres surrounding the Penn National Race Course that are available for future expansion or development.

M Resort

We will own approximately 88 acres on the southeast corner of Las Vegas Boulevard and St. Rose Parkway in Henderson, Nevada, where the M Resort is located. The M Resort property includes a 390-room hotel, a 4,700 space parking facility, and other facilities. We will also lease approximately 4 acres of land which is part of the property.

Hollywood Casino Perryville

We will own approximately 36 acres of land in Perryville, Maryland, where Hollywood Casino Perryville is located.

Hollywood Casino Bangor

We will own and lease the land on which the Hollywood Casino Bangor facility is located in Bangor, Maine, which consists of just over 9 acres, and includes a 152-room hotel and four-story parking. In addition, we will lease approximately 25 acres located at historic Bass Park, which is adjacent to the facility, which includes a one-half mile standard bred racetrack and a grandstand with over 12,000 square feet and seating for 3,500 patrons.

Zia Park Casino

The casino adjoins the racetrack and is located on an approximately 317 acres that we will own in Hobbs, New Mexico. The property includes a one-mile quarter/thoroughbred racetrack. We anticipate commencing construction of a new hotel, budgeted at $26.2 million which will include 150 rooms, six suites, a board/meeting room, exercise/fitness facilities and a breakfast venue.

Southern Plains

Hollywood Casino Bay St. Louis

We will own approximately 580 acres in the city of Bay St. Louis, Mississippi, including a 20-slip marina. The property includes a land-based casino, 18-hole golf course, a 291-room hotel, and other facilities.

Argosy Casino Riverside

We will own approximately 41 acres in Riverside, Missouri, which includes a barge-based casino, a 258-room luxury hotel, an entertainment/banquet facility and a parking garage. We will also lease 6.8 acres which is primarily used for overflow parking.

Hollywood Casino Tunica

We will lease approximately 68 acres of land in Tunica, Mississippi. The property includes a single-level casino, a 494-room hotel, surface parking and other land-based facilities.

Boomtown Biloxi

We will lease approximately 18.2 acres, most of which is utilized for the gaming location, under a lease that expires in 2093. We will also lease approximately 5 acres of submerged tidelands at the casino site from the State of Mississippi, which expires in 2039 with an option for a 30 year renewal, lease 3.6 acres for parking, own 1.2 acres of land mostly used for parking and welcome center, and own 0.4 acres of undeveloped land. We will own the barge on which the casino is located and all of the land-based facilities.

Hollywood Casino Baton Rouge

Hollywood Casino Baton Rouge is a four-story dockside riverboat casino located on approximately 20 acres, which we will own, on the east bank of the Mississippi River in the East Baton Rouge Downtown Development District. The property site serves as the dockside embarkation for Hollywood Casino Baton Rouge and features a two-story building. We will also own 4.8 acres of land that are used primarily for offices, warehousing, and parking. We will own 4 acres of adjacent land which features a railroad underpass that provides unimpeded access to the casino property.

Argosy Casino Sioux City

We will lease approximately 4.1 acres, for the landing rights and parking, which includes the dockside embarkation for the Argosy IV, a riverboat casino. We will own the Argosy IV as well as adjacent barge facilities. In December 2012, the City of Sioux City and Argosy Casino Sioux City reached a proposed agreement on extending this lease, which expired in January 2013. The agreement includes an initial extension of twelve months with the option to extend the lease for an additional eighteen months. The agreement was approved by the Sioux City Council in January 2013. We will also lease 0.4 acres primarily used for employee parking.

Hollywood Casino St. Louis

We will own 248 acres along the Missouri River in Maryland Heights, Missouri, which includes a 502-room hotel and structure and surface parking.

Other

On May 31, 2013, Penn announced that it and Endeka Entertainment LP ("Endeka") had submitted a proposal to the Pennsylvania Gaming Control Board for the development of a $225 million integrated racing and gaming facility in Mahoning Township, Pennsylvania. There is no assurance that the required regulatory and other approvals necessary to commence the project will be granted, but we anticipate that, if approved, Penn will develop and manage the property and, following construction, GLPI will purchase the property and lease it back to the Penn/Endeka joint venture.

Lease Agreement

All but two of our properties—the TRS Properties, both of which will be operated by GLPI through its TRSs—will be leased to a subsidiary of Penn under the Master Lease, a "triple-net" operating lease with an initial term of 15 years, followed by four 5 year renewal options (exercisable by Penn). The rent structure under the Master Lease will include a component that will be based on the performance of the facilities and this component will be adjusted, subject to certain floors (i) every 5 years by an amount equal to 4% of the average change to net revenues of all facilities under the Master Lease (other than the two Hollywood Casinos in Columbus, Ohio and Toledo, Ohio) during the preceding five years, and (ii) monthly by an amount equal to 20% of the change in net revenues of the two Hollywood Casinos in Columbus, Ohio and Toledo, Ohio during the preceding month. For a more detailed description of the principal provisions of the Master Lease, please see "Relationship between GLPI and Penn after the Spin-Off—The Master Lease."

Before the Spin-Off, all gaming and related facilities that will be owned by us were owned and operated by Penn (including its subsidiaries). Penn did not lease any of its owned properties to anyone and therefore, no lease agreements or tenants existed for these properties before the Spin-Off.

Maintenance of the Properties

Under the Master Lease, Tenant, a subsidiary of Penn, will be required to make all expenditures reasonably necessary to maintain the premises in good appearance, repair and condition. Tenant will own and be required to maintain all personal property located at the leased properties in good repair and condition as is necessary to operate all the premises in compliance with applicable legal, insurance and licensing requirements. Without limiting the foregoing, Tenant will be required to spend an amount equal to at least 1% of its actual net revenue each calendar year on installation or maintenance, restoration and repair of items that are capitalized in accordance with GAAP with a life of not less than three years.

Capital Improvements (defined as any improvements, alternations or modifications other than ordinary maintenance of existing improvements, including, without limitation, capital improvements and structural alternations, modifications or improvements, one or more additional structures annexed to any facility or the expansion of existing improvements) by Tenant will be permitted without the consent of Lessor, a subsidiary of GLPI, only if such Capital Improvements (i) are of equal or better quality than the existing improvements they are improving, altering or modifying, (ii) do not consist of adding new structures or enlarging existing structures and (iii) do not have an adverse effect on the structure of any existing improvements. All other Capital Improvements will require Lessor's review and approval, which approval shall not be unreasonably withheld. Tenant will be required to provide copies of the plans and specifications in respect of all Capital Improvements, which shall be prepared in a high-grade professional manner and shall adequately demonstrate compliance with the foregoing with respect to permitted projects not requiring approval and shall be in such form as Lessor may reasonably require for any other projects.

Tenant will be required to pay for all maintenance expenditures and Capital Improvements, provided that Lessor will have a right of first offer to finance certain Capital Improvement projects. Tenant shall be permitted to seek outside financing for such Capital Improvements during the six month period following Lessor's offer of financing only on terms that are economically more advantageous to Tenant than offered by Lessor. Whether or not Capital Improvements are financed by Lessor, Lessor will be entitled to receive Percentage Rent based on the net revenues generated by the new improvements as described above and such Capital Improvements will be subject to the terms of the Master Lease, provided that in no event shall Tenant be obligated to obtain financing from Lessor to the extent such financing from Lessor would violate or cause a default or breach under any material indebtedness of Penn or Tenant.

Mortgages, Liens or Encumbrances

At the time of the Spin-Off, GLPI will not have imposed any material mortgages, or other liens or encumbrances against the properties.

Competition

We will compete for real property investments with other REITs, investment companies, private equity and hedge fund investors, sovereign funds, lenders, gaming companies and other investors. In addition, revenues from our properties will be dependent on the ability of our tenants and operators to compete with other gaming operators. The operators of our properties compete on a local and regional basis for customers. The gaming industry is characterized by a high degree of competition among a large number of participants, including riverboat casinos, dockside casinos, land-based casinos, video lottery, sweepstakes and poker machines not located in casinos, Native American gaming, emerging varieties of Internet gaming and other forms of gaming in the U.S. In a broader sense, the gaming operations at our gaming properties will face competition from all manner of leisure and entertainment activities, including: shopping; high school, collegiate and professional athletic events; television and movies; concerts and travel. Legalized gaming is currently permitted in various forms throughout the U.S., in several Canadian provinces and on various lands taken into trust for the benefit of certain Native Americans in the U.S. and Canada. Other jurisdictions, including states adjacent to states in which we will own property with facilities (such as in Ohio and Maryland), have legalized, and will expand gaming in the near future. In addition, established gaming jurisdictions could award additional gaming licenses or permit the expansion or relocation of existing gaming operations. New, relocated or expanded operations by other persons will increase competition for the gaming operations at our gaming properties and could have a material adverse impact on the operators and us as landlord and operator.

Some of our competitors are significantly larger and have greater financial resources and lower costs of capital than we have. Increased competition will make it more challenging to identify and successfully capitalize on acquisition opportunities that meet our investment objectives. Our ability to compete is also impacted by national and local economic trends, availability of investment alternatives, availability and cost of capital, construction and renovation costs, existing laws and regulations, new legislation and population trends. See "Risk Factors—Risk Factors Relating to Our Business following the Spin-Off—Our pursuit of investments in, and acquisitions or development of, additional properties may be unsuccessful or fail to meet our expectations."

As a landlord, we compete in the real estate market with numerous developers and owners of properties. Some of our competitors have greater economies of scale, have access to more resources and have greater name recognition than we do. If our competitors offer space at rental rates below the current market rates or below the rentals we currently charge, we may lose our (potential) tenants and we may be pressured to reduce our rental rates or to offer substantial rent abatements, tenant improvement allowances, early termination rights or below-market renewal options in order to win new tenants and retain tenants when our leases expire.

Employees

Approximately 900 current employees of Penn are expected to be employed by GLPI following the Spin-Off. Substantially all of these employees will be employed at Louisiana Casino Cruises, Inc. and Penn Cecil Maryland, Inc., both of which will be wholly owned subsidiaries of GLP Holdings, Inc., in connection with the operation of the TRS Properties.

Regulation

The ownership, operation, and management of gaming and racing facilities are subject to pervasive regulation. Gaming laws are generally based upon declarations of public policy designed to protect gaming consumers and the viability and integrity of the gaming industry. Gaming laws also may be designed to protect and maximize state and local revenues derived through taxes and licensing fees imposed on gaming industry participants as well as to enhance economic development and tourism. To accomplish these public policy goals, gaming laws establish procedures to ensure that participants in the gaming industry meet certain standards of character and fitness. In addition, gaming laws require gaming industry participants to:

- ensure that unsuitable individuals and organizations have no role in gaming operations;
- establish procedures designed to prevent cheating and fraudulent practices;
- establish and maintain responsible accounting practices and procedures;
- maintain effective controls over their financial practices, including establishment of minimum procedures for internal fiscal affairs and the safeguarding of assets and revenues;
- maintain systems for reliable record keeping;
- file periodic reports with gaming regulators;
- ensure that contracts and financial transactions are commercially reasonable, reflect fair market value and are arms-length transactions; and
- establish programs to promote responsible gaming.

These regulations will impact our business in two important ways: (1) our ownership and operation of the TRS Properties and (2) the operations of our gaming tenants. Our ownership and operation of the TRS Properties will subject GLPI and its officers and directors to the jurisdiction of the gaming regulatory agencies in Louisiana and Maryland. Further, many gaming and racing regulatory agencies in the jurisdictions in which our tenant operates will require GLPI and its affiliates to maintain a license as a key business entity or supplier of Penn because its status as landlord.

Licensing and Suitability Determinations

Gaming laws require us, each of our subsidiaries engaged in gaming operations, certain of our directors, officers and employees, and in some cases, certain of our shareholders and holders of our debt securities, to obtain licenses from gaming authorities. Licenses typically require a determination that the applicant qualifies or is suitable to hold the license. Gaming authorities have very broad discretion in determining whether an applicant qualifies for licensing or should be deemed suitable. In evaluating individual applicants, gaming authorities consider the individual's business experience and reputation for good character, the individual's criminal history and the character of those with whom the individual associates.

In addition to our affiliates, many jurisdictions require any person who acquires beneficial ownership of more than a certain percentage of our voting securities, typically 5%, to report the acquisition to gaming authorities, and gaming authorities may require such holders to apply for qualification or a finding of suitability. Most gaming authorities, however, allow an "institutional investor" to apply for a waiver. An "institutional investor" is generally defined as an investor acquiring and holding voting securities in the ordinary course of business as an institutional investor, and not for the purpose of causing, directly or indirectly, the election of a member of our board of directors, any change in our corporate charter, bylaws, management, policies or operations, or those of any of our gaming affiliates, or the taking of any other action which gaming authorities find to be inconsistent with holding our voting securities for investment purposes only. Even if a waiver is granted, an institutional investor generally may not take any action inconsistent with its status when the waiver was granted without once again becoming subject to the foregoing reporting and application obligations.

Generally, any person who fails or refuses to apply for a finding of suitability or a license within the prescribed period after being advised it is required by gaming authorities may be denied a license or found unsuitable, as applicable. Any shareholder found unsuitable or denied a license and who holds, directly or indirectly, any beneficial ownership of our voting securities beyond such period of time as may be prescribed by the applicable gaming authorities may be guilty of a criminal offense. Furthermore, we may be subject to disciplinary action if, after we receive notice that a person is unsuitable to be a shareholder or to have any other relationship with us or any of our subsidiaries, we: (i) pay that person any dividend or interest upon our voting securities; (ii) allow that person to exercise, directly or indirectly, any voting right conferred through securities held by that person; (iii) pay remuneration in any form to that person for services rendered or otherwise; or (iv) fail to pursue all lawful efforts to require such unsuitable person to relinquish his voting securities including, if necessary, the immediate purchase of said voting securities for cash at fair market value.

The gaming jurisdictions in which we will operate also require that suppliers of certain goods and services to gaming industry participants be licensed and require us to purchase and lease gaming equipment, and certain supplies and services only from licensed suppliers.

Violations of Gaming Laws

If we or our subsidiaries violate applicable gaming laws, our licenses could be limited, conditioned, suspended or revoked by gaming authorities, and we and any other persons involved could be subject to substantial fines. Further, a supervisor or conservator can be appointed by gaming authorities to operate our gaming properties, or in some jurisdictions, take title to our gaming assets in the jurisdiction, and under certain circumstances, earnings generated during such appointment could be forfeited to the applicable state or states. Furthermore, violations of laws in one jurisdiction could result in disciplinary action in other jurisdictions. As a result, violations by us of applicable gaming laws could have a material adverse effect on our gaming operations.

Review and Approval of Transactions

Substantially all material loans, leases, sales of securities and similar financing transactions by us and our subsidiaries must be reported to and in some cases approved by gaming authorities. Neither we nor any of our subsidiaries may make a public offering of securities without the prior approval of certain gaming authorities. Changes in control through merger, consolidation, stock or asset acquisitions, management or consulting agreements, or otherwise are subject to receipt of prior approval of gaming authorities. Entities seeking to acquire control of us or one of our subsidiaries must satisfy gaming authorities with respect to a variety of stringent standards prior to assuming control.

Hollywood Casino Baton Rouge—Riverboat Casino

We will own the site where the Hollywood Casino Baton Rouge, a riverboat casino, is located. The Hollywood Casino Baton Rouge is subject to regulations applicable to vessels operating on navigable waterways, including regulations of the U.S. Coast Guard. These requirements set limits on the operation of the vessel, mandate that it must be operated by a minimum complement of licensed personnel, establish periodic inspections, including the physical inspection of the outside hull, and establish other mechanical and operations rules.

Insurance

We will have or require our tenants to have comprehensive liability, fire, flood, extended coverage and rental loss insurance with respect to our portfolio of properties.

Legal Proceedings

Pursuant to the Separation and Distribution Agreement, any liability arising from or relating to legal proceedings involving the businesses and operations of Penn's real property holdings prior to the

Spin-Off (other than any liability arising from or relating to legal proceedings where the dispute arises from the operation or ownership of the TRS Properties) will be retained by Penn and that Penn will indemnify GLPI (and its subsidiaries, directors, officers, employees and agents and certain other related parties) against any losses it may incur arising from or relating to such legal proceedings. Penn is currently a party to various legal actions and administrative proceedings and is subject to various claims arising in the ordinary course of its business. There can be no assurance that Penn will be able to fully satisfy its indemnification obligations. Moreover, even if we ultimately succeed in recovering from Penn any amounts for which we are held liable, we may be temporarily required to bear these losses.

Environmental Matters

Our properties will be subject to environmental laws regulating, among other things, air emissions, wastewater discharges and the handling and disposal of wastes, including medical wastes. Certain of the properties we will own utilize above or underground storage tanks to store heating oil for use at the properties. Other properties were built during the time that asbestos-containing building materials were routinely installed in residential and commercial structures. The Master Lease obligates the tenant thereunder to comply with applicable environmental laws and to indemnify us if their noncompliance results in losses or claims against us, and we expect that any future leases will include the same provisions for other operators. An operator's failure to comply could result in fines and penalties or the requirement to undertake corrective actions which may result in significant costs to the operator and thus adversely affect their ability to meet their obligations to us.

Pursuant to U.S. federal, state and local environmental laws and regulations, a current or previous owner or operator of real property may be required to investigate, remove and/or remediate a release of hazardous substances or other regulated materials at, or emanating from, such property. Further, under certain circumstances, such owners or operators of real property may be held liable for property damage, personal injury and/or natural resource damage resulting from or arising in connection with such releases. Certain of these laws have been interpreted to be joint and several unless the harm is divisible and there is a reasonable basis for allocation of responsibility. We also may be liable under certain of these laws for damage that occurred prior to our ownership of a property or at a site where we sent wastes for disposal. The failure to properly remediate a property may also adversely affect our ability to lease, sell or rent the property or to borrow funds using the property as collateral.

In connection with the ownership of our current or past properties and any properties that we may acquire in the future, we could be legally responsible for environmental liabilities or costs relating to a release of hazardous substances or other regulated materials at or emanating from such property. In order to assess the potential for such liability, Penn has typically engaged (and we would expect in the future to typically engage) a consultant to conduct a limited environmental assessment of each property prior to acquisition and oversee our properties in accordance with environmental laws. We are not aware of any environmental issues that are expected to have a material impact on the operations of any of our properties.

Pursuant to the Master Lease and the Separation and Distribution Agreement, any liability arising from or relating to environmental liabilities arising from the businesses and operations of Penn's real property holdings prior to the Spin-Off (other than any liability arising from or relating to the operation or ownership of the TRS properties and except to the extent first discovered after the end of the term of the Master Lease) will be retained by Penn and that Penn will indemnify GLPI (and its subsidiaries, directors, officers, employees and agents and certain other related parties) against any losses arising from or relating to such environmental liabilities. There can be no assurance that Penn will be able to fully satisfy its indemnification obligations. Moreover, even if we ultimately succeed in recovering from Penn any amounts for which we are held liable, we may be temporarily required to bear these losses while seeking recovery from Penn.

CAPITALIZATION

The following table sets forth the unaudited pro forma capitalization of GLPI as of June 30, 2013, which gives effect to the Spin-Off and the transactions related to the Spin-Off, including the Internal Reorganization and the financing transactions, as if they occurred on June 30, 2013.

The assumptions used and pro forma adjustments derived from such assumptions are based on currently available information and GLPI believes such assumptions are reasonable under the circumstances.

This table should be read in conjunction with "Selected Historical Consolidated Financial Data," "Financing," "Description of Capital Stock of GLPI," "Management's Discussion and Analysis of Financial Condition and Results of Operations of GLPI," the combined financial statements of Louisiana Casino Cruises, Inc. and Penn Cecil Maryland, Inc. as well as the financial information on GLPI and "GLPI Unaudited Pro Forma and Forecasted Consolidated Financial Statements" and accompanying notes included in this Prospectus.

	As of June 30, 2013 (in thousands)			
	Louisiana Casino Cruises, Inc. and Penn Cecil Maryland, Inc.	**Real Estate Assets to be acquired by GLPI**	**Pro Forma Adjustments**	**Pro Forma**
Cash and cash equivalents	$ 18,400	$ —	$ 367,052	$ 385,452
Long term debt, including amounts due within one year				
Unsecured Term Loan A	$ —	$ —	$ 300,000	$ 300,000
Unsecured Revolver(1)	—	—	150,000	150,000
Sr. Notes—Anticipate three tranches with maturities ranging from 5 to 10 years	—	—	2,050,000	2,050,000
Total debt	—	—	2,500,000	2,500,000
Shareholder's equity	244,243	2,014,008	(2,135,695)	122,556
Total Capitalization	**$ 244,243**	**$ 2,014,008**	**$ 364,305**	**$ 2,622,556**

(1) The revolving credit facility is expected to provide up to $850 million of borrowing capacity.

SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA

The following table sets forth selected combined historical financial data of Louisiana Casino Cruises, Inc. and Penn Cecil Maryland, Inc. which will be acquired by a subsidiary of GLPI that we anticipate will be called GLP Holdings, Inc., and which will operate the TRS Properties after the Spin-Off. GLPI will also acquire certain real estate assets in connection with the Spin-Off. As such, the balance sheet of GLPI at the time of the Spin-Off will reflect both the assets and liabilities of Louisiana Casino Cruises, Inc. and Penn Cecil Maryland, Inc. as well as the real estate assets at their respective historical carrying values.

The following selected historical financial data does not reflect the financial position or results of operations of GLPI for the periods indicated. This historical financial data only reflects the historical operations of the TRS Properties to be acquired by GLP Holdings, Inc. and does not illustrate any rent for the other properties to be owned by GLPI or the related expenses of operating GLPI in these periods. The following table should be read in conjunction with: "GLPI Unaudited Pro Forma and Forecasted Consolidated Financial Statements," "Management's Discussion and Analysis of Financial Condition and Results of Operations of GLPI" and the historical combined financial statements of Louisiana Casino Cruises, Inc. and Penn Cecil Maryland, Inc. and financial information on GLPI presented elsewhere herein.

	Year Ended December 31				
	2012(1)	2011	2010(2)	2009(2)	2008
	(in thousands)				
Income statement data:					
Net revenues	$ 210,643	$ 231,884	$ 143,198	$ 122,994	$ 131,014
Total operating expenses	166,975	179,371	112,067	83,979	87,185
Income from operations	43,668	52,513	31,131	39,015	43,829
Total other expenses	(6,318)	(6,954)	(4,874)	(5,633)	(8,010)
Income from operations before income taxes	37,350	45,559	26,257	33,382	35,819
Taxes on income	14,431	18,875	10,927	13,393	13,966
Net income	$ 22,919	$ 26,684	$ 15,330	$ 19,989	$ 21,853
Other data:					
Net cash provided by operating activities	$ 26,744	$ 56,840	$ 29,083	$ 25,047	$ 27,526
Net cash used in investing activities	(4,810)	(8,171)	(58,987)	(34,489)	(5,744)
Net cash (used in) provided by financing activities	(24,518)	(50,436)	41,866	9,525	(21,790)
Depreciation	14,090	14,568	10,809	9,158	9,236
Interest expense on debt obligation to Penn National Gaming, Inc.	—	—	583	1,949	4,097
Capital expenditures	5,190	8,288	59,056	25,683	5,748
Balance sheet data:					
Cash and cash equivalents	$ 14,562	$ 17,146	$ 18,913	$ 6,951	$ 6,868
Total assets	266,286	261,342	254,208	181,956	155,348
Intercompany note with Penn National Gaming, Inc.	—	—	900	21,650	44,300
Shareholders' equity	236,330	219,911	215,388	138,857	85,475

(1) Hollywood Casino Perryville faced increased competition and its results have been and are expected to continue to be negatively impacted by the opening of a casino complex at the Arundel Mills mall in Anne Arundel, Maryland. The Anne Arundel casino opened on June 6, 2012 with approximately 3,200 slot machines and significantly increased its slot machine offerings by mid-September 2012 to approximately 4,750 slot machines. In addition, a new riverboat casino and hotel in Baton Rouge, Louisiana opened on September 1, 2012. The opening of this riverboat casino has and is anticipated to continue to have an adverse effect on the financial results of Hollywood Casino Baton Rouge.

(2) The higher level of capital expenditures in 2010 and 2009 were primarily due to the construction of Hollywood Casino Perryville which opened to the public on September 27, 2010.

GLPI UNAUDITED PRO FORMA AND FORECASTED CONSOLIDATED FINANCIAL STATEMENTS

The following financial statements reflect the unaudited pro forma consolidated balance sheet of GLPI as of June 30, 2013, as if the Internal Reorganization, the Separation and the REIT Conversion had occurred on June 30, 2013, and also reflect the unaudited forecasted consolidated income statement of GLPI for the twelve months ended October 31, 2014 as if the Internal Reorganization and the Separation occurred on November 1, 2013, and the REIT Conversion had occurred on January 1, 2014. The Unaudited Pro Forma Consolidated Balance Sheet has been prepared in accordance with Rule 11 of Regulation S-X. The Unaudited Forecasted Consolidated Income Statement has been prepared in conformity with guidelines established by the American Institute of Certified Public Accountants. In the view of our management, the forecasted consolidated income statement was prepared on a reasonable basis, reflects the best currently available estimates and judgments and presents, to the best of management's knowledge and belief, our expected course of action and our expected future financial performance. However, this information is not fact and should not be relied upon as being indicative of future results, and, therefore, readers of this Prospectus are cautioned not to place undue reliance on this prospective financial information.

The assumptions underlying the pro forma adjustments are described in the accompanying notes, which should be read in conjunction with the unaudited pro forma consolidated financial information. The assumptions used and pro forma adjustments derived from such assumptions are based on currently available information, and we believe such assumptions are reasonable under the circumstances.

These financial statements have been made solely for illustrative purposes. The actual results reported in periods following the Internal Reorganization, the Spin-Off and the REIT Conversion may differ significantly from those reflected in these pro forma and forecasted financial statements for a number of reasons, including inaccuracy of the assumptions used to prepare these financial statements. Please read "Risk Factors" and "Forward-Looking Statements" elsewhere in this Registration Statement for a discussion of matters that could cause our actual results to differ materially from those contained in these financial statements. In addition, no adjustments have been made to the unaudited forecasted consolidated income statement for non-recurring items related to the transactions. As a result, the pro forma and forecasted financial information does not purport to be indicative of what the financial condition or results of operations would have been had the Internal Reorganization, the Separation and the REIT Conversion been completed on the applicable dates of these financial statements.

The accompanying unaudited forecasted and pro forma consolidated financial statements should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations of GLPI."

GLPI

UNAUDITED FORECASTED CONSOLIDATED INCOME STATEMENT

For the twelve month period ended October 31, 2014 (in thousands)

	Total	
Revenues		
Rental income	$ 429,827	(A)
Gaming, food and beverage revenues, net of promotional allowances	166,748	(B)
Total revenues	596,575	
Costs and expenses		
TRSs operating expenses	126,235	(B)
REIT G&A expenses	49,343	(C)
Depreciation and amortization	119,341	(D)
Interest expense	142,662	(E)
Total costs and expenses	437,581	
Income before income taxes	158,994	
Income tax expense	13,907	(F)
Net income	$ 145,087	
Weighted average number of common and common equivalent shares outstanding		
Basic	120,862	(G)
Diluted	126,822	(G)
Basic earnings per share	$ 1.20	
Diluted earnings per share	$ 1.14	

See accompanying notes to unaudited pro forma and forecasted consolidated financial statements.

GLPI

UNAUDITED PRO FORMA CONSOLIDATED BALANCE SHEET

As of June 30, 2013 (in thousands)

	Historical GLPI	Louisiana Casino Cruises, Inc. and Penn Cecil Maryland, Inc	Real Estate Assets to be acquired by GLPI	Total Pro Forma Adjustments		Pro Forma GLPI
Assets						
Current assets						
Cash and cash equivalents	$ —	$ 18,400	$ —	$ 2,500,000	(H)	$ 385,452
				(2,067,000)	(I)	
				(42,830)	(J)	
				1,882	(K)	
				(25,000)	(O)	
Prepaid expenses and other current assets	—	2,397	—	—		2,397
Deferred income taxes	—	1,766	—	—		1,766
Total current assets	—	22,563	—	367,052		389,615
Property and equipment, Gross	—	214,853	2,463,198			2,678,051
Accumulated Depreciation	—	(100,867)	(449,190)			(550,057)
Property and equipment, Net	—	113,986	2,014,008	—		2,127,994
Other assets						
Intercompany receivable	—	43,695	—	(43,695)	(N)	—
Goodwill	—	75,521	—	—		75,521
Other intangible assets	—	9,577	—	—		9,577
Debt issuance costs	—	—	—	42,830	(J)	42,830
Other assets	—	128	—	9,508	(L)	9,636
Total other assets	—	128,921	—	8,643		137,564
Total assets	$ —	$ 265,470	$ 2,014,008	$ 375,695		$2,655,173
Liabilities						
Current liabilities						
Accounts payable and accrued expenses	$ —	$ 8,964	$ —	$ —		$ 8,964
Income taxes	—	3,706	—	—		3,706
Other current liabilities	—	1,606	—	1,882	(K)	3,488
Total current liabilities	—	14,276	—	1,882		16,158
Long-term liabilities						
Long-term debt	—	—	—	2,500,000	(H)	2,500,000
Deferred income taxes	—	6,951	—	38,521	(M)	6,951
				(38,521)	(M)	
				3,350	(P)	
				(3,350)	(P)	
Other noncurrent liabilities	—		—	9,508	(L)	9,508
Total long-term liabilities	—	6,951	—	2,509,508		2,516,459
Shareholders' equity						
Net equity	—	244,243	2,014,008	(2,067,000)	(I)	122,556
				38,521	(M)	
				(38,521)	(M)	
				(43,695)	(N)	
				(25,000)	(O)	
				3,350	(P)	
				(3,350)	(P)	
Total shareholders' equity	—	244,243	2,014,008	(2,135,695)		122,556
Total liabilities and shareholders' equity	$ —	$ 265,470	$ 2,014,008	$ 375,695		$2,655,173

See accompanying notes to unaudited pro forma and forecasted consolidated financial statements.

NOTES TO GLPI UNAUDITED
PRO FORMA AND FORECASTED CONSOLIDATED FINANCIAL STATEMENTS

The forecasted consolidated income statement presents, to the best of management's knowledge and belief, the Company's expected results of operations for the forecast period as if the Internal Reorganization and the Separation occurred on November 1, 2013 and the REIT Conversion occurred on January 1, 2014. Accordingly, the forecast reflects management's judgment as of August 22, 2013, the date of this forecast of the expected conditions and its expected course of action. The assumptions disclosed herein in Note 2 are those that management believes are significant to the forecast. There will usually be differences between forecasted and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

The forecast assumes no material changes in applicable legislation, competition (as well as changes in marketing strategies of the Company's or Penn's competitors in their respective regional gaming markets), regulatory environment, world events, weather, consumer trends, economic conditions, or other circumstances beyond management's control that may adversely affect the Company's results of operations.

The forecast assumes GLPI will lease 19 gaming and related facilities to Penn. It includes 2.5 months of rental income from the two facilities in Dayton, OH and Mahoning Valley, OH that are currently being constructed by Penn in Ohio. It also includes rental income for the entire period related to Penn's Sioux City casino which, based on recent events, may be forced to close as early as July 2014.

Note 1—Summary of Significant Accounting Policies

The accounting policies utilized in the preparation of our Unaudited Pro Forma Consolidated Balance Sheet and Unaudited Forecasted Consolidated Income Statement are shown below and are consistent with those utilized in the preparation of the historical financial statements.

Cash and Cash Equivalents

The Company considers all cash balances and highly liquid investments with original maturities of three months or less to be cash and cash equivalents.

Concentration of Credit Risk

Financial instruments that subject the Company to credit risk consist of cash and cash equivalents. At times, the Company has bank deposits that exceed federally insured limits.

Accounts are written off when management determines that an account is uncollectible. Recoveries of accounts previously written off are recorded when received. An allowance for doubtful accounts is determined to reduce the Company's receivables to their carrying value, which approximates fair value. The allowance is estimated based on historical collection experience, specific review of individual customer accounts, and current economic and business conditions.

Property and Equipment

Property and equipment are stated at cost, less accumulated depreciation. Maintenance and repairs that neither add materially to the value of the asset nor appreciably prolong its useful life are charged to expense as incurred. Gains or losses on the disposal of property and equipment are included in the determination of income.

NOTES TO GLPI UNAUDITED
PRO FORMA AND FORECASTED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Note 1—Summary of Significant Accounting Policies (Continued)

Depreciation of property and equipment is recorded using the straight-line method over the following estimated useful lives:

Land improvements	5 to 15 years
Building and improvements	5 to 40 years
Furniture, fixtures, and equipment	3 to 31 years

Leasehold improvements are depreciated over the shorter of the estimated useful life of the improvement or the related lease term.

The estimated useful lives are determined based on the nature of the assets as well as the Company's current operating strategy.

The Company reviews the carrying value of its property and equipment for possible impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable based on undiscounted estimated future cash flows expected to result from its use and eventual disposition. The factors considered by the Company in performing this assessment include current operating results, trends and prospects, as well as the effect of obsolescence, demand, competition and other economic factors. In assessing the recoverability of the carrying value of property and equipment, the Company must make assumptions regarding future cash flows and other factors. If these estimates or the related assumptions change in the future, the Company may be required to record an impairment loss for these assets.

Goodwill and Other Intangible Assets

At June 30, 2013, the Company had $75.5 million in goodwill and $9.6 million in other intangible assets within its consolidated balance sheet, resulting from the acquisition of Hollywood Casino Baton Rouge and payments for Hollywood Casino Perryville's gaming license.

Goodwill is tested annually, or more frequently if indicators of impairment exist, for impairment by comparing the fair value of the Hollywood Casino Baton Rouge reporting unit to its carrying amount. If the carrying amount exceeds its fair value in step 1 of the impairment test, then step 2 of the impairment test is performed to determine the implied value of goodwill. If the implied value of goodwill is less than the goodwill allocated, an impairment loss is recognized.

In accordance with Financial Accounting Standards Board Accounting Standards Codification ("ASC") 350, "Intangibles-Goodwill and Other," the Company considers its Hollywood Casino Perryville gaming license as an indefinite-life intangible asset that does not require amortization based on the Company's future expectations to operate this casino indefinitely as well as the gaming industry's historical experience in renewing these intangible assets at minimal cost with various state gaming and racing commissions. Rather, the Company's gaming license is tested annually, or more frequently if indicators of impairment exist, for impairment by comparing the fair value of the recorded asset to its carrying amount. If the carrying amount of the indefinite-life intangible asset exceeds its fair value, an impairment loss is recognized.

The evaluation of goodwill and indefinite-life intangible assets requires the use of estimates about future operating results to determine their estimated fair value. The Company uses a market approach model, which includes the use of forecasted adjusted EBITDA (earnings before interest, taxes, charges for stock compensation, depreciation and amortization, gain or loss on disposal of assets, and certain

NOTES TO GLPI UNAUDITED
PRO FORMA AND FORECASTED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Note 1—Summary of Significant Accounting Policies (Continued)

other income and expenses) and adjusted EBITDA multiples, as the Company believes that adjusted EBITDA is a widely-used measure of performance in the gaming industry and as the Company uses adjusted EBITDA as the primary measurement of the operating performance of its casino properties (including the evaluation of operating personnel). In addition, the Company believes that an adjusted EBITDA multiple is the principal basis for the valuation of gaming companies. Changes in the estimated adjusted EBITDA multiples or forecasted operations can materially affect these estimates.

Forecasted adjusted EBITDA levels (based on the Company's annual operating plan) can be significantly impacted by the local economy in which the Company's reporting units operate. For example, increases in unemployment rates can result in decreased customer visitations and/or lower customer spend per visit. In addition, the impact of new legislation which approves gaming in nearby jurisdictions or further expands gaming has the impact of increasing competition for the Company's casino properties which generally will have a negative effect on those locations' profitability once competitors become established as a certain level of cannibalization occurs absent an overall increase in customer visitations. Lastly, increases in gaming taxes approved by state regulatory bodies can negatively impact forecasted adjusted EBITDA.

Assumptions and estimates about future adjusted EBITDA levels and multiples are complex and subjective. They are sensitive to changes in underlying assumptions and can be affected by a variety of factors, including external factors, such as industry, geopolitical and economic trends, and internal factors, such as changes in the Company's business strategy. The Company's two casinos faced significant increases in competition in the second half of 2012 which has negatively impacted their operations. However, the Company has forecasted the impact of this additional competition on its two casinos' future operating results and incorporated these projections in its impairment analysis of the Company's goodwill and indefinite-life intangible assets. At December 31, 2012, no impairment charge was required as the implied fair value of both Hollywood Casino Perryville and Hollywood Casino Baton Rouge exceeded their fair values.

Income Taxes

These financial statements have been prepared based on the assumption that the Company qualified as a REIT under the Internal Revenue Code, As such, the Company generally will not be subject to federal corporate income tax to the extent it distributes its REIT taxable income to its stockholders, and so long as it distributes 90% of its REIT taxable income. REITs are subject to a number of other organizational and operational requirements. The Company may still be subject to certain state and local taxes on its income and property, and federal income and excise taxes on its undistributed income. Additionally, it will be subject to federal income taxes on earnings generated by its taxable REIT subsidiaries.

The Company accounts for income taxes in accordance with ASC 740, "Income Taxes" ("ASC 740"). Under ASC 740, deferred tax assets and liabilities are determined based on the differences between the financial statement carrying amounts and the tax bases of existing assets and liabilities and are measured at the prevailing enacted tax rates that will be in effect when these differences are settled or realized. ASC 740 also requires that deferred tax assets be reduced by a valuation allowance if it is more likely than not that some portion or all of the deferred tax assets will not be realized.

The realizability of the deferred tax assets is evaluated quarterly by assessing the valuation allowance and by adjusting the amount of the allowance, if any, as necessary. The factors used to assess

NOTES TO GLPI UNAUDITED
PRO FORMA AND FORECASTED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Note 1—Summary of Significant Accounting Policies (Continued)

the likelihood of realization are the forecast of future taxable income and available tax planning strategies that could be implemented to realize the net deferred tax assets.

Revenue Recognition

The Company recognizes rental revenue from tenants, including rental abatements, lease incentives and contractual base rents attributable to leases, on a straight-line basis over the term of the related leases when collectability is reasonably assured. Percentage rents are recognized as earned. If the lease provides for tenant improvements, the Company determines whether the tenant improvements, for accounting purposes, are owned by the tenant or the Company.

Gaming revenues are recognized net of certain sales incentives in accordance with ASC 605-50, *Revenue Recognition—Customer Payments and Incentives*. The Company records cash incentives and points earned in point-loyalty programs as a reduction of gaming revenue.

Gaming revenues include video lottery gaming revenue, which 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.

Gaming revenues include table game gaming revenues, which 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), front money that are removed from the live gaming tables.

Food and beverage revenue is recognized as services are performed.

Gaming and Admission Taxes

The Company is subject to gaming and admission taxes based on gross gaming revenues in the jurisdictions in which it operates. The Company primarily 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 were or in which wagering occurs. At Hollywood Casino Baton Rouge, the gaming admission tax is based on graduated tax rates. The Company records gaming and admission 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.

Note 2—Forecasted Adjustments

(A) To record rental income associated with the rent from subsidiaries of Penn in connection with the Master Lease. The rental payment will be comprised of Base Rent and Percentage Rent components, which are described below.

NOTES TO GLPI UNAUDITED
PRO FORMA AND FORECASTED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Note 2—Forecasted Adjustments (Continued)

Base Rent

Fixed amount for duration of lease. This amount will be:

(i) a fixed component equal to $243.3 million during the first year of the Master Lease, and thereafter escalated annually by 2%, subject to a cap that would cause the preceding year's adjusted revenue to rent ratio (as it will be defined in the Master Lease) for the properties in the aggregate not to fall below 1.8:1 ("Building Base Rent"); plus

(ii) an additional fixed component equal to $91.2 million ("Land Base Rent").

Percentage Rent

A variable percentage rent component that will be calculated as follows and is expected to equal $95.5 million during the first year of the Master Lease:

(iii) *Percentage Rent (other than Columbus and Toledo Facilities)*: Fixed, amount for the first 5 years. An adjustment will be recorded every five years to establish a new fixed amount for the next five-year period based on the average actual net revenues of Penn from the Facilities (other than the Columbus and Toledo Facilities) during the five year period then ended (and calculated by multiplying 4% by the excess (if any) of (i) the average net revenues for the trailing five-year period over (ii) 50% of the 2013 projected revenues).

(iv) *Percentage Rent (Columbus and Toledo Facilities)*: Variable amount, determined monthly, based on 20% of the excess of Penn's actual net revenues from the Columbus and Toledo Facilities of the month then ended over 50% of $^{1}/_{12}$ of the 2013 projected net revenues.

The Percentage Rent (Columbus and Toledo Facilities) for the twelve months ended October 31, 2014 incorporates our current expectations for 3.4% net revenue growth at these two facilities based on our historical experience of growth in similar sized regional gaming markets upon the inception of gaming, our actual results for these properties to date and the impact of recent and anticipated competition of new racinos that have and/or are anticipated to open in Ohio during the forecast period.

(B) Gaming, food and beverage revenues, net of promotional allowances from our TRSs were estimated based on the properties' historical results adjusted for the full year impact of recent competition that has negatively impacted its operations. Hollywood Casino Perryville results continued to be pressured by the opening of a significant casino complex at the Arundel Mills mall in June 2012. Similarly, Hollywood Casino Baton Rouge has been negatively impacted by the opening of a new riverboat casino on September 1, 2012. As a result, our forecasted net revenues for these two properties are significantly lower than what these properties generated prior to the openings of the additional competition. In a similar fashion, our operating expenses for the casinos are estimated to decline significantly, due to reductions in gaming taxes and a realignment of our operating costs resulting from reduced business volumes.

(C) The unaudited forecasted consolidated income statement includes general and administrative costs expected to be incurred by GLPI after the Spin-Off for items such as compensation costs (including stock based compensation awards), professional services, office costs, and other costs associated with development activities. To the extent requested by GLPI, Penn will provide GLPI with administrative and support services on a transitional basis pursuant to the

NOTES TO GLPI UNAUDITED
PRO FORMA AND FORECASTED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Note 2—Forecasted Adjustments (Continued)

Transition Services Agreement. The fees charged to GLPI for Transition Services furnished pursuant to this agreement are anticipated to be determined based on fixed percentages of Penn's internal costs which percentages are intended to approximate the actual cost incurred by Penn in providing the Transition Services to GLPI for the relevant period.

Our REIT general and administrative expense forecast for 2013 includes $8.8 million of rent on leased property received in connection with the Spin-Off based on the terms of the leases. It also includes $8.0 million of stock based compensation charges for the amortization of unrecognized compensation on Penn equity awards held by GLPI employees at the time of the Spin-Off with the vast majority of this amount relating to unvested awards held by GLPI's CEO and CFO. The forecast also includes approximately $18.5 million of corporate overhead and transitional services costs. Finally, costs of approximately $14.1 million were assumed for dividend payments on stock options (excluding vested options held by Penn employees) that will be declared by GLPI. This was based on outstanding options to acquire 8.1 million shares of GLPI common stock and an anticipated distribution of $1.75 per share of GLPI common stock during the twelve months ended October 31, 2014. Per the terms of the Employee Matters Agreement, GLPI will be responsible to accumulate and pay an amount equal to the previously declared GLPI dividends as these stock options vest. Once the awards vest option holders employed by both Penn and GLPI will not be entitled to any future payments related to GLPI dividends. However, it is anticipated that a payment equal to the value of any ordinary dividend declared with respect to GLPI common stock will be made (subject to GLPI's Compensation and Governance Committee approval) to GLPI employees who hold vested GLPI stock options. This amount has been included in the $14.1 million dividend payments on stock options discussed above. Not included in the total above are approximately $13.9 million of estimated payments in respect of ordinary dividends declared with respect to GLPI common stock to Penn employees who hold GLPI vested stock options and Penn's Board will consider the approval of such payments which, if approved, would be recorded on Penn's financial statements. The actual cash compensation cost incurred on these stock options will be based on the actual dividends declared by GLPI in the year after the Spin-Off, as well as the actual amount of GLPI stock option awards outstanding during the period.

(D) To record anticipated depreciation expense related to the property and equipment transferred to GLPI by Penn which was determined based on each individual assets estimated useful life. The forecast assumes approximately $3.3 million of additions to property and equipment during the forecast period for maintenance capital expenditures at Louisiana Casino Cruises, Inc. and Penn Cecil Maryland, Inc. Additionally, the forecast assumes no impairments of property and equipment will occur.

(E) To record anticipated interest expense related to GLPI's anticipated fixed and variable rate borrowings that will be incurred. Based on recent discussions with prospective lenders for GLPI's credit facility and current market interest rates we estimate that GLPI will have outstanding a ten year, $850 million senior note with a fixed interest rate of 6.2%, a seven year, $700 million senior note with a fixed interest rate of 5.9%, and a five year, $500 million senior note with a fixed interest rate of 5.7%. Additionally, we estimate that GLPI will have a $300 million unsecured Tern Loan A facility and a $850 million revolving credit facility with a bank group which initially will have $150 million outstanding. These facilities will be variable in nature, priced at LIBOR plus 225 basis points. It is estimated that

NOTES TO GLPI UNAUDITED
PRO FORMA AND FORECASTED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Note 2—Forecasted Adjustments (Continued)

a one-eighth percentage change in interest rates on GLPI's expected variable rate obligations would change annual interest expense by $0.6 million.

(F) The forecasted consolidated income statement of GLPI assumes that GLPI has met all the conditions necessary for it to be treated as a REIT subsequent to January 1, 2014. The provision for income taxes that has been made for the twelve months ended October 31, 2014 relates to earnings associated for the two months prior to GLPI electing REIT status on January 1, 2014 and the results of GLPI's TRSs based on an estimated effective income tax rate of 40.2%, consistent with GLPI's TRSs historical effective income tax rate.

(G) Based on the issuance of GLPI common stock to Penn shareholders in connection with the Spin-Off, shares anticipated to be issued to Fortress based on the terms of the Exchange Agreement (as described in the section "The Separation—Treatment of Penn Preferred Stock in the Spin-Off—Penn Series B Preferred Stock—Fortress"), adjustments for the Purging Distribution and the Compliance Exchange.

Note 3—Pro Forma Adjustments:

(H) To record anticipated amounts of GLPI indebtedness, which includes enough cash to satisfy the earnings and profits distribution requirement.

(I) In accordance with the Internal Reorganization, to record anticipated cash payments made to Penn, directly or indirectly, relating to the distribution of certain funds from GLPI's financing transactions.

(J) To record anticipated debt issuance costs related to GLPI's indebtedness.

(K) To record stock based compensation liabilities transferred from Penn for employees of GLPI as well as cash payment from Penn for this amount.

(L) Record deferred compensation liability and related assets that were transferred to GLPI related to executives as if their employment transferred to GLPI as of June 30, 2013.

(M) To record and subsequently remove the historical deferred tax liability associated with the transferred property and equipment since the pro forma statements are prepared assuming that GLPI has met all the necessary conditions for it to be treated as a REIT.

(N) Represents intercompany receivable balance of TRSs from Penn that will be forgiven as part of the Spin-Off.

(O) To record certain legal, tax and other costs associated with the Spin-Off which will be attributable to GLPI.

(P) To record and subsequently remove the historical deferred tax asset associated with the deferred compensation liability described in Note L, since the pro forma statements are prepared assuming that GLPI has met all the necessary conditions for it to be treated as a REIT.

NOTES TO GLPI UNAUDITED
PRO FORMA AND FORECASTED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Note 4—Income Taxes

Deferred tax assets and liabilities associated with GLPI's TRSs consisted of the following at June 30, 2013 (in thousands):

Deferred tax assets:	
Accrued expenses	$ 13,829
Net deferred tax assets	13,829
Deferred tax liabilities:	
Property, plant and equipment	(18,315)
Intangibles	(699)
Net deferred tax liabilities	(19,014)
Net	$ (5,185)
Reflected on consolidated balance sheets:	
Current deferred tax assets, net	$ 1,766
Noncurrent deferred tax liabilities, net	(6,951)
Net deferred taxes	$ (5,185)

Note 5—Reconciliation of Forecasted FFO to Forecasted Net Income

Funds from operations ("FFO") is a non-GAAP financial measure that is considered a supplemental measure for the real estate industry and a supplement to GAAP measures. NAREIT defines FFO as net income (computed in accordance with generally accepted accounting principles), excluding gains (or losses) from sales of property, plus real estate depreciation. We have defined Adjusted Funds From Operations ("AFFO") as FFO plus stock based compensation expense reduced by maintenance capital expenditures.

FFO and AFFO are useful to investors in comparing operating and financial results between periods. This is especially true since both measures exclude real estate depreciation and amortization expense and GLPI believes that real estate values fluctuate based on market conditions rather than depreciating in value ratably on a straight-line basis over time. GLPI believes such a presentation also provides investors with a more meaningful measure of GLPI's operating results in comparison to the operating results of other REITs.

FFO and AFFO do not represent cash flow from operations as defined by GAAP, should not be considered as an alternative to net income as defined by GAAP and is not indicative of cash available to fund all cash flow needs. Investors are also cautioned that FFO and AFFO, as presented, may not be comparable to similarly titled measures reported by other REITs due to the fact that not all real estate companies use the same definitions.

Commencing in 2014, GLPI expects to pay distributions in cash in an amount equal to approximately 80% of GLPI's AFFO for each quarterly period. See "Dividend Policy."

NOTES TO GLPI UNAUDITED
PRO FORMA AND FORECASTED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Note 5—Reconciliation of Forecasted FFO to Forecasted Net Income (Continued)

The following reconciles forecasted FFO and AFFO to forecasted net income (in thousands):

	Twelve Months Ended October 31, 2014
Net Income	$ 145,087
Real Estate Depreciation	119,341
FFO(1)	264,428
Stock Based Compensation Expense	8,039
Maintenance Capex	(3,322)
AFFO	$ 269,145

(1) Calculated in accordance with NAREIT definition of FFO, and there were no gains or losses from sales of property or adjustments for unconsolidated partnerships and joint ventures in the forecasted consolidated income statement of GLPI.

Note 6—Significant changes in Financial Position

We anticipate that GLPI will fund construction costs of $135 million for two facilities in Dayton, OH and Mahoning Valley, OH which are scheduled to be completed in August 2014. Subsequent to the completion of the construction, these facilities will be leased to Penn. Additionally we have forecasted that GLPI will pay dividends at $210.9 million during the twelve months ended October 31, 2014. As a result, we anticipate that GLPI will incur additional indebtedness of approximately $85 million during the period covered under the forecast. No other significant changes in financial position are anticipated.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS OF GLPI

The following is a discussion and analysis of the anticipated financial condition of GLPI immediately following the Spin-Off, which we have assumed for purposes of this section will occur on November 1, 2013. GLPI will not have operated the vast majority of its business prior to the Spin-Off. The statement of operations and cash flows of GLPI will consist primarily of its operations after the Spin-Off. Additionally, we have included a discussion and analysis of the historical results of operations for Louisiana Casino Cruises, Inc. and Penn Cecil Maryland, Inc. (that will be operated by GLPI through its TRSs). This discussion contains forward-looking statements that involve risks and uncertainties. GLPI's actual results could differ materially from those anticipated in these forward-looking statements as a result of various factors, including those which are discussed below and elsewhere in this Registration Statement. See also "Risk Factors."

Overview

GLPI is a wholly owned subsidiary of Penn that, with the exception of two small casinos that are being placed in its TRSs, has no historical operations. GLPI will be a publicly traded, self-administered, self-managed REIT primarily engaged in the property business, which will consist of owning, acquiring, developing, expanding, managing, and leasing gaming and related facilities. GLPI intends to elect to be taxed as a REIT for U.S. federal income tax purposes commencing with its taxable year beginning on January 1, 2014. To maintain REIT status, we must meet a number of organizational and operational requirements (see "U.S. Federal Income Tax Considerations"), including a requirement that we annually distribute to our shareholders at least 90% of our REIT taxable income, determined without regards to the dividends paid deduction and excluding any net capital gains. Initially, GLPI's portfolio will consist of 21 gaming and related facilities (including two properties under development in Dayton, OH and Mahoning Valley, OH) that are broadly diversified across 13 states. GLPI will lease all but two of its gaming and related facilities (Hollywood Casino Baton Rouge and Hollywood Casino Perryville) to a wholly owned subsidiary of Penn, under the Master Lease. Following the Spin-Off, GLPI will be the first gaming-focused REIT, and expects to grow its portfolio by aggressively pursuing opportunities to acquire additional gaming facilities to lease to gaming operators, which may include Penn. GLPI also anticipates diversifying its portfolio over time, including by acquiring properties outside the gaming industry to lease to third parties.

Components of GLPI's Revenues and Expenses from the rental of its properties to Penn

Revenues

Following the Spin-Off, GLPI's earnings will primarily be the result of the rental revenue from the lease of its properties to a subsidiary of Penn pursuant to the Master Lease. The Master Lease is a triple net lease with a wholly owned subsidiary of Penn as tenant, responsible for all maintenance, property taxes, insurance and other expenses. The rent will be comprised of Base Rent and Percentage Rent components which are described below.

Base Rent

Fixed amount for duration of lease. This amount will be:

(i) a fixed component equal to $243.3 million during the first year of the Master Lease, and thereafter escalated annually by 2%, subject to a cap that would cause the preceding year's adjusted revenue to rent ratio (as it will be defined in the Master Lease) for the properties in the aggregate not to fall below 1.8:1 ("Building Base Rent"); plus

(ii) an additional fixed component equal to $91.2 million ("Land Base Rent").

Percentage Rent

A variable percentage rent component that will be calculated as follows and is expected to equal $95.5 million during the first year of the Master Lease:

(iii) *Percentage Rent (other than Columbus and Toledo Facilities)*: Fixed amount, for the first 5 years. An adjustment will be recorded every five years to establish a new fixed amount for the next five-year period based on the average actual net revenues of Penn from the Facilities (other than the Columbus and Toledo Facilities) during the five year period then ended (and calculated by multiplying 4% by the excess (if any) of (i) the average net revenues for the trailing five-year period over (ii) 50% of the 2013 projected revenues).

(iv) *Percentage Rent (Columbus and Toledo Facilities)*: Variable amount, determined monthly, based on 20% of the excess of Penn's actual net revenues from the Columbus and Toledo Facilities of the month then ended over 50% of $^{1}/_{12}$ of the 2013 projected net revenues.

It is anticipated that the annual revenues from the Master Lease will initially be approximately $430 million.

General and Administrative Expenses

General and administrative costs are expected for items such as compensation costs (including stock based compensation awards), professional services, office costs, and other costs associated with development activities. To the extent requested by GLPI, Penn will provide GLPI with certain administrative and support services on a transitional basis pursuant to the Transition Services Agreement. The fees charged to GLPI for Transition Services furnished pursuant to this agreement will be determined based on fixed percentages of Penn's internal costs which percentages are intended to approximate the actual cost incurred by Penn in providing the Transition Services to GLPI for the relevant period. General and administrative expenses excluding costs associated with our TRSs operations are anticipated to be $49.3 million.

This amount includes $8.8 million of anticipated rent on leased property that we expect will be transferred to GLPI in connection with the Spin-Off. It also includes corporate overhead and transitional services costs of approximately $18.5 million. Finally it includes $8.0 million of stock based compensation charges for the amortization of unrecognized compensation costs at the time of spin that are held by GLPI employees (primarily our Chief Executive Officer and Chief Financial Officer). The details of our future anticipated equity grants and compensation has not yet been determined for our executive officers. The amount of compensation related expense, including non-cash stock compensation expense, actually incurred by GLPI in the first year after the Spin-Off will be based on determinations by GLPI's compensation and governance committee following the Spin-Off and the amortization of the unrecognized compensation costs related to the Penn equity awards held by GLPI employees at the Spin-Off. The aggregate fair value of the converted equity awards held by the GLPI employees will not change from their value immediately before the Spin-Off and therefore will not cause an incremental compensation charge.

Also included in the $49.3 million of general and administrative expenses above are cash compensation costs of approximately $14.1 million for payments on GLPI stock option awards (excluding vested options held by Penn employees) to reflect anticipated annual dividends that will be declared by GLPI. Per the terms of the Employee Matters Agreement, GLPI will be responsible to accumulate and pay an amount equal to the previously declared GLPI dividends as these stock options vest. Once the awards vest, option holders employed by both Penn and GLPI will not be entitled to any future payments related to GLPI dividends. However, it is anticipated that a payment equal to the value of any ordinary dividend declared with respect to GLPI common stock will be made (subject to GLPI's Compensation and Governance Committee approval) to GLPI employees who hold vested

GLPI stock options and this estimated amount has been included in the $14.1 million dividend payments on stock options discussed above. Not included in the total above are approximately $13.9 million of estimated payments in respect of ordinary dividends declared with respect to GLPI common stock to Penn employees who hold GLPI vested stock options and Penn's Board will consider the approval of such payments which, if approved would be recorded on Penn's financial statements. The actual cash compensation cost incurred on these stock options will be based on the actual dividends declared by GLPI in the year after the Spin-Off, as well as the actual amount of GLPI stock option awards (excluding vested shares held by Penn employees) outstanding during this period.

Real Estate Depreciation

GLPI will incur depreciation expense for the property and equipment transferred to GLPI from Penn, which is expected to be approximately $119.3 million in the first year subsequent to the Spin-Off.

Revenues and operating expenses of GLPI's TRSs

GLPI's TRSs will hold the operations of Hollywood Casino Baton Rouge and Hollywood Casino Perryville. We anticipate these two casinos will generate net revenues of $166.7 million and incur operating expenses of $126.2 million for the twelve months ended October 31, 2014. Hollywood Casino Baton Rouge has been negatively impacted by the opening of a new riverboat in Baton Rouge, LA on September 1, 2012. Similarly, Hollywood Casino Perryville results were negatively impacted by the opening of a significant casino complex at the Arundel Mill mall in June 2012. We anticipate that our results will continue to be negatively impacted by this additional competition and our forecasted levels of net revenues and operating expenses have incorporated the impact of this competition into our estimates. Additionally, we anticipate a tax rate of 40.2% for our TRSs operations.

Interest expense

GLPI will incur interest expense from its borrowing obligations plus the amortization of its anticipated debt issuance costs related to its indebtedness. Following the Spin-Off, GLPI expects to have $2.5 billion in outstanding borrowings and annual interest costs of approximately $142.7 million based on a weighted average interest rate of 5.4%. See "—Liquidity and Capital Resources" below for more information.

Liquidity and Capital Resources

GLP Capital, L.P. expects to issue $2.05 billion in Senior Notes which Senior Notes will be guaranteed by GLPI. The maturity date of the Senior Notes, which may be issued in one or more tranches, is to be determined. Additionally, GLPI and GLP Capital, L.P. anticipate having an unsecured term loan of $300 million and having an unsecured $850 million revolving credit facility with approximately $150 million outstanding following the Spin-Off. GLPI expects that the Credit Facilities will mature on the fifth anniversary of the closing date thereof. The interest rates applicable to these obligations have not yet been determined. Based on an assumed annual interest rate of 5.4%, as well as anticipated unused commitment fees and amortization of debt issuance costs, we would expect our annual interest expense to be approximately $142.7 million. A one percent increase or decrease in the annual interest rate on our anticipated variable rate borrowings of $450 million following the Spin-Off would increase or decrease our annual interest expense by $4.5 million. Our annual interest expense would also change if the aggregate anticipated borrowings differ from the assumed $2.5 billion utilized in the pro forma balance sheet. An increase or decrease of $25 million in the anticipated borrowing levels would result in an increase or decrease of $1.35 million to our annual interest expense based on the assumed weighted average interest rate of 5.4%.

The Senior Notes are expected to be redeemable at GLP Capital, L.P.'s option, in whole or in part, at any time after a specified date and at a specified redemption price that has not yet been determined. It is expected that the Senior Notes may also be redeemable at any time based on a make whole amount.

We anticipate that our debt facilities will have various customary covenants including restrictions on our ability to grant liens on our assets, incur indebtedness, sell assets, make investments, engage in acquisitions, mergers or consolidations and pay certain dividends and other restricted payments. We also anticipate having to comply with the following financial covenants: a maximum total debt to total asset value ratio of 60% (subject to increase to 65% for specified periods in connection with certain acquisitions), a minimum fixed charge coverage ratio of 2 to 1, a maximum senior secured debt to total asset value ratio of 40% and a maximum unsecured debt to unencumbered asset value ratio of 60%.

Capital expenditures

GLPI will fund construction costs of approximately $135 million for two facilities in Dayton, OH and Mahoning Valley, OH during the period covered under the forecast.

GLPI anticipates incurring annual capital expenditures of $3.3 million in connection with the two casinos held by its TRSs. Capital expenditures for the properties leased under the Master Lease are the responsibility of the tenant.

Obligations and Commitments

In addition to the indebtedness described above, Penn will assign to GLPI various leases on the property acquired in connection with the Spin-Off. The following is a description of some of the more significant lease contracts that Penn expects to assign to GLPI.

On March 23, 2007, one of Penn's subsidiaries entered into an amended and restated ground lease with Skrmetta MS, LLC, which includes substantially all of the ground associated with the Boomtown Casino. The lease amends the prior ground lease, dated October 19, 1993. The Amended Lease requires the Penn subsidiary to maintain a minimum gaming operation on the leased premises and to pay rent equal to 5% of adjusted gaming win after gaming taxes have been deducted. The term of the lease expires on January 1, 2093.

One of Penn's subsidiaries entered into a lease agreement with the City of Riverside, Missouri. Under the terms of the agreement, Penn's subsidiary leases a portion of its site from the City of Riverside. The lease expires in December 2014, and Penn's subsidiary has the option to extend the lease six times with each extension for an additional five years. During the extension periods, there is no minimum rent, and percentage rent is payable as follows: (i) 3% on the first $50 million of revenues, (ii) 4% on revenues between $50 million and $100 million and (iii) 1.5% on revenues in excess of $100 million.

One of Penn's subsidiaries, via an acquisition of the M Resort, assumed a lease agreement for approximately 4 acres of land at the property, which includes the porte-cochere and the main entrance to the facility. The lease commenced on July 1, 2005 and is for twenty years, with two five-year renewal options. Under the lease agreement, the rent is subject to annual increases over the life of the lease based on the consumer price index but is limited to 103% of the previous year's rent.

One of Penn's subsidiaries has an operating lease with the City of Bangor which covers the permanent casino facility that opened on July 1, 2008. Under the lease agreement, there is a fixed rent provision, as well as a revenue-sharing provision, which is equal to 3% of gross slot revenue. The final term of the lease, which commenced with the opening of the permanent facility, is for an initial term of fifteen years, with three ten-year renewal options.

The future minimum lease commitments of GLPI are shown below. Note that this table does not include commitments related to obligations that are variable in nature and as such is not illustrative of the total anticipated payments that GLPI will incur related to these leases over this time period.

	Payments Due By Period				
	Total	2013	2014 - 2015	2016 - 2017	2018 and After
	(in thousands)				
Operating Leases	$ 38,448	693	4,409	2,917	30,429

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, property and equipment, and goodwill 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 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.

Income Taxes

We anticipate that the Company will qualify to be taxed as a REIT for U.S. federal income tax purposes commencing with the taxable year beginning January 1, 2014, and we intend to continue to be organized and to operate in a manner that will permit us to qualify as a REIT. To qualify as a REIT, we must meet certain organizational and operational requirements, including a requirement to distribute at least 90% of our annual REIT taxable income to stockholders. As a REIT, we generally will not be subject to federal income tax on income that we distribute as dividends to our stockholders. If we fail to qualify as a REIT in any taxable year, we will be subject to U.S. federal income tax, including any applicable alternative minimum tax, on our taxable income at regular corporate income tax rates, and dividends paid to our shareholders would not be deductible by us in computing taxable income. Any resulting corporate liability could be substantial and could materially and adversely affect our net income and net cash available for distribution to stockholders. Unless we were entitled to relief under certain Code provisions, we also would be disqualified from re-electing to be taxed as a REIT for the four taxable years following the year in which we failed to qualify to be taxed as a REIT.

Property and Equipment

Real estate costs related to the acquisition and improvement of properties are capitalized over the expected useful life of the asset. Repair and maintenance costs are charged to expense as incurred and significant replacements and betterments are capitalized. Repair and maintenance costs include all costs that do not extend the useful life of the asset. We consider the period of future benefit of an asset to determine its appropriate useful life. Depreciation on our buildings and improvements is computed using the straight-line method over an estimated useful life of 5 to 40 years. If we use a shorter or longer estimated useful life, it could have a material impact on our results of operations. We believe that 5 to 40 years is an appropriate estimate of useful life.

We continually monitor events and changes in circumstances that could indicate that the carrying amount of our property and equipment may not be recoverable or realized. When indicators of potential impairment suggest that the carrying value of property and equipment may not be recoverable, we assess the recoverability by estimating whether we will recover the carrying value of our property and equipment through its undiscounted future cash flows and the eventual disposition of the asset. If, based on this analysis, we do not believe that we will be able to recover the carrying value of our property and equipment, we would record an impairment loss to the extent that the carrying value exceeds the estimated fair value of our property and equipment.

Goodwill

At June 30, 2013, the Company had $75.5 million in goodwill within its consolidated balance sheet, resulting from the Company's acquisition of Hollywood Casino Baton Rouge.

Goodwill is tested annually, or more frequently if indicators of impairment exist, for impairment by comparing the fair value of the Hollywood Casino Baton Rouge reporting unit to its carrying amount. If the carrying amount exceeds its fair value in step 1 of the impairment test, then step 2 of the impairment test is performed to determine the implied value of goodwill. If the implied value of goodwill is less than the goodwill allocated, an impairment loss is recognized.

The evaluation of goodwill requires the use of estimates about future operating results to determine their estimated fair value. The Company uses a market approach model, which includes the use of forecasted adjusted EBITDA (earnings before interest, taxes, charges for stock compensation, depreciation and amortization, gain or loss on disposal of assets, and certain other income and expenses) and adjusted EBITDA multiples, as the Company believes that adjusted EBITDA is a widely-used measure of performance in the gaming industry and as the Company uses adjusted EBITDA as the primary measurement of the operating performance of its casino properties (including the evaluation of operating personnel). In addition, the Company believes that an adjusted EBITDA multiple is the principal basis for the valuation of gaming companies. Changes in the estimated adjusted EBITDA multiples or forecasted operations can materially affect these estimates.

Forecasted adjusted EBITDA levels (based on the Company's annual operating plan) can be significantly impacted by the local economy in which the Company's reporting units operate. For example, increases in unemployment rates can result in decreased customer visitations and/or lower customer spend per visit. In addition, the impact of new legislation which approves gaming in nearby jurisdictions or further expands gaming has the impact of increasing competition for the Company's casino properties which generally will have a negative effect on those locations' profitability once competitors become established as a certain level of cannibalization occurs absent an overall increase in customer visitations. Lastly, increases in gaming taxes approved by state regulatory bodies can negatively impact forecasted adjusted EBITDA.

Assumptions and estimates about future adjusted EBITDA levels and multiples are complex and subjective. They are sensitive to changes in underlying assumptions and can be affected by a variety of factors, including external factors, such as industry, geopolitical and economic trends, and internal factors, such as changes in the Company's business strategy. Hollywood Casino Baton Rouge faced a significant increase in competition in the second half of 2012 which has negatively impacted its operations. However, the Company has forecasted the impact of this additional competition on its future operating results and incorporated these projections in its impairment analysis of the Company's goodwill. At December 31, 2012, no impairment charge was required as the implied fair value of Hollywood Casino Baton Rouge exceeded its fair value.

Discussion of Historical Operations of GLPI's TRSs

The following discussion relates to the historical operations of GLPI's TRSs, namely Louisiana Casino Cruises, Inc. ("Hollywood Casino Baton Rouge") and Penn Cecil Maryland, Inc. ("Hollywood Casino Perryville"), which operate Hollywood Casino Baton Rouge and Hollywood Casino Perryville, respectively, and are currently wholly-owned subsidiaries of Penn. Hollywood Casino Baton Rouge and Hollywood Casino Perryville will be acquired by a subsidiary of GLPI that we anticipate will be called GLP Holdings, Inc., which will operate the TRS properties after the Spin-Off.

Hollywood Casino Baton Rouge was acquired by Penn in April 2001 as part of its acquisition of CRC Holdings, Inc. The facility is a dockside riverboat gaming facility which at December 31, 2012 featured approximately 28,000 square feet of gaming space with 960 gaming machines and 18 table games. The facility also includes a dockside building featuring a variety of amenities, including a steakhouse, a buffet and deli and various entertainment options.

Hollywood Casino Perryville was opened by Penn on September 27, 2010. At December 31, 2012, the facility offered approximately 34,000 square feet of gaming space with 1,500 slot machines. In November 2012, voters in the state of Maryland approved a referendum authorizing the ability to add table games to Maryland's five existing and planned casinos. Hollywood Casino Perryville opened 12 table games and an 8-table poker room on March 5, 2013 and in January 2013, the facility removed approximately 350 slot machines as a result of additional competition in the marketplace which has resulted in a reduction to business volumes.

Financial Results:

2012 compared to 2011

Hollywood Casino Baton Rouge and Hollywood Casino Perryville had combined net revenues, income from operations and net income of $210.6 million, $43.7 million and $22.9 million, respectively, for the year ended December 31, 2012 compared to $231.9 million, $52.5 million and $26.7 million, respectively, for the year ended December 31, 2011. The reason for the declines was increased competition. Hollywood Casino Perryville results were negatively impacted by the opening of a casino complex at the Arundel Mills shopping mall in Anne Arundel, Maryland. The Anne Arundel casino opened on June 6, 2012 with approximately 3,200 slot machines and significantly increased its slot machine offerings by mid-September 2012 to approximately 4,750 slot machines. In addition, a new riverboat casino and hotel in Baton Rouge, Louisiana opened on September 1, 2012. The opening of this riverboat casino has had and is anticipated to continue to have an adverse effect on the financial results of Hollywood Casino Baton Rouge.

Combined net revenues declined 9.2% in 2012 to $210.6 million compared to $231.9 million in 2011. This was due to the previously mentioned impact of new competition in Hollywood Casino Perryville and Hollywood Casino Baton Rouge's regional gaming markets. Total operating expenses declined 6.9% in 2012 to $167.0 million compared to $179.4 million in 2011. This was due to lower gaming taxes and cost management efforts to realign costs with the decreased business demand resulting from the new competition.

2011 compared to 2010

Hollywood Casino Baton Rouge and Hollywood Casino Perryville had combined net revenues, income from operations and net income of $231.9 million, $52.5 million and $26.7 million, respectively, for the year ended December 31, 2011 compared to $143.2 million, $31.1 million and $15.3 million, respectively, for the year ended December 31, 2010. The reason for the increase was the full year impact of Hollywood Casino Perryville, which had opened for business on September 27, 2010.

Combined net revenues increased $88.7 million in 2011 to $231.9 million compared to $143.2 million in 2010. Hollywood Casino Perryville accounted for $86 million of this increase. Total operating expenses increased $67.3 million to $179.4 million in 2011 compared to $112.1 million. The full year impact of Hollywood Casino Perryville operations resulted in operating expenses being $71.5 million higher than the prior year. Conversely, Hollywood Casino Baton Rouge operating expenses declined by $4.2 million, which was primarily attributable to lower depreciation expense primarily related to replacement assets that were purchased after Hurricane Katrina being fully depreciated in 2011.

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.

Interest Rate Risk

Our primary market risk exposure will be interest rate risk with respect to its expected indebtedness following the Spin-Off. We expect to raise $3.2 billion in financing, with approximately $2.5 billion to be outstanding initially. Furthermore, we anticipate that approximately $2.05 billion of our obligations will be Senior Notes that will have fixed interest rates with maturing dates ranging from five to ten years. An increase in interest rates could make the financing of any acquisition by us more costly as well as increase the costs of our variable rate debt obligations. Rising interest rates could also limit our ability to refinance our debt when it matures or cause us to pay higher interest rates upon refinancing and increase interest expense on refinanced indebtedness. We may manage, or hedge, interest rate risks related to its borrowings by means of interest rate swap agreements. We also expect to manage our exposure to interest rate risk by maintaining a mix of fixed and variable rates for its indebtedness. However, the REIT provisions of the Code substantially limit our ability to hedge our assets and liabilities. See "Risk Factors—Risk Factors Relating to the Status of GLPI as a REIT Factors—Complying with REIT requirements may limit GLPI's ability to hedge effectively and may cause GLPI to incur tax liabilities."

MANAGEMENT OF GLPI

GLPI Board of Directors and Executive Officers

The following table sets forth information as to persons who are currently expected to serve as GLPI directors and executive officers following the Spin-Off. Additional executive officers will be selected prior to the Spin-Off and information concerning those executive officers will be included in an amendment to this Prospectus.

Name	Age	Position(s)
Peter M. Carlino	66	Chairman of the Board and Chief Executive Officer
William J. Clifford	55	Chief Financial Officer
Wesley R. Edens	51	Director Nominee
David A. Handler	48	Director Nominee
E. Scott Urdang	63	Director Nominee
Joseph W. Marshall, III	67	Director Nominee

Directors

Background information about those individuals who are expected to serve as directors of GLPI appears below.

Peter M. Carlino, age 66, has been the Chairman of our Board of Directors and our Chief Executive Officer since our inception in February 2013. Mr. Carlino has served as Penn's Chairman of the Board of Directors and Chief Executive Officer since April 1994. After the Spin-Off, he will only serve as Penn's Chairman of the Board of Directors and will cease to serve as Penn's Chief Executive Officer. Since 1976, Mr. Carlino has been President of Carlino Capital Management Corp. (formerly known as Carlino Financial Corporation), a holding company that owns and operates various Carlino family businesses, in which capacity he has been continuously active in strategic planning and monitoring the operations. Having served as the Chairman of Penn's Board of Directors and Chief Executive Officer since April 1994, Mr. Carlino brings to GLPI's Board of Directors extensive management experience, critical knowledge of our properties and knowledge and understanding of Penn and the gaming industry in general. Moreover, as the largest beneficial owner of GLPI's common stock following the Separation, his interests will be significantly aligned with GLPI's efforts to enhance long-term shareholder value.

Wesley R. Edens, age 51, has been a director of Penn since 2008 and after the Spin-Off, will only serve as a director of GLPI. Mr. Edens has been Co-Chairman of the Board of Fortress since August 2009, and he has been a member of the Board of Fortress since November 2006. Mr. Edens has been a member of the Management Committee of Fortress since co-founding the company in 1998. Mr. Edens is responsible for the Fortress' private equity and publicly traded alternative investment businesses. He is Chairman of the board of directors of each of Florida East Coast Railway Corp., GateHouse Media, Inc., Mapeley Limited, Nationstar Mortgage Holdings, Inc. and Newcastle Investment Corp. and a director of Brookdale Senior Living, Inc., GAGFAH S.A., Springleaf Finance Corporation and Springleaf Finance, Inc. Mr. Edens was Chief Executive Officer of Global Signal Inc. from February 2004 to April 2006 and Chairman of the board of directors from October 2002 to January 2007. Mr. Edens also previously served on the boards of the following publicly traded company and registered investment companies: Aircastle Limited from August 2006 to August 2012, Crown Castle Investment Corp. (merged with Global Signal Inc.) from January 2007 to July 2007; Eurocastle Investment Limited from August 2003 to November 2011; Fortress Brookdale Investment Fund LLC, from August 13, 2000 (deregistered with the SEC in March 2009); Fortress Pinnacle Investment Fund, from July 24, 2002 (deregistered with the SEC in March 2008); Fortress Investment Trust II, from July 2002 (deregistered with the SEC in January 2011); RailAmerica, Inc. from November 2006 to October

2012; and RIC Coinvestment Fund LP, from May 10, 2006 (deregistered with the SEC in June 2009). Prior to forming Fortress, Mr. Edens was a partner and managing director of BlackRock Financial Management Inc., where he headed BlackRock Asset Investors, a private equity fund. In addition, Mr. Edens was formerly a partner and managing director of Lehman Brothers. Mr. Edens will bring to GLPI's Board of Directors significant experience as a chief executive officer and proven ability to manage multiple properties and businesses. He also has significant capital investment, financing and mergers and acquisitions experience and has a significant amount of experience with real estate investment trusts. As part of his role at Fortress, and as is common for principals of private equity sponsor companies, Mr. Edens serves as a director of certain public portfolio companies in which Fortress has an investment, including publicly traded real estate investment trusts. Mr. Edens' contribution to GLPI's Board of Directors will be enhanced both by the valuable perspectives he obtains in connection with such other board service as well as by the substantial resources available to him to support his work as a director of these portfolio companies.

David A. Handler, age 48, has been a director of Penn since 1994 and, after the Spin-Off, he will continue to serve as a director of Penn. In August 2008, Mr. Handler joined Centerview Partners as a Partner. Centerview Partners is a boutique financial advisory and private equity firm. From April 2006 to August 2008, he was a Managing Director at UBS Investment Bank. From April 2000 until April 2006, he was a Senior Managing Director at Bear Stearns & Co., Inc. From July 1995 to April 2000, Mr. Handler was employed by Jefferies & Company, Inc. where he became a Managing Director in March 1998. Mr. Handler will bring to GLPI's Board of Directors experience in investment banking and capital markets that has included a focus on mergers and acquisitions and other significant transactions. Mr. Handler's background is expected to be an invaluable asset to GLPI, particularly in connection with evaluating potential acquisition and financing opportunities.

E. Scott Urdang, age 63, is expected to serve as a member of GLPI's board of directors upon completion of the Spin-off. Mr. Urdang, who retired in 2012, was the founder, CEO, and Chairman of Urdang Capital Management (now Center Square Capital Management, Inc.) , a wholly owned subsidiary of BNY Mellon. Urdang Capital Management is an investment management company that manages and participates in public, private, global, and US-only real estate investment strategies. Mr. Urdang founded the company in 1987 which at the time of his retirement had in excess of $5 billion under management. From 1984-1987 Mr. Urdang was a partner at Laventhol and Horwath a national consulting and accounting firm, where he served as regional partner in charge of real estate consulting with national responsibility for its pension consulting practice. Mr. Urdang also has experience as a Vice-President of Finance of a large regional development company that was involved in residential subdivisions, office buildings, apartments and shopping centers. Mr. Urdang has 20 years of experience teaching both undergraduate and graduate courses in economics, corporate finance, and real estate finance and investment analysis at the Wharton School of the University of Pennsylvania. Mr. Urdang was selected to be a member of GLPI's board of directors because of his extensive experience, comprehensive knowledge and strong record of success in the real estate industry as an investor, developer, entrepreneur, and professor.

Joseph W. Marshall, III, age 60, is expected to serve as a member of GLPI's board of directors upon completion of the Spin-Off. Since February 2010, Mr. Marshall has served as the Vice Chairman of the law firm Stevens & Lee, LLP, PC and Griffin Holdings, LLC. In addition to a number of other boards, Mr. Marshall has also served on the board of directors of SIGA Technologies, Inc. (NASDAQ) since 2009. From 2001 to 2008, Mr. Marshall served as the Chairman and CEO of Temple University Health System, one of the largest health care organizations in Pennsylvania. Mr. Marshall served as Director of Health Partners, a provider-owned Medicaid/Medicare Health Maintenance Organization operating in Greater Philadelphia, from 2003 to 2008. Mr. Marshall was one of the original appointees to the seven-member Pennsylvania Gaming Control Board, which is responsible for all aspects of gaming regulation in Pennsylvania. Mr. Marshall also previously served on the Pennsylvania Ethics

Commission and the Medicaid Commission created by Congress and established by the Honorable Michael O. Leavitt, Secretary of the U.S. Department of Health & Human Services, where he advised the Secretary on ways to modernize the Medicaid program. In addition, Mr. Marshall is a member of the Board of Trustees of Temple University and Salus University. Mr. Marshall was selected to be a member of GLPI's Board of Directors because of his extensive experience and knowledge of gaming regulation and his significant directorial and executive experience in both the private and public sectors.

The appointments of E. Scott Urdang and Joseph W. Marshall, III are each subject to the completion of customary due diligence and licensure by certain regulatory agencies.

Executive Officers

Background about GLPI's executive officers who are not expected to serve as directors appears below.

William J. Clifford, age 55, has been our Chief Financial Officer, Secretary and Treasurer since our inception in February 2013. Mr. Clifford joined Penn in August 2001 and has served as Senior Vice President-Finance and Chief Financial Officer of Penn since October 2001. After the Spin-Off, Mr. Clifford will no longer serve as an officer of Penn. From March 1997 to July 2001, Mr. Clifford served as the Chief Financial Officer and Senior Vice President of Finance with Sun International Resorts, Inc., Paradise Island, Bahamas. From November 1993 to February 1997, Mr. Clifford was Financial, Hotel and Operations Controller for Treasure Island Hotel and Casino in Las Vegas. From May 1989 to November 1993, Mr. Clifford was Controller for Golden Nugget Hotel and Casino, Las Vegas. Prior to May 1989, Mr. Clifford held the positions of Controller for the Dunes Hotel and Casino, Las Vegas, Property Operations Analyst with Aladdin Hotel and Casino, Las Vegas, Casino Administrator with Las Vegas Hilton, Las Vegas, Senior Internal Auditor with Del Webb, Las Vegas, and Agent, Audit Division, of the Nevada Gaming Control Board, Las Vegas and Reno.

Committees of the Board of Directors

Concurrent with the completion of the Spin-Off, the GLPI Board of Directors expects to establish the following committees: the Audit and Compliance Committee and the Compensation and Governance Committee. The composition of each such committee will satisfy the independence requirements and current standards of the SEC and the rules of NASDAQ (as applicable).

Audit and Compliance Committee

The duties and responsibilities of the Audit and Compliance Committee will be set forth in its charter, which will be available on our website, and will include the following:

- to oversee the quality and integrity of our financial statements and our accounting and financial reporting processes;
- to prepare the audit and compliance committee report required by the SEC in our annual proxy statements;
- to review and discuss with management and the independent registered public accounting firm our annual and quarterly financial statements;
- to review and discuss with management and the independent registered public accounting firm our earnings press releases;
- to appoint, compensate and oversee our independent registered public accounting firm, and pre-approve all auditing services and non-audit services to be provided to us by our independent registered public accounting firm;

- to review the qualifications, performance and independence of our independent registered public accounting firm; and
- to establish procedures for the receipt, retention and treatment of complaints received by us regarding accounting, internal accounting controls or auditing matters and the confidential, anonymous submission by our employees of concerns regarding questionable accounting or auditing matters.

At the time of listing on the NASDAQ, at least one member of the audit and compliance committee will be "independent," as defined under and required by the rules and regulations of the SEC and the NASDAQ, including Rule 10A-3(b)(1) under the Securities and Exchange Act of 1934, as amended (the "Exchange Act"), and we expect that one member will be the "audit committee financial expert" as defined under and required by the rules and regulations of the SEC and the NASDAQ. A majority of the members of the committee will be "independent" within 90 days of listing on the NASDAQ and all members will be independent within one year of listing on the NASDAQ.

Compensation and Governance Committee

The duties and responsibilities of the compensation and governance committee will be set forth in its charter, which will be available on our website, and will include the following:

- to determine, or recommend for determination by our board of directors, the compensation of our chief executive officer and other executive officers;
- to establish, review and consider employee compensation policies and procedures;
- to review and approve, or recommend to our board of directors for approval, any employment contracts or similar arrangement between the company and any executive officer of the company;
- to review and discuss with management the Company's compensation policies and practices and management's assessment of whether any risks arising from such policies and practices are reasonably likely to have a material adverse effect on the Company;
- to review, monitor, and make recommendations concerning incentive compensation plans, including the use of stock options and other equity-based plans;
- to recommend to our board of directors proposed nominees for election to the board of directors by the shareholders at annual meetings, including an annual review as to the renominations of incumbents and proposed nominees for election by the board of directors to fill vacancies that occur between shareholder meetings;
- to make recommendations to the board of directors regarding corporate governance matters and practices;
- to recommend members for each committee of the board of directors; and
- to recommend the compensation of directors.

At the time of listing on the NASDAQ, at least one member of the committee will be "independent." A majority of the members of the committee will be "independent" within 90 days of listing on the NASDAQ and all members will be independent within one year of listing on the NASDAQ.

Compensation and Governance Committee Interlocks and Insider Participation

No director who will be a member of our compensation and governance committee serves as a member of the board of directors or compensation and governance committee of any entity that has one or more executive officers serving as a member of our board of directors or compensation and governance committee. Additional information concerning transactions between us and entities affiliated with members of the compensation and governance committee is included in this Prospectus under the heading "Certain Relationships and Related Party Transactions."

Compensation of Directors

We are currently reviewing the compensation that GLPI will pay to its non-employee directors following the separation, but we anticipate that non-employee directors will be compensated for their service under a non-employee director fee plan, which has not yet been established, and GLPI's long term incentive compensation plan. We will provide information regarding director compensation and the decision-making process for determining director compensation in an amendment to this Prospectus.

Code of Business Conduct

GLPI expects to adopt a code of business conduct that seeks to identify and mitigate conflicts of interest between our employees, directors and officers on the one hand, and us on the other hand, effective as of the time of our listing on the NASDAQ, in accordance with applicable rules and regulations of the SEC and the NASDAQ. Our code of business conduct will be available on our website. Waivers of our code of business conduct will be required to be disclosed in accordance with NASDAQ and SEC requirements.

Corporate Governance Guidelines

GLPI expects to adopt a set of corporate governance guidelines that sets forth our policies and procedures relating to corporate governance effective as of the Spin-Off. Our corporate governance guidelines will be available on our website.

Director Independence

At the time of the Spin-Off, we expect that all of our directors other than Mr. Carlino, will be independent as defined by the federal securities laws and the rules of the NASDAQ. GLPI will have a classified board, consisting of three classes of 3-year term each. There are no family relationships among any of our directors or executive officers.

EXECUTIVE COMPENSATION

For purposes of the following Compensation Discussion and Analysis and Executive Compensation disclosures, the individuals who served as the principal executive officer and chief financial officer of Penn in 2012 and the next three most highly compensated individuals who served in other senior executive positions with Penn in 2012 are collectively referred to as the "Named Executive Officers." While this group of executive officers reflects the senior executive team for our corporate parent for 2012, the selection of our future executive officers is ongoing and certain of these executives will not be our executives following the Spin-Off (see "Management of GLPI—Executive Officers").

Compensation Discussion and Analysis

This Compensation Discussion and Analysis describes and analyzes the executive compensation programs at Penn in 2012. For purposes of the following Compensation Discussion and Analysis, the term "Committee" refers to the compensation committee of the board of directors of Penn.

Prior to the Spin-Off, GLPI will continue to be part of Penn, and therefore, its compensation strategy will be determined by Penn and the Committee. In connection with the Spin-Off, the GLPI Board of Directors will form its own compensation committee, which will consist entirely of independent directors. Following the Spin-Off, GLPI's compensation committee will determine the executive compensation policies of GLPI.

Executive Summary

In 2012, Penn completed a number of significant accomplishments despite the ongoing challenge to its business from increasing competition and continuing political and economic uncertainty. The Committee believes these accomplishments were reflected in Penn's share price, as Penn's one year total share return was 33.5% and its three year total shareholder return was 78.5%. These returns substantially outpaced Penn's peer group as well as the overall S&P 500 index over the same periods.

Shareholder Outreach and Say on Pay Vote

During 2012, Penn continued its long-standing practice of robust communication and discussion with shareholders, including direct dialogue with most of its top 40 shareholders specifically regarding the 2012 Say on Pay proposal, which shareholders held over 79% (or 67% excluding shares held by Peter M. Carlino and his family) of the issued and outstanding common stock of Penn as of the record date for the 2012 annual meeting. By way of overview, Penn continues to hold quarterly conference calls in which management limits its prepared remarks in favor of creating an open forum to allow shareholders to ask about matters of most interest to them. Penn continues to provide financial and other disclosure beyond that required by the SEC on matters such as management's views on pending legislation and quarterly and annual earnings estimates. Further, members of Penn's senior management team participated at investor conferences throughout 2012 and regularly hosted analysts and institutional investors at its corporate headquarters. Penn also hosted facility tours and meetings across its property portfolio for analysts and institutional investors. At the Global Gaming Expo, the gaming industry's annual trade show in Las Vegas, executives conducted group meetings and participated in a number of investor events. Finally, Penn hosted events for the institutional investor community in connection with the opening of its newest gaming facilities at Hollywood Casino at Kansas Speedway, Hollywood Casino Toledo and Hollywood Casino Columbus. These outreach efforts provide numerous forums for investors and prospective investors to discuss with management a wide variety of subjects important to them, including executive compensation.

The results of the shareholder advisory vote on executive compensation at Penn's 2012 Annual Meeting of Shareholders were supportive of Penn's compensation programs. Following the 2012 Annual Meeting, the Committee reviewed the various views expressed by Penn's shareholders with respect to

Penn's compensation program and evaluated what changes may be appropriate in light of these views as well as Penn's own views on compensation matters.

Peer Group

The Committee reviews Penn's peer group at the beginning of each fiscal year to determine whether any changes are warranted from the prior year's peer group. The companies that make up Penn's peer group are its business competitors as well as its primary source of, and primary competition for, executive talent.

For 2012, the Committee confirmed that the peer group to be used for comparison purposes would consist of Ameristar Casinos, Inc., Boyd Gaming Corporation, Isle of Capri Casinos, Inc., Las Vegas Sands Corp., MGM Resorts International, Pinnacle Entertainment, Inc. and Wynn Resorts, Ltd. In addition, the Committee takes into consideration any available compensation data from Trump Entertainment Resorts, Inc., which entered into bankruptcy in 2009, as well as Station Casinos, Inc., which was taken private but continues to file periodic reports under the Exchange Act.

Overview of Compensation Program

Objectives of Compensation Program

The overall objective of Penn's executive compensation program is to compensate members of management in a manner that most effectively incentivizes them to maximize shareholder value without taking undue financial risks. At the same time, the executive compensation program is intended to enable Penn to attract and retain the executive talent needed to grow and further its strategic interests. Specifically, Penn's compensation objectives are to:

- Align executive pay opportunities with shareholder value creation;
- Create a pay for performance compensation program that will appropriately reward management for operational success; and
- Attract and retain the best possible management team for Penn to increase shareholder value and maintain Penn's credibility in the capital markets.

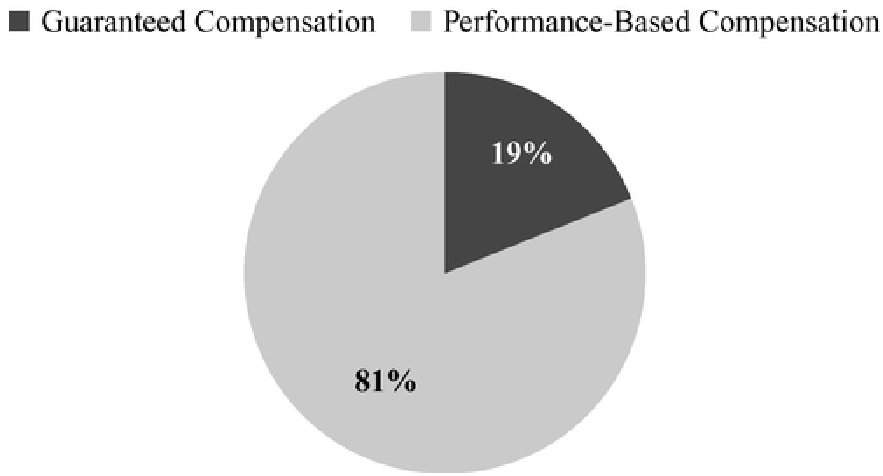
Risk Assessment

In establishing and reviewing Penn's executive compensation program, the Committee considers, among other things, whether the program properly motivates executives to focus on the creation of shareholder value without encouraging unnecessary or excessive risk taking. To this end, the Committee carefully reviews the principal components of executive compensation. Base salaries are reviewed annually and are fixed in amount. Annual incentive pay is focused on achievement of certain specific overall financial goals and is determined using multiple absolute and relative performance criteria, including announced guidance pertaining to adjusted EBITDA targets and total shareholder return. The other major component of Penn's Named Executive Officers' compensation is long-term incentives through a mix of stock options, SARs, restricted stock and PSUs that the Committee believes are important to help further align executives' interests with those of Penn's shareholders. Such grants are subject to long-term vesting schedules, and executives are subject to stock holding requirements, to help ensure that executives always have significant value tied to long-term stock price performance. The Committee believes that these cash and incentive awards, especially when combined with the compensation clawback policy described on page [•] of this Prospectus, appropriately balance risk, payment for performance and align executive compensation with shareholders without encouraging unnecessary or excessive risk taking.

Elements of Compensation

The Committee has designed a compensation program that is heavily weighted towards performance based compensation but utilizes several different performance metrics designed to ensure that management is appropriately incentivized across a number of different business and economic environments and appropriately considers each of the principal objectives of Penn's business strategy. In 2012, the total potential compensation opportunity of Penn's Named Executive Officers consisted of approximately 81% of targeted performance based compensation and approximately 19% of fixed compensation (primarily in the form of base salary).

Target Potential 2012
Executive Compensation
(Including Stock Options)



The principal elements of the compensation program are described below. Please see "—Analysis of Compensation" starting on page [•] for a discussion of the specific actions taken with respect to executive compensation in fiscal year 2012.

Base Salary

The base salary of Penn's executive officers as a group is benchmarked against the 50th percentile (median) of base salaries of comparable executives within Penn's peer group. The Committee benchmarks against the median in order to set salaries that are competitive in the gaming industry and that will attract and retain qualified executives. Base salaries are then adjusted for certain qualitative factors, including specific position duties and responsibilities, tenure with Penn, individual contribution and position value to Penn and the overall reasonableness of an executive's pay package.

Annual Incentive

Penn's annual incentive plan is designed to motivate the executive officers and other members of management to achieve the objectives that the Committee believes are most likely to increase shareholder value without undermining Penn's credibility in the capital markets, which is critical to fund capital intensive future growth opportunities at the lowest possible cost of capital. To ensure that such executives are appropriately incentivized across a variety of business and economic conditions, the Committee sets one measure referenced by an internal goal and another measure referenced by one or more external goals based on Penn's performance against its peer group and other external benchmarks. The Committee believes that the best internal measures of performance are focused on earnings while external measures should expand and further align management and shareholder interests by focusing on shareholder value. Accordingly, in 2012, the Committee utilized an internal and an external measure to determine the annual incentive opportunity for Penn's executives.

For 2012, the internal measure for Penn's annual incentive plan provided for the payment of incentive compensation based upon Penn's achievement of its adjusted EBITDA goal for the year. Conceptually, the term adjusted EBITDA refers to earnings before interest, taxes, depreciation and amortization, adjusted for certain non-recurring or unforeseen events. In order to provide a clear reconciliation to GAAP, the Committee bases its adjusted EBITDA calculation on Penn's income from operations excluding charges for stock compensation, depreciation and amortization, gain or loss on disposal of assets and other non-recurring events, and inclusive of gain or loss from Penn's joint ventures. Each quarter, Penn publicly discloses its adjusted EBITDA in connection with its quarterly announcement of earnings, and provides a reconciliation of adjusted EBITDA to net income (GAAP) and income from operations (GAAP) to adjusted EBITDA in connection with each such announcement.

The Committee sets the ranges of bonuses payable pursuant to the internal measure for each executive as a percentage of annual base salary, consistent with the incentive programs and practices used by Penn's peer group. The following table shows the range of awards payable pursuant to the internal measure for each executive as a percentage of annual base salary for the 2012 fiscal year:

Executive	Threshold Bonus	Target Bonus	Maximum Bonus
Chairman and Chief Executive Officer	50%	100%	150%
President and Chief Operating Officer	42.5%	85%	127.5%
Senior Vice President and Chief Financial Officer	37.5%	75%	112.5%
Senior Vice President and General Counsel	25%	50%	75%
Senior Vice President of Corporate Development	25%	50%	75%

The target bonus is payable when Penn meets or exceeds its adjusted EBITDA goal for a given year, subject to any required adjustments under Penn's 2008 long-term incentive compensation plan, as amended (the "2008 Plan") for certain extraordinary or unforeseen events. For any portion of executives' annual incentive bonuses to be paid with respect to the internal measure, Penn must achieve a threshold amount of adjusted EBITDA. This threshold was set at 10% less than the adjusted EBITDA goal in 2012. In order to help manage potential payouts, annual incentive opportunities are capped at the maximum bonus levels set forth in the table above, regardless of the extent to which performance exceeds targeted levels. The Committee has discretion to pay this award in cash, equity or any combination of cash and equity.

In 2012, the external measure for Penn's annual incentive plan provided for payment of incentive compensation based on how Penn's total shareholder return compared to the total shareholder return of companies included in three different indices: (a) Penn's industry peer group; (b) the S&P Leisure Time Select Industries Index; and (c) the S&P 500. The Committee refers to this external measure for the annual incentive compensation plan as the total shareholder return plan (the "TSR Plan"). Total shareholder return ("TSR") is an indicator of a company's overall performance and, as used in connection with the TSR Plan, means the total return measured by share price movements on an investment in the stock of a public company over a specified period, taking into account the reinvestment of dividends, if any.

Under the TSR Plan, the payment of incentive bonuses is based on Penn's share performance over a one, three and five year period as compared against the TSR of the companies listed in each index. Accordingly, as shown in the table below, TSR is measured against nine benchmarks: the median of the one, three and five year TSR for Penn's peer group and for the S&P Leisure Time Select Industries Index, and the one, three and five year TSR for the S&P 500:

Index	1 Year TSR	3 Year TSR	5 Year TSR
Industry	Exceed Median	Exceed Median	Exceed Median
S&P Leisure Time Select Industries Index	Exceed Median	Exceed Median	Exceed Median
S&P 500	Exceed Index	Exceed Index	Exceed Index

Penn's share performance is required to exceed the applicable target for any portion of the external measure bonus to be paid. For each target exceeded, the executive will receive an amount equal to the bonus per target noted below, with a maximum bonus only paid if all nine targets are achieved. The Committee has discretion to pay the external measure bonus in cash, equity or any combination of cash and equity. The bonus per target and maximum bonus payable under the TSR Plan for 2012 for each Named Executive Officer as a percentage of annual base salary is as follows:

Executive	Bonus Per Target	Maximum Bonus
Chairman and Chief Executive Officer	16.7%	150%
President and Chief Operating Officer	14.2%	127.50%
Senior Vice President and Chief Financial Officer	12.5%	112.50%
Senior Vice President and General Counsel	8.3%	75%
Senior Vice President of Corporate Development	8.3%	75%

Equity Compensation

The Committee believes that the award of equity compensation is a critical component of Penn's executive compensation program because equity compensation directly ties executive compensation to management's ability to increase shareholder value. The Committee's experience shows it that equity compensation fosters an atmosphere where employees "think like owners" and are motivated to increase the long-term value of Penn by aligning their interests with those of Penn's shareholders. Accordingly, the Committee believes that equity compensation is an excellent tool to reflect Penn's principles of "pay for performance" so that a portion of each executive's compensation package will grow in value as shareholder value is increased. The Committee also believes that this culture of employee ownership has been a significant contributing factor to Penn's success and will continue to play a vital role in future success. More specifically, the Committee believes that equity compensation has been a critical tool in attracting and retaining executives with the type of entrepreneurial spirit that the Committee believes is integral to Penn's success.

Deferred Compensation

Penn does not maintain any defined benefit pension programs for its executives. Instead, consistent with the competitive practices of Penn's peer group, Penn maintains an elective nonqualified deferred compensation plan for executives. Pursuant to the plan, Penn provides a matching contribution on an executive's deferrals to the plan of up to 5% of the executive's base salary and annual bonus. All amounts credited to an executive's account are notionally invested, as directed by the executive, in commonly available mutual funds, and Penn does not guarantee any minimum returns. The plan is unfunded and benefits are paid from Penn's general assets; however, Penn currently contributes funds into a grantor trust on a monthly basis in respect of these deferred compensation obligations. Penn generally sets aside separately the amounts deferred by the executives and the matching contributions thereon and, to protect against excess liabilities, invests such amounts in the mutual funds notionally selected by each executive. This program is described in more detail beginning on page [•] of this Prospectus.

Benefits and Perquisites

The Committee believes that executives should be offered customary benefits and perquisites that are reasonable relative to the benefits provided to all employees, are consistent with competitive practices among Penn's peer group and, in certain circumstances, may address a particular reasonable issue or concern of an executive. The standard benefits offered to all of Penn's employees include medical, dental and vision insurance, group life insurance, short and long-term disability and a 401(k) with certain contributions matched by Penn. Consistent with the objectives described above, Penn also provides certain executive officers with additional supplemental benefits and perquisites, including in limited instances use of Penn's private aircraft where individual circumstances merit. The description and value of such supplemental benefits and perquisites in 2012 can be found on page [•] of this Prospectus.

Analysis of Compensation

Base Salary

Each year, the Committee reviews the base salary of each executive officer against the base salaries of similarly positioned executives in Penn's peer group. In doing so, the Committee compares the base salary information contained in Penn's peer group's most recently available proxy statements with comparable data for Penn's executive officers. In 2012, the Committee's review indicated that the base salary of Penn's Chief Executive Officer was at the 69th percentile relative to similarly positioned executives in Penn's peer group (based on information in the peer group companies' 2012 proxy statements), and the base salaries of the other executive officers ranged from the 27th percentile to the 72nd percentile.

Annual Incentive—Internal Measure

In 2012, Penn achieved over 99% of the maximum adjusted EBITDA target of $756.6 million (which was 105% of Penn's publicly announced adjusted EBITDA target for 2012 of $720.6 million). This resulted in the executive officers earning 85% of the maximum payout under the internal measure of the annual incentive plan. For purposes of the 2008 Plan, adjusted EBITDA for 2012 was $751.1 million, which reflects adjustments from Penn's publicly announced adjusted EBITDA to exclude the impact of certain non-recurring events, including the additional EBITDA attributable to the acquired property in Missouri and the additional expenses generated from referendum related activities in Maryland, as required by the terms of the 2008 Plan.

The following table indicates the actual amount paid to each executive officer as a percentage of annual base salary for 2012 for the internal measure of the annual incentive:

Executive	Actual Bonus Percent	Actual Payment
Chairman and Chief Executive Officer	143%	$ 2,502,006
President and Chief Operating Officer	121%	$ 1,704,091
Senior Vice President and Chief Financial Officer	107%	$ 1,210,894
Senior Vice President and General Counsel	71%	$ 366,938
Senior Vice President of Corporate Development	71%	$ 359,599

Annual Incentive—External Measure

For 2012, Penn's TSR exceeded the targets for seven of the nine performance measures. As a result, the executive officers earned 77.8% of the maximum bonus payable under the external measure of the annual incentive plan. The Committee elected to pay this amount in PSUs that vest over four years, 25% on the first anniversary of the date of grant and 25% on each succeeding anniversary (subject to continued employment), in order to encourage management retention and foster alignment with shareholder interests. The numbers of units were determined by dividing the bonus amount by the fair market value of the common stock on the first trading day of the performance period, which was January 2, 2012. Consistent with the Committee's past practice, it used the first trading day of 2012 to determine the number of PSUs granted because the PSUs are granted in respect of 2012 TSR performance and the Committee believes the value of the award should reflect the increase in the market price of Penn's shares during the performance period for the TSR metric. The Committee has determined this approach to be appropriate because, among other reasons, the TSR portion of each executive's annual incentive is not delivered immediately, but is made subject to additional service based vesting before it can be realized. Accordingly, this approach allows Penn to receive the benefit of an additional retention incentive and further alignment of executive's interests with those of shareholders through equity ownership.

The following table indicates the maximum units that could have been earned by management under the TSR Plan in 2012, the actual number of units awarded based on Penn having met seven of the nine TSR targets and the grant date value of such awards:

Executive	Maximum Shares	Phantom Stock Unit Awards	Grant Date Fair Value
Chairman and Chief Executive Officer	69,181	53,807	$ 2,601,568
President and Chief Operating Officer	47,118	36,648	$ 1,771,931
Senior Vice President and Chief Financial Officer	33,482	26,041	$ 1,259,082
Senior Vice President and General Counsel	10,146	7,892	$ 381,578
Senior Vice President of Corporate Development	9,943	7,734	$ 373,939

As evidenced by Penn's share price growth exceeding the one, three and five year median growth rate of its industry peer group, Penn continued to perform well against its peers. The Committee believes this is due to a combination of (i) the value generated by Penn's announcement of its intention to pursue the Spin-Off, (ii) the opening of new casinos in Columbus, Kansas City, and Toledo, (iii) the relatively lower volatility of Penn's regional gaming portfolio during the economic downturn of the last several years and (iv) the relatively lower debt levels maintained by Penn during those years. Penn's TSR also exceeded the median TSR of the S&P Leisure Time Select Industries Index and the TSR of the S&P 500 Index over the one and three year period.

Equity Compensation

In 2012, options to purchase shares of common stock were granted to Penn's executive officers as follows: Peter M. Carlino, options to purchase 300,000 shares; Timothy J. Wilmott, options to purchase 200,000 shares; William J. Clifford, options to purchase 150,000 shares; and each of Jordan B. Savitch and Steven T. Snyder, options to purchase 70,000 shares. The exercise price of each option was set at $38.07 per share, which represents the closing price of a share of common stock on the trading day immediately prior to the date of grant, as required by the terms of the 2008 Plan. All options granted in 2012 vest at the rate of 25% per year, generally subject to the executive's continued employment.

Consistent with the Committee's historical practices regarding stock option grants, the Committee granted the same fixed number of shares in 2012 to Mr. Carlino as were granted in 2011. In granting a fixed number of stock options to the Chief Executive Officer for 2012, the Committee considered the extent to which the grant would reward the Chief Executive Officer for increasing shareholder value and the Chief Executive Officer's central role in overseeing Penn's success. The Committee also considered the size of the grant in relation to the diluted shares outstanding, which represented approximately 0.3% of the total shares outstanding. Further, the Committee considered Penn's recent and long-term performance. Based on these factors, the Committee determined, as it has in previous years, that the fixed grant of 300,000 stock options was appropriate to reward and incentivize the Chief Executive Officer to increase shareholder value.

With respect to the other executive officers, the Committee utilized a methodology based on the number of options granted to the Chief Executive Officer and then adjusted downward so that the size of the grants were approximately proportionate to the difference in the total cash opportunity available to each of the executive officers. If appropriate, the Committee may further adjust the amounts based on input from the Chief Executive Officer regarding such qualitative factors as specific position duties and responsibilities, tenure with Penn, individual contribution and position value to Penn. In 2012, no other adjustments were deemed necessary or appropriate and, accordingly, the Committee granted the same fixed number of shares in 2012 to the other executive officers as were granted in 2011.

Employment Agreements

Most of the existing employment agreements with Penn's executive officers have relatively near term expiration dates. In addition, the Committee expects that several of these agreements will expire earlier as some of Penn's Named Executive Officers are expected to transition to GLPI in connection with the Spin-Off. Accordingly, in 2013, the Committee plans to continue to re-evaluate whether and in what form to utilize employment agreements to attract and retain talented executives and to protect Penn from employment related liability.

For a detailed discussion of the terms contained in each Named Executive Officer's employment agreement, please refer to pages [•] to [•] of this Prospectus.

Other Compensation Policies

Hedging and Pledging Policy

The Committee believes that equity ownership fosters an atmosphere where directors and officers "think like owners" and are motivated to increase the long-term value of Penn by aligning their interests with those of Penn's shareholders. Accordingly, the Committee has adopted policies generally restricting each of Penn's directors and executive officers from engaging in hedging transactions or pledging Penn shares.

Compensation Clawback Policy

As a highly regulated, multi-jurisdictional gaming and racing company, Penn has had a long-standing commitment to ensure that its executive officers adhere to the highest professional and personal standards. Accordingly, Penn has long held that under current law misconduct by any executive officer that leads to a restatement of Penn's financial results could subject such individuals to a disgorgement of prior compensation and, in light of the highly regulated nature of Penn's business, that the Committee would likely pursue such remedy, among others, where appropriate based on the facts and circumstances surrounding the restatement and existing laws. The Committee will amend Penn's clawback policy, as needed, once the SEC adopts the final implementing rules regarding compensation clawbacks mandated by the Dodd-Frank Act.

Statutory and Regulatory Considerations

In designing Penn's compensatory programs, the Committee considers the various tax, accounting and disclosure rules associated with various forms of compensation. The Committee also reviews and considers the deductibility of executive compensation under Section 162(m) of the Code, which generally provides that Penn may not deduct certain compensation of more than $1 million that is paid to certain individuals. Penn generally will be entitled to take tax deductions related to performance-based compensation or to compensation not payable until the executive leaves Penn, which may include cash incentives, stock options, restricted stock or other performance-based award. The Committee seeks to preserve Penn's tax deductions for executive compensation to the extent consistent with Penn's executive compensation objectives. However, the Committee may also from time to time consider and grant compensation that may not be tax deductible if the Committee believes such compensation is warranted to achieve Penn's objectives.

Timing of Option Grants

In December 2006, the Committee adopted a stock option grant procedure, pursuant to which, for annual stock option awards to eligible executive officers, the grant date will be the first trading day of the calendar year. In addition, with respect to executive officers subject to the reporting requirements of Section 16 of the Exchange Act, grants made by us upon commencement of employment or promotions are made on the day employment commences or the promotion is effective. The stock option procedure is designed to make the timing of option grants predictable and prevent grant timing abuses. Options granted in 2012 to executives were granted in accordance with this procedure. All option grants were priced in accordance with the terms of the applicable equity compensation plans, which require, among other things, that the exercise price of all stock options be established by reference to the closing price on the trading day immediately prior to the date of grant.

Summary Compensation Table

The following table sets forth information concerning the compensation earned during the fiscal years ended December 31, 2012, 2011 and 2010 by Penn's Named Executive Officers on December 31, 2012:

Name and Principal Position	Year	Salary ($)	Stock Awards ($)(1)	Option Awards ($)(1)	Non-Equity Incentive Plan Compensation ($)(2)	All Other Compensation ($)(3)	Total ($)
Peter M. Carlino	2012	1,753,827	2,601,568	5,153,190	2,502,006	529,415	**12,540,006**
Chairman and Chief	2011	1,702,745	2,332,228	4,966,050	2,556,981	420,330	**11,978,334**
Executive Officer	2010	1,653,335	1,125,449	3,874,500	2,482,506	333,487	**9,469,277**
Timothy J. Wilmott	2012	1,405,310	1,771,931	3,435,460	1,704,091	104,102	**8,420,894**
President and Chief	2011	1,364,379	1,588,454	3,310,700	1,741,534	98,477	**8,103,544**
Operating Officer	2010	1,324,788	766,521	2,583,000	1,690,809	95,004	**6,460,122**
William J. Clifford	2012	1,131,731	1,259,082	2,576,595	1,210,894	276,076	**6,454,378**
Senior Vice President and	2011	1,087,398	1,128,727	2,483,025	1,237,500	166,747	**6,103,397**
Chief Financial Officer	2010	771,557	393,911	1,937,250	868,877	127,742	**4,099,337**
Jordan B. Savitch	2012	514,424	381,578	1,202,411	366,938	62,346	**2,527,697**
Senior Vice President and	2011	497,955	342,044	1,158,745	375,000	46,555	**2,420,299**
General Counsel	2010	446,400	151,951	904,050	335,138	33,295	**1,870,834**
Steven T. Snyder(4)	2012	504,134	373,939	1,202,411	359,599	61,199	**2,501,282**
Senior Vice President of	2011	487,991	335,201	1,158,745	367,500	45,715	**2,395,152**
Corporate Development	2010	437,309	148,845	904,050	328,312	32,718	**1,851,234**

(1) The amounts reflect the full grant date fair value calculated in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718 ("ASC 718"), for stock option awards, restricted stock awards, and PSU awards. Assumptions used in the calculation of these amounts are included in footnote 4 to Penn's audited financial statements included in its Annual Report on Form 10-K for the fiscal year ended December 31, 2012. Included in Stock Awards for the years 2012 and 2011 are PSU awards granted on January 29, 2013, and February 6, 2012, respectively, relating to Penn's payment of the external portion of Penn's annual incentive

plan for years 2012 and 2011. Included in Stock Awards for the year 2010 are restricted stock awards granted on April 15, 2011, relating to Penn's payment of the external portion of Penn's annual incentive plan for 2010.

(2) The amounts reflect cash payments in 2012, 2011 and 2010, pursuant to the internal measure portion of Penn's annual incentive plan, which provided for the payment of incentive compensation upon Penn's achievement of pre-established adjusted EBITDA goals. Based on Penn's adjusted EBITDA performance for 2012, the executives received target plus 85% of the difference between target and the maximum payout for the internal measure. Based on Penn's adjusted EBITDA performance for 2011 and 2010, the executives received the maximum payout for the internal measure. For more information on Penn's annual incentive plan, see the discussion beginning on page [•] of the "—Compensation Discussion and Analysis" of this Prospectus.

(3) See All Other Compensation Table below for more information.

(4) Mr. Snyder was not a named executive officer of Penn for 2011.

All Other Compensation Table

The following table describes each component of the All Other Compensation column of the Summary Compensation Table:

					Perquisites		
Name	**Year**	**Penn Contributions to Deferred Compensation Plan ($)(1)**	**Penn Contributions to 401(k) ($)(2)**	**Penn-Paid Insurance Premiums ($)(3)**	**Club Memberships ($)**	**Personal Use of Penn Airplane ($)(4)**	**Total ($)**
Peter M. Carlino	2012	303,330	5,000	—	3,340	217,745	529,415
	2011	209,262	4,900	—	3,279	202,889	420,330
	2010	127,664	4,900	—	3,219	197,704	333,487
Timothy J. Wilmott	2012	70,266	5,000	28,836	—	—	104,102
	2011	68,219	4,900	25,358	—	—	98,477
	2010	66,242	4,900	23,862	—	—	95,004
William J. Clifford	2012	160,949	5,000	—	—	110,127	276,076
	2011	97,813	4,900	—	—	64,034	166,747
	2010	54,327	4,900	—	—	68,515	127,742
Jordan B. Savitch	2012	57,346	5,000	—	—	—	62,346
	2011	41,655	4,900	—	—	—	46,555
	2010	28,395	4,900	—	—	—	33,295
Steven T. Snyder	2012	56,199	5,000	—	—	—	61,199
	2011	40,815	4,900	—	—	—	45,715
	2010	27,818	4,900	—	—	—	32,718

(1) This column reports Penn's matching contributions under Penn's deferred compensation plan.

(2) This column reports Penn's contributions to the Named Executive Officers' 401(k) savings accounts.

(3) This column reports life insurance policy premiums and other insurance premiums paid by Penn on behalf of the executive.

(4) The amount allocated for personal aircraft usage is calculated based on the incremental cost to Penn for fuel, landing fees and other variable costs of operating the airplane. Since Penn's aircrafts are primarily used for business travel, Penn does not include fixed costs that do not change based on usage, such as pilots' salaries, depreciation of the purchase cost of the aircraft and the cost of general maintenance.

2012 Grants of Plan-Based Awards

The following table sets forth certain information regarding grants of plan-based awards relating to 2012:

Name	Grant Date	Grant Board Approval Date	All Other Option Awards: Number of Securities Underlying Stock Options (#)	Exercise or Base Price of Option Awards ($/Sh)(1)	Grant Date Fair Value of Stock and Option Awards ($)(2)
Peter M. Carlino—Options(3)	1/3/2012	12/12/2011	300,000	38.07	5,153,190
Peter M. Carlino—External Measure(4)	1/29/2013	1/29/2013	53,807	—	2,601,568
Timothy J. Wilmott—Options(3)	1/3/2012	12/12/2011	200,000	38.07	3,435,460
Timothy J. Wilmott—External Measure(4)	1/29/2013	1/29/2013	36,648	—	1,771,931
William J. Clifford—Options(3)	1/3/2012	12/12/2011	150,000	38.07	2,576,595
William J. Clifford—External Measure(4)	1/29/2013	1/29/2013	26,041	—	1,259,082
Jordan B. Savitch—Options(3)	1/3/2012	12/12/2011	70,000	38.07	1,202,411
Jordan B. Savitch—External Measure(4)	1/29/2013	1/29/2013	7,892	—	381,578
Steven T. Snyder—Options(3)	1/3/2012	12/12/2011	70,000	38.07	1,202,411
Steven T. Snyder—External Measure(4)	1/29/2013	1/29/2013	7,734	—	373,939

(1) The exercise price of each stock option is equal to the fair market value of a share of Penn's common stock on the date of grant. Pursuant to the terms of Penn's 2008 long term incentive compensation plan, as amended, under which the options were granted, fair market value is equal to the closing price of Penn's common stock on the business day immediately preceding the date of grant.

(2) Represents the full grant date fair value of awards under ASC 718. Generally, the full grant date fair value is the amount Penn would expense in its financial statements over the award's vesting period. Assumptions used in the calculation of these amounts are included in footnote 4 to Penn's audited financial statements included in its Annual Report on Form 10-K for the fiscal year ended December 31, 2012.

(3) Options granted to the Named Executive Officers vest over four years, 25% on the first anniversary of the date of grant and 25% on each succeeding anniversary. In the event of a change in control, options vest immediately.

(4) These amounts reflect PSU awards relating to 2012 performance pursuant to the external measure portion of Penn's annual incentive plan, which provides for the payment of incentive compensation upon Penn's share performance over a 1-year, 3-year and 5-year period as compared against the total shareholder return of the companies listed in three indices for a total of nine performance targets. One-ninth of the maximum bonus will be paid for the achievement of each target. Executives received seven-ninths of the Maximum Target as a payout for 2012. The units vest over four years, 25% on the first anniversary of the date of grant and 25% on each succeeding anniversary. In the event of a change in control, the forfeiture restrictions on restricted stock lapse immediately. See the discussion beginning on page [•] of the "—Compensation Discussion and Analysis" of this Prospectus.

Outstanding 2012 Equity Awards at Fiscal Year-End

The following table sets forth information concerning equity awards outstanding as of December 31, 2012:

	Option Awards					Stock Awards		
		Number of Securities Underlying Unexercised Options:						
Name	Option Grant Date(1)	Exercisable (#)	Unexercisable (#)(1)	Option Exercise Price($)	Option Expiration Date	Stock Award Grant Date	Number of Shares or Units Held that Have Not Vested(#)	Market Value of Shares or Units Held that Have Not Vested ($)(4)
Peter M. Carlino	01/29/04	150,000	—	12.15	01/29/14	02/18/10(2)	10,246	503,181
	01/06/05	561,300	—	29.22	01/06/15	10/20/10(3)	37,279	1,830,772
	01/12/06	300,000	—	33.12	01/12/16	04/15/11(2)	30,434	1,494,614
	01/02/07	300,000	—	41.62	01/02/17	02/06/12(3)	56,580	2,778,644
	07/08/08	300,000	—	29.87	07/08/18			
	01/02/09	225,000	75,000	21.38	01/02/16			
	01/02/10	150,000	150,000	27.19	01/02/17			
	01/03/11	75,000	225,000	35.15	01/03/18			
	01/03/12	—	300,000	38.07	01/03/19			
Timothy J. Wilmott	07/08/08	186,612	—	29.87	07/08/18	02/18/10(2)	6,978	342,690
	01/02/09	150,000	50,000	21.38	01/02/16	10/20/10(3)	25,390	1,246,903
	01/02/10	100,000	100,000	27.19	01/02/17	04/15/11(2)	20,728	1,017,952
	01/03/11	50,000	150,000	35.15	01/03/18	02/06/12(3)	38,536	1,892,503
	01/03/12	—	200,000	38.07	01/03/19			
William J. Clifford	01/06/05	300,000	—	29.22	01/06/15	02/18/10(2)	3,586	176,108
	01/12/06	100,000	—	33.12	01/12/16	10/20/10(3)	13,048	640,787
	01/02/07	100,000	—	41.62	01/02/17	04/15/11(2)	10,652	523,120
	07/08/08	150,000	—	29.87	07/08/18	02/06/12(3)	27,383	1,344,779
	01/02/09	112,500	37,500	21.38	01/02/16			
	01/02/10	75,000	75,000	27.19	01/02/17			
	01/03/11	37,500	112,500	35.15	01/03/18			
	01/03/12	—	150,000	38.07	01/03/19			
Jordan B. Savitch	01/29/04	37,080	—	12.15	12/31/13	02/18/10(2)	1,383	67,919
	01/06/05	80,000	—	29.22	01/06/15	10/20/10(3)	5,033	247,171
	01/12/06	50,000	—	33.12	01/12/16	04/15/11(2)	4,109	201,793
	01/02/07	50,000	—	41.62	01/02/17	02/06/12(3)	8,298	407,515
	07/08/08	70,000	—	29.87	07/08/18			
	01/02/09	52,500	17,500	21.38	01/02/16			
	01/02/10	35,000	35,000	27.19	01/02/17			
	01/03/11	17,500	52,500	35.15	01/03/18			
	01/03/12	—	70,000	38.07	01/03/19			
Steven T. Snyder	01/06/05	66,578	—	29.22	01/06/15	02/18/10(2)	1,355	66,544
	01/12/06	66,981	—	33.12	01/12/16	10/20/10(3)	4,930	242,112
	01/02/07	67,598	—	41.62	01/02/17	04/15/11(2)	4,025	197,668
	07/08/08	66,653	—	29.87	07/08/18	02/06/12(3)	8,132	399,363
	01/02/09	17,500	17,500	21.38	01/02/16			
	01/02/10	35,000	35,000	27.19	01/02/17			
	01/03/11	17,500	52,500	35.15	01/03/18			
	01/03/12	—	70,000	38.07	01/03/19			

(1) Options vest over four years, 25% on the first anniversary of the date of grant and 25% on each succeeding anniversary. In the event of a change in control, options vest immediately.

(2) Represents restricted stock awards. The forfeiture provisions on the restricted stock awards granted February 18, 2010, lapse 33 1/3% on each of the first, second, and third anniversary of the date of grant. The forfeiture provisions on the restricted stock awards granted April 15, 2011, lapse 100% on the third year anniversary of the date of grant. In the event of a change in control, the forfeiture restrictions on restricted stock lapse immediately.

(3) Represents PSU awards. Awards granted October 20, 2010, are scheduled to vest as follows: $^{2}/9$ of the aggregate award to the executive on each of the first, second and third anniversaries of the date of grant and the remaining $^{1}/6$ of the aggregate award to the executive on each of the fourth and fifth anniversaries of the date of grant and awards granted February 6, 2012, are scheduled to vest over four years, 25% on the first anniversary of the date of grant and 25% on each succeeding anniversary. In the event of a change in control, the forfeiture restrictions on restricted stock lapse immediately.

(4) Calculated based on the closing price of Penn's common stock on December 31, 2012 ($49.11), which was the last trading day of 2012.

2012 Option Exercises and Stock Vested

The following table sets forth information concerning options exercised, restricted stock awards vested, and PSU awards vested during fiscal 2012:

	Option Awards		Stock Awards		PSU Awards	
Name	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise ($)	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting ($)	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting ($)
Peter M. Carlino	75,000	2,301,000	36,817	1,456,197	14,912	626,006
Timothy J. Wilmott	13,388	258,790	25,076	991,815	10,156	426,349
William J. Clifford	—	—	12,886	509,670	5,219	219,094
Jordan B. Savitch	101,760	2,515,688	4,970	196,574	2,013	84,506
Steven T. Snyder	87,190	1,453,145	4,869	192,580	1,972	82,785

2012 Nonqualified Deferred Compensation

The following table sets forth information concerning nonqualified deferred compensation of the Named Executive Officers:

Name	Executive Contributions in Last Fiscal Year ($)(1)	Penn Contributions in Last Fiscal Year ($)(2)	Aggregate Earnings in Last Fiscal Year ($)(3)	Aggregate Withdrawals/ Distributions ($)	Aggregate Balance at Last Fiscal Year End ($)(4)
Peter M. Carlino	606,660	303,330	720,111	(3,120)	5,526,334
Timothy J. Wilmott	281,062	70,266	244,345	(1,331)	1,973,155
William J. Clifford	321,898	160,949	9,619	(69,727)	2,360,844
Jordan B. Savitch	114,692	57,346	66,313	(643)	808,208
Steven T. Snyder	112,398	56,199	124,605	(65,076)	1,006,168

(1) For each Named Executive Officer, the Executive's contribution is included in the Named Executive Officer's salary and/or non-equity executive compensation for 2012, as reported in the Summary Compensation Table.

(2) For each Named Executive Officer, Penn's contribution is included in the Named Executive Officer's other compensation for 2012, as reported in the Summary Compensation Table.

(3) Amounts reflect the change in account value during 2012. No amounts are reported in the Summary Compensation Table because earnings were not above market or preferential.

(4) The amount of each Named Executive Officer's aggregate balance at fiscal year-end that was reported as compensation in Penn's Summary Compensation Table for previous years is set forth below:

Name	Amount Previously Reported ($)
Peter M. Carlino	3,899,353
Timothy J. Wilmott	1,378,813
William J. Clifford	1,938,105
Jordan B. Savitch	570,500
Steven T. Snyder	—

Penn's Deferred Compensation Plan

Pursuant to Penn's deferred compensation plan, as amended, most management and certain other highly compensated employees selected by the Committee administering the plan may elect to defer, on a pre-tax basis, a percentage of his or her salary and/or bonus. The minimum amount deferrable is $3,000 and the maximum is 90% of his or her base annual salary and/or bonus. Generally, deferral elections must be made before the beginning of the year in which compensation will be earned. Penn's contributions under the plan are equal to 50% of the participant's deferral for the first 10% of the salary and/or bonus deferred, subject to a maximum annual Penn contribution equal to 5% of the participant's salary and/or bonus. With the approval of the board of directors of Penn, Penn is also permitted to make discretionary contributions. Participants are always 100% vested in their own contributions, but Penn contributions vest 20% per year of service with Penn. Therefore, employees with five or more years of service are fully vested in Penn contributions under the plan. However, for employees with less than five years of service, all Penn contributions become immediately and fully vested upon death, retirement (on or after age 65) or a change in control of Penn, as defined in the deferred compensation plan. The Committee may accelerate vesting of Penn's contributions if a participant terminates his or her employment because of disability.

Subject to the exceptions discussed below, participants in the deferred compensation plan, or their beneficiaries, receive distributions upon retirement, death or termination. Participants can elect to receive distributions following retirement or death in the form of a lump sum payment or payment in five or ten annual installments. Distributions following retirement can be deferred for up to five years.

For purposes of the deferred compensation plan, termination of employment as a result of a disability will be considered retirement. Distributions following termination of employment other than as a result of retirement or death will be in the form of a lump sum payment. Participants can also elect to receive a scheduled distribution with respect to an annual deferral amount, which is payable in a lump sum at the beginning of a designated subsequent calendar year, subject to certain limitations. In the event of an unforeseeable financial emergency and with the approval of the Committee, a participant can suspend deferrals or receive a partial or full payout under the plan. Certain specified employees have a six-month delay imposed upon distributions pursuant to a severance from service, as required by the final Code section 409A regulations. In the event of a change in control, Penn will accelerate installment payments that are in pay status by paying the account balance in lump sum and will distribute the account balances of all active participants in a lump sum; provided, however, that no distributions (or accelerations of installments) will occur unless the transaction qualifies as a "change in control event" under Code section 409A.

Participants in the deferred compensation plan may notionally invest deferred amounts, including Penn contributions, in mutual funds selected by the Committee. Participants may change their investment elections at any time.

Potential Payments Upon Termination or Change in Control

The information below describes and quantifies compensation that would become payable under existing arrangements with Penn in the event of a termination of a Named Executive Officer's employment under several different circumstances or a change in control. The amounts shown assume that such termination or change in control was effective as of December 31, 2012, and thus include amounts earned through such time and are based (where applicable) on the closing price of Penn's common stock on such date (which was $49.11 per share) and are estimates of the amounts that would be paid to the Named Executive Officers upon their termination or a change in control. The actual amounts to be paid can only be determined at the time of such Named Executive Officer's separation from Penn or a change in control.

The following tables quantify the amounts payable to each of the Named Executive Officers under the described termination circumstances and upon a change in control. For a description of the severance and change in control provisions giving rise to the payments set forth below, see pages [•] through [•] of this Prospectus.

Post-Employment Payments—Peter M. Carlino

Executive Payments	Voluntary Termination by Executive ($)	Termination without Cause by Penn ($)	Termination for Cause by Penn ($)	Termination upon Death ($)	Termination upon Disability ($)	Change in Control ($)(1)	Change in Control Termination without Cause ($)
Cash Severance Benefit(2)	—	12,938,325	—	12,938,325	12,938,325	12,938,325	12,938,325
Benefit Continuation(3)	—	31,068	—	31,068	31,068	—	31,068
Restricted Shares(4)	—	6,607,211	—	6,607,211	6,607,211	6,607,211	6,607,211
Unvested Stock Options(5)	—	10,992,750(6)	—	10,992,750(6)	10,992,750(6)	11,820,750	11,820,750
Vested Stock Options(5)	40,098,507	40,098,507	29,524,257	40,098,507	40,098,507	40,098,507	40,098,507
Vested Deferred Compensation Balance(7)	5,526,334	5,526,334	5,526,334	5,526,334	5,526,334	5,526,334	5,526,334
Tax Indemnity Payments(8)	n/a	n/a	n/a	n/a	n/a	8,352,716	8,362,918
Total	**$ 45,624,841**	**$ 76,194,195**	**$ 35,050,591**	**$ 76,194,195**	**$ 76,194,195**	**$ 85,343,843**	**$ 85,385,113**

Post-Employment Payments—Timothy J. Wilmott

Executive Payments	Voluntary Termination by Executive ($)	Termination without Cause by Penn ($)	Termination for Cause by Penn ($)	Termination upon Death ($)(9)	Termination upon Disability ($)	Change in Control ($)(1)	Change in Control Termination without Cause ($)
Cash Severance Benefit(2)	—	6,296,840	—	6,296,840	6,296,840	9,445,260	9,445,260
Benefit Continuation(3)	—	30,120	—	30,120	30,120	—	45,180
Restricted Shares(4)	—	—	—	4,500,048	4,500,048	4,500,048	4,500,048
Unvested Stock Options(5)	—	6,253,000(6)	—	6,253,000(6)	6,253,000(6)	7,880,500	7,880,500
Vested Stock Options(5)	10,639,915	10,639,915	3,590,415	10,639,915	10,639,915	10,639,915	10,639,915
Vested Deferred Compensation Balance(7)	1,973,155	1,973,155	1,973,155	1,973,155	1,973,155	1,973,155	1,973,155
Tax Indemnity Payments(8)	n/a	n/a	n/a	n/a	n/a	6,606,410	6,622,065
Total	**$ 12,613,070**	**$ 25,193,030**	**$ 5,563,570**	**$ 29,693,078**	**$ 29,693,078**	**$ 41,045,288**	**$ 41,106,123**

Post-Employment Payments—William J. Clifford

Executive Payments	Voluntary Termination by Executive ($)	Termination without Cause by Penn ($)	Termination for Cause by Penn ($)	Termination upon Death ($)	Termination upon Disability ($)	Change in Control ($)(1)	Change in Control Termination without Cause ($)
Cash Severance Benefit(2)	—	4,741,000	—	4,741,000	4,741,000	7,111,500	7,111,500
Benefit Continuation(3)	—	20,976	—	20,976	20,976	—	31,464
Restricted Shares(4)	—	—	—	2,684,794	2,684,794	2,684,794	2,684,794
Unvested Stock Options(5)	—	4,689,750(6)	—	4,689,750(6)	4,689,750(6)	5,910,375	5,910,375
Vested Stock Options(5)	16,488,125	16,488,125	11,201,000	16,488,125	16,488,125	16,488,125	16,488,125
Vested Deferred Compensation Balance(7)	2,360,844	2,360,844	2,360,844	2,360,844	2,360,844	2,360,844	2,360,844
Tax Indemnity Payments(8)	n/a	n/a	n/a	n/a	n/a	4,187,086	4,197,418
Total	**$ 18,848,969**	**$ 28,300,695**	**$ 13,561,844**	**$ 30,985,489**	**$ 30,985,489**	**$ 38,742,724**	**$ 38,784,520**

Post-Employment Payments—Jordan B. Savitch

Executive Payments	Voluntary Termination by Executive ($)	Termination without Cause by Penn ($)	Termination for Cause by Penn ($)	Termination upon Death ($)	Termination upon Disability ($)	Change in Control ($)(1)	Change in Control Termination without Cause ($)
Cash Severance Benefit(2)	—	1,335,000	—	1,335,000	1,335,000	2,670,000	2,670,000
Benefit Continuation(3)	—	15,732	—	15,732	15,732	—	31,464
Restricted Shares(4)	—	—	—	924,398	924,398	924,398	924,398
Unvested Stock Options(5)	—	2,188,550(6)	—	2,188,550(6)	2,188,550(6)	2,758,175	2,758,175
Vested Stock Options(5)	7,949,802	7,949,802	5,842,477	7,949,802	7,949,802	7,949,802	7,949,802
Vested Deferred Compensation Balance(7)	808,208	808,208	808,208	808,208	808,208	808,208	808,208
Tax Indemnity Payments(8)	n/a	n/a	n/a	n/a	n/a	1,599,149	1,609,481
Total	**$ 8,758,010**	**$ 12,297,292**	**$ 6,290,685**	**$ 13,221,690**	**$ 13,221,690**	**$ 16,709,732**	**$ 16,751,528**

Post-Employment Payments—Steven T. Snyder

Executive Payments	Voluntary Termination by Executive ($)	Termination without Cause by Penn ($)	Termination for Cause by Penn ($)	Termination upon Death ($)	Termination upon Disability ($)	Change in Control ($)(1)	Change in Control Termination without Cause ($)
Cash Severance Benefit(2)	—	1,744,400	—	1,744,400	1,744,400	2,616,600	2,616,600
Benefit Continuation(3)	—	30,120	—	30,120	30,120	—	45,180
Restricted Shares(4)	—	—	—	905,687	905,687	905,687	905,687
Unvested Stock Options(5)	—	2,188,550(6)	—	2,188,550(6)	2,188,550(6)	2,758,175	2,758,175
Vested Stock Options(5)	5,680,750	5,680,750	4,183,975	5,680,750	5,680,750	5,680,750	5,680,750
Vested Deferred Compensation Balance(7)	1,006,168	1,006,168	1,006,168	1,006,168	1,006,168	1,006,168	1,006,168
Tax Indemnity Payments(8)	n/a	n/a	n/a	n/a	n/a	1,428,740	1,443,576
Total	**$ 6,686,918**	**$ 10,649,988**	**$ 5,190,143**	**$ 11,555,675**	**$ 11,555,675**	**$ 14,396,120**	**$ 14,456,136**

(1) Upon the occurrence of a change in control, the change in control payment is payable and the stock options and restricted stock awards accelerate; no termination of employment is required.

(2) Basis for cash severance benefit upon a change in control is 2012 salary plus highest cash bonus earned over years 2012 and 2011.

(3) Represents employer cost of medical and dental coverage.

(4) Restricted stock award values were computed based on the closing stock price of Penn's common stock on December 31, 2012 ($49.11), which was the last trading day of 2012.

(5) Amounts represent the difference between the exercise price of each Named Executive Officer's options and the closing price of Penn's common stock on December 31, 2012 ($49.11). Vested stock options issued under the 2008 Plan are cancelled when an

executive is terminated for cause by Penn; however, vested options granted under Penn's prior long-term incentive plans are generally not cancelled upon a termination for cause.

(6) Unvested options that would vest during the applicable severance period vest upon termination but may not be exercised until the time that such options would have vested had the executive continued to be employed through the applicable severance period. Restrictions lapse upon death or a change in control.

(7) Penn contributions to the deferred compensation plan vest 20% per year during the first five years of service, although vesting is accelerated upon death, change in control and, at the option of the committee administering the plan, disability.

(8) The amounts in the table were calculated in accordance with Sections 4999 and 280G of the Code.

(9) The amounts reflected exclude net benefit payments under life insurance policies maintained by Penn covering Mr. Wilmott for the benefit of his named beneficiaries with a face value of $3,900,000.

Employment Agreements

Penn has employment agreements with each of its Named Executive Officers. As noted below, most of these agreements have relatively near term expiration dates. In addition, Penn expects that several of these agreements will expire earlier as some of Penn's Named Executive Officers are expected to transition to GLPI in connection with the Spin Off. Accordingly, in 2013, the Committee plans to continue to re-evaluate whether and in what form to utilize employment agreements to attract and retain talented executives and to protect Penn from employment related liability. For key employees with whom Penn does not seek to have employment agreements, Penn has designed other policies and programs for attracting and retaining talented individuals.

Key Terms

Term

The term of the employment agreement for each of the Chairman and Chief Executive Officer and the President and Chief Operating Officer is five years. Each other Named Executive Officer's employment agreement has a three year term. Penn believes that the length of each employment term represents a reasonable period for which Penn and the executive will mutually commit to maintain the employment relationship. For Penn, this provides stability and predictability among its leadership ranks. For the executive, this provides a reasonable but limited assurance of job security designed to foster an environment of entrepreneurial risk taking where the executive can focus on building long-term shareholder value.

With respect to Mr. Wilmott, the five-year term was intended to provide a reasonable period of time for Penn and Mr. Wilmott to mutually determine whether Mr. Wilmott would have the opportunity to serve as Penn's Chief Executive Officer. In November 2012, Penn announced that it expects Mr. Wilmott to serve as Chief Executive Officer of Penn following the completion of the Spin-Off.

With respect to Mr. Carlino, the five-year term was deemed reasonable given the leadership and accomplishments Mr. Carlino has demonstrated and achieved over the 19 years he has served Penn. Among other things, the board of directors of Penn credits Mr. Carlino with putting together and executing the acquisition strategy and recruiting the management team that has fueled Penn's growth since 1994.

Termination and Restrictive Covenants

Penn offers certain additional payments to its Named Executive Officers if Penn elects to terminate the executive's employment without "cause" or as a result of death or total disability. Such termination payments are not available to the executive if the executive resigns (regardless of whether or not such executive has good reason except as noted on page [•] of this Prospectus with respect to Mr. Carlino and Mr. Wilmott) or if the executive is terminated for "cause." All termination payments are expressly conditioned on the executive providing a written release of all liabilities to Penn and the executive's agreement to comply with the restrictive covenants described below for the time period for which such payments are made. All payments are subject to forfeiture and/or clawback in the event that the executive breaches any term of the restrictive covenants.

Each employment agreement contains a comprehensive set of restrictive covenants designed to provide Penn with a reasonable degree of protection of its strategic plans, intellectual property and human capital. Generally, each employment agreement contains prohibitions on (i) competition with Penn anywhere in North America, (ii) solicitation of any employees of Penn or any of its subsidiaries, and (iii) disclosure and use of any of Penn's confidential information.

Each executive is generally bound by the restrictive covenants for the following periods: 36 months for the Chairman and Chief Executive Officer, 24 months for the President and Chief Operating Officer and the Senior Vice President and Chief Financial Officer and 18 months for the Senior Vice President and General Counsel and the Senior Vice President of Corporate Development. The board of directors of Penn selected these time periods based on its determination about the extent to which each individual's tenure with, and knowledge of, Penn might be used to adversely impact Penn's strategic plans, intellectual property or human capital. If an executive violates any of these provisions, in addition to any other legal or equitable remedies available to Penn, the executive must repay to Penn all amounts paid upon termination, forfeit any amounts then still payable in connection with such termination and, as set forth in the applicable compensation plans, forfeit all outstanding equity awards (regardless of whether such awards had vested before or after termination). In limited circumstances, an executive may opt out of the non-competition provision provided such executive repays any amounts paid and forfeits amounts payable by Penn in respect of the period for which such executive has elected not to be subject to the restrictive covenant.

The additional payments consist of a cash payment equal to the executive's base salary and annual cash bonus (based on the highest salary and annual cash bonus paid during the previous two years calculated on a monthly basis) multiplied by the greater of (i) the minimum number of months that such executive is bound by the restrictive covenants and (ii) the number of months remaining in the employment term. In addition, the executive is permitted continued vesting of stock options during the period for which the executive remains bound by restrictive covenants. The board of directors of Penn selected these amounts based on the rationale that it was willing to continue to pay each executive an amount reflecting the foregone compensation over the period that Penn desired the executive to remain subject to the restrictive covenants in the event Penn elects to terminate the executive's employment without cause.

Change in Control

In 2012, no new or renewed employment agreement contained a "single trigger" change in control provision. In addition, Penn has determined not to enter into any such provisions in the future.

With respect to the employment agreements of the Named Executive Officers, none of which expired in 2012, in the event of a change in control, each Named Executive Officer is entitled to receive a cash payment equal to three times the sum of his base salary and annual cash bonus (based on the highest amount paid in the two preceding calendar years). Such payment would be made in two lump sums with 75% paid on the closing date of the change in control and 25% paid on the 75th day following the change in control, subject to the executive's continued employment with Penn during such period (unless earlier terminated by Penn). In addition, upon a change in control, any unvested equity compensation held by any employee of Penn, including any Named Executive Officer, will become vested. To the extent that an executive receives a cash change in control payment, such executive will not be eligible to receive any additional cash severance in the event of a termination of employment during the employment term.

Tax Indemnity

In 2012, no new or renewed employment agreement contained tax indemnification provisions. With respect to the employment agreements of the Named Executive Officers, none of which expired in

2012, each executive's employment agreement provides him with protection if a change in control or termination payment results in a parachute excise tax. In such event, the executive officer is entitled to a tax indemnity payment to the extent necessary so that the net amount paid to the executive is equal to the amount that would have otherwise been due to the executive under the applicable terms of the employment agreement absent the impact of the parachute excise tax. The Committee believes that such payments are appropriate to ensure that an executive does not lose the benefits of the payments to which such tax may be applied. If the excise tax were to reduce the net after-tax amount received by the executive, the benefits to Penn of the employment agreements—namely, retention during change in control transactions and compliance with restrictive covenants following involuntary terminations of employment—would be proportionately diminished.

In addition, the excise tax creates disproportionate and adverse impacts on different classes of executives. Since it is generally calculated based on the amount of change in control payments relative to an executive's average taxable income from Penn over the five year period preceding the change in control, an executive with a lower average income will more likely be subject to the excise tax than a similarly situated executive with a higher income history. For example, contrary to the notion of long term value creation, the excise tax is more likely to be imposed on an executive who chooses not to exercise (and therefore not to generate income on) his stock options prior to a change in control since the executive will have a lower average compensation history than an executive who exercised and previously recognized income on his options. Further, by setting reasonable levels of payments in respect of change in control transactions and post-termination restrictive covenants, Penn does not believe that the payment of any such tax indemnity is likely to adversely impact the value of Penn. For example, if Penn were to be sold for the price ($49.11) used to calculate the change in control payments described under "—Potential Payments Upon Termination or Change in Control" beginning on page [•] of this Prospectus, then the aggregate amounts due to all Named Executive Officers under the tax indemnity, assuming no other mitigation steps were taken, would be less than 0.3% of the value of the transaction. Finally, especially in light of the long period necessary for Penn to close a change in control transaction, Penn believes that it can mitigate or eliminate the need for any indemnity payments.

In addition to the key terms relating to severance, change in control, restrictive covenants and tax indemnity provisions described above, each employment agreement provides for additional compensation through participation in Penn's annual incentive plan, eligibility for awards under Penn's long term incentive compensation plans then in effect and certain other benefits, including health, vacation and deferred compensation. If Penn elects not to renew the executive's employment agreement at the end of the applicable term or such executive is terminated without "cause" (as defined in each agreement and described below) or as a result of death or total disability, the executive is entitled to certain continued health benefits and continued vesting of his options.

The specific terms of each of the individual agreements for the Named Executive Officers are as follows:

Peter M. Carlino

In 2010, Penn entered into a new employment agreement with Peter M. Carlino, its Chairman and Chief Executive Officer, with a term expiring on April 28, 2015. Pursuant to the terms of his agreement, Mr. Carlino's annual base salary is reviewed annually and established by the Committee as described on pages [•], [•] and [•] of this Prospectus. Further, the agreement also provides for the payment of certain life insurance premiums, if any, on Mr. Carlino's behalf and provides Mr. Carlino with a company car. However, Mr. Carlino did not request Penn to incur these expenses in 2012. With respect to termination of employment with "good reason," Mr. Carlino's agreement includes any circumstance where he is no longer a member and Chairman of the board of directors of Penn unless such event is the result of voluntary resignation, refusal to stand for re-election, removal from the board of directors of Penn due to certain criminal convictions, a determination of unsuitability by a regulatory body having jurisdiction over Penn or a judicial determination of unsound mind. The severance period in Mr. Carlino's agreement for purposes of calculating severance benefits is the greater of the period remaining under the then current term of the employment agreement and three years.

Timothy J. Wilmott

In 2008, Penn entered into an employment agreement with Timothy J. Wilmott, its President and Chief Operating Officer, with an initial term expiring on July 3, 2013. Pursuant to the terms of his employment agreement, Mr. Wilmott's annual base salary is reviewed annually and established by the Committee as described on pages [•], [•] and [•] of this Prospectus. Penn is also obligated to maintain a term life insurance policy with a face value of three times his annual base salary on which Mr. Wilmott is entitled to name the beneficiaries. The severance period in Mr. Wilmott's agreement for purposes of calculating severance benefits is the greater of the period remaining under the then current term of the employment agreement and two years. With respect to termination of employment by the executive with "good reason," Mr. Wilmott's agreement includes a provision for the failure of the board of directors of Penn to appoint Mr. Wilmott as the Chief Executive Officer of Penn after three years. This would permit Mr. Wilmott to voluntarily terminate the agreement and still be entitled to the applicable severance payments. This initial three year period expired on December 31, 2011. As discussed on page [•] of this Prospectus, Penn has announced that it expects Mr. Wilmott to serve as Chief Executive Officer of Penn following the completion of the Spin-Off.

William J. Clifford

In 2008, Penn entered into an employment agreement with William J. Clifford, Senior Vice President, Finance and Chief Financial Officer, with an initial term expiring on June 10, 2011. The Committee approved the renewal of Mr. Clifford's employment agreement on April 22, 2011 for an additional three-year term expiring on June 10, 2014. Mr. Clifford's annual base salary is reviewed annually and established by the Committee as described on pages [•], [•] and [•] of this Prospectus. The severance period in Mr. Clifford's agreement for purposes of calculating severance benefits is the greater of the period remaining under the then current term of the employment agreement and two years.

Jordan B. Savitch

In 2008, Penn entered into an employment agreement with Jordan B. Savitch, Senior Vice President and General Counsel, with an initial term expiring on June 10, 2011. The Committee approved the renewal of Mr. Savitch's employment agreement on April 22, 2011 for an additional three-year term expiring on June 10, 2014. Mr. Savitch's annual base salary is reviewed annually and established by the Committee as described on pages [•], [•] and [•] of this Prospectus. The severance period in Mr. Savitch's agreement for purposes of calculating severance benefits is the greater of the period remaining under the then current term of the employment agreement and eighteen months.

Steven T. Snyder

In 2005, Penn entered into a three-year employment agreement with Steven T. Snyder, Senior Vice President of Corporate Development, with a provision for automatic renewal periods of three years each unless terminated within 60 days of an expiring term. The current renewal term will expire on June 10, 2014. Mr. Snyder's annual base salary is reviewed annually and established by the Committee as described on pages [•], [•] and [•] of this Prospectus. The severance period in

Mr. Snyder's agreement for purposes of calculating severance benefits is the greater of the period remaining under the then current term of the employment agreement and twenty-four months.

Definitions

For purposes of the potential termination and change in control payments described in this Prospectus, the terms set forth below have the meanings ascribed to them:

Change in Control. A change in control is defined as the occurrence of one or more of the following events:

- a person, entity or group becomes the beneficial owner of shares representing 50% or more of (a) Penn's outstanding shares or (b) the combined voting power of the then outstanding voting securities of Penn entitled to vote in the election of directors, except when such beneficial ownership is due to an acquisition directly from or by Penn or a Penn employee benefit plan or pursuant to a consolidation, merger or share exchange reorganization between Penn and another entity described below; or

- the shareholders of Penn approve any plan or proposal for the complete liquidation or dissolution of Penn; or

- Penn consummates a reorganization, merger or consolidation or sale or other disposition of all or substantially all of the assets of Penn or the acquisition of assets of another entity, unless, following such transaction, (a) all or substantially all of the beneficial owners immediately prior to such transaction still beneficially own more than 50% of Penn's outstanding shares; (b) no person beneficially owns 20% or more of Penn's outstanding shares who did not own such amount prior to the transaction; and (c) at least a majority of the directors are continuing directors; or

- any time continuing directors do not constitute a majority of the board of directors of Penn.

In lieu of the foregoing, Mr. Snyder's agreement contains the following definition for a change in control: the occurrence of one or more of the following events: (i) any sale, lease, exchange or other transfer (in one transaction or a series of related transactions) of all or substantially all of the assets of Penn; (ii) the election of two (2) or more persons to the board of directors of Penn who do not constitute continuing directors; or (iii) the ownership or acquisition by any person or group of the power, directly or indirectly, to vote or direct the voting of securities having more than forty percent (40%) of the ordinary voting power for the election of directors of Penn.

Good Reason. An executive officer has "good reason" if (a) such officer is assigned to duties inconsistent with his position or authority, (b) such officer's compensation is reduced or there is a substantial reduction in benefits taken as a whole, (c) such officer's travel requirements are materially increased or (d) such officer's employment agreement is materially breached by Penn. In addition to the foregoing, with respect to Mr. Carlino's and Mr. Wilmott's employment agreements, the term "good reason" also includes the circumstances described on page [•] of this Prospectus with respect to each such agreement.

Cause. Penn has "cause" if the executive officer (a) is convicted of a felony or any misdemeanor involving allegations of fraud, theft, perjury or conspiracy, (b) is found disqualified or not suitable to hold a casino or other gaming license by a governmental gaming authority in any jurisdiction where such executive is required to be found qualified, suitable or licensed, (c) materially breaches the employment agreement or any material Penn policy or (d) misappropriates corporate funds as determined in good faith by the board of directors of Penn.

GLPI SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

As of the date hereof, all of GLPI's outstanding shares of common stock are owned by Penn or one of its wholly-owned subsidiaries. After the distribution, Penn and its subsidiaries will no longer own any shares of GLPI common stock. The following table presents information relating to the expected beneficial ownership of shares of GLPI common stock, assuming completion of the Spin-Off as if it occurred on [•], 2013, by (i) each individual or entity expected to own beneficially more than 5% of the outstanding shares of GLPI common stock, assuming that there are [•] shares of common stock of Penn outstanding immediately prior to the Spin-Off and the distribution ratio of GLPI common stock for every share of Penn common stock and every 1/1,000th of a share of Penn Series C preferred stock, is as described above in "The Separation—The Number of Shares You Will Receive in the Spin-Off," and also reflecting the Compliance Exchanges as described below in "Certain Relationships and Related Party Transactions—Agreements with Certain Shareholders in Connection with the Spin-Off—Peter M. Carlino," (ii) each director and director nominee of GLPI, (iii) the Chief Executive Officer and the Chief Financial Officer of GLPI and (iv) all of GLPI's executive officers and directors as a group.

	GLPI Common Stock	
Name and Address of Beneficial Owner	Shares	%
Peter M. Carlino(1)(2)	[•]	[•]
Carlino Family Trust(1)	[•]	[•]
Wesley R. Edens(3)	[•]	[•]
David A. Handler	[•]	[•]
William J. Clifford	[•]	[•]
E. Scott Urdang	[•]	[•]
Joseph W. Marshall, III	[•]	[•]
All executive officers and directors as a group ([•] persons)	[•]	[•]
Fortress Investment Group LLC	[•]	[•]

* Less than 1%

Notes to Security Ownership of Principal Shareholders and Management Table

(1) [•] shares of GLPI's common stock are owned by an irrevocable trust, which the GLPI refers to as the Carlino Family Trust, among Peter D. Carlino, his eight children and the former spouse of one of his children, as settlors, and certain trustees, as to which Peter M. Carlino has sole voting power for the election of directors and certain other matters. [•] of the GLPI's common stock are also owned by the Trust for Gary Gilbert, an irrevocable trust, which was created by one of Peter D. Carlino's children, as settlor, and certain trustees, as to which Peter M. Carlino has sole voting power for the election of directors and certain other matters. Peter D. Carlino, Peter M. Carlino, David E. Carlino, Richard J. Carlino and Harold Cramer have shared investment power and shared voting power with respect to certain matters for both the Carlino Family Trust and the Trust for Gary Gilbert.

(2) The number of shares in the table includes [•] shares owned by the Carlino Family Trust, [•] shares owned by the Trust for Gary Gilbert, [•] shares owned by the Stephen Carlino Family Trust of which Peter M. Carlino has sole voting power, [•] shares owned by the Grantor Retained Annuity Trust of Peter M. Carlino dated September 23, 2005 of which Peter M. Carlino is the trustee and has sole voting and investment power, [•] shares owned by the 2006 Grantor Retained Annuity Trust of Peter M. Carlino dated May 19, 2006 of which Peter M. Carlino is the trustee and has

sole voting and investment power, Trusts under the 2008 Grantor Retained Annuity Trust No. 2 of Peter M. Carlino dtd 11/20/2008: (a) f/b/o Peter W. Carlino ([•] shares), (b) f/b/o Christopher P. Carlino ([•] shares) (c) f/b/o Kelly E. Masano ([•] shares) and (d) f/b/o Kathleen J. Schippers ([•] shares) of which Peter M. Carlino is the trustee and has sole voting and investment power, Trusts under the 2008 GRAT of Marshia W. Carlino dtd 11/20/2008: (a) f/b/o Peter W. Carlino ([•] shares), (b) f/b/o Christopher P. Carlino ([•] shares) (c) f/b/o Kelly E. Masano ([•] shares) and (d) f/b/o Kathleen J. Schippers ([•] shares) of which Peter M. Carlino is the trustee and has sole voting and investment power, [•] shares of restricted stock under which Mr. Carlino has voting rights but his disposition rights are currently restricted, and [•] shares that may be acquired upon the exercise of outstanding options.

(3) Due to his indirect ownership interest in FIG PNG Holdings LLC through his ownership interest in Fortress Investment Group LLC, Mr. Edens may be deemed to beneficially own [•] shares of common stock beneficially owned by FIG PNG Holdings LLC, for which FIG PNG Holdings LLC, an affiliate of Fortress Investment Group LLC, is the managing member. Mr. Edens disclaims beneficial ownership of all reported shares except to the extent of his pecuniary interest therein.

DESCRIPTION OF CAPITAL STOCK OF GLPI

General

The following is a summary of information concerning our capital stock. The summaries and descriptions below do not purport to be complete statements of the relevant provisions of our charter or bylaws. The summaries are qualified in their entirety by reference to the full text of our charter and bylaws, which you must read for complete information on our capital stock and which are included as Exhibits 3.1 and 3.2, respectively, to this Registration Statement.

Distributions of Securities

Our authorized capital stock consists of 1,000 shares of common stock, par value $0.01 per share. Following our incorporation, we issued 1,000 shares of common stock to CRC Holdings, Inc., an indirect, wholly-owned subsidiary of Penn. This issuance was exempt from registration pursuant to Section 4(2) of the Securities Act because the issuance did not involve any public offering of securities.

Other than the initial issuance, we have not sold any securities, including sales of reacquired securities, new issues, securities issued in exchange for property, services, or other securities, and new securities resulting from the modification of outstanding securities, that were not registered under the Securities Act.

Authorized and Issued Capital Stock at Time of Spin-Off

Immediately prior to the Spin-Off, we will amend our charter so that our authorized capital stock will consist of 500,000,000 shares of common stock, par value $0.01, and 50,000,000 shares of preferred stock, par value $0.01. After the filing of the amendment, we will issue an additional [•] shares of common stock (based on an estimated [•] shares of Penn common stock, and [•] shares of Penn Series C preferred stock outstanding as of [•], 2013) in order to effect the Spin-Off.

Common Stock

Shares Outstanding

Immediately following the Spin-Off, we expect that the number of shares of common stock that we will have issued and outstanding will be approximately [•] million shares of common stock, and we expect that we will have approximately [•] million shares of common stock issued and outstanding following the Purging Distribution. The number of shares outstanding is based on (a) a distribution ratio of one share of GLPI for each share of Penn common stock and each 1/1,000th of a share of Penn Series C preferred stock, (b) the exchange of (i) shares of Penn common stock beneficially owned by Peter M. Carlino for shares of GLPI stock, and (ii) options to acquire Penn common stock beneficially owned by Mr. Carlino for options to acquire GLPI common stock, which will be made to ensure that each member of the Carlino family beneficially owns less than 10% of the outstanding shares of Penn common stock for certain federal tax purposes following the Separation, as described below under "Certain Relationships and Related Party Transactions—Agreements with Certain Shareholders in Connection with the Spin-Off—Peter M. Carlino," (c) approximately [•] shares of Penn common stock and [•] shares of Penn Series C preferred stock outstanding as of [•], 2013, and (d) the issuance of approximately [•] shares of common stock in connection with the Purging Distribution.

Dividends

Subject to prior dividend rights of the holders of any preferred shares and the restrictions of Company's charter on ownership and transfer of the Company's stock, holders of shares of common stock of the Company will be entitled to receive dividends when, and if declared by its board of directors out of funds legally available for that purpose. Commencing with our taxable year beginning on January 1, 2014, consistent with industry standards, we expect to pay distributions in cash in an amount equal to approximately 80% of our Adjusted FFO for each quarterly period but in no event will the annual dividend be less than 90% of our REIT taxable income on an annual basis, determined without regard to the dividends paid deduction and excluding any net capital gains. U.S. federal income tax law generally requires that a REIT distribute annually at least 90% of its REIT taxable income, without regard to the deduction for dividends paid and excluding net capital gains, and that it pay regular corporate rates to the extent that it annually distributes less than 100% of its taxable income.

Voting Rights

Subject to the restrictions of the Company's charter on ownership and transfer of the Company's stock, each share of common stock will be entitled to one vote on all matters submitted to a vote of shareholders, including the election of directors, and the holders of common stock possess the exclusive voting power. Holders of shares of common stock will not have cumulative voting rights. In other words, a holder of a single share of our common stock cannot cast more than one vote for each position to be filled on our board of directors. Directors will be elected by a plurality of the votes cast at the meeting in which directors will be elected. This means that the holders of a majority of the outstanding shares of our common stock will be able to effectively elect all of the directors then standing for election, and the holders of the remaining shares will not be able to elect any directors.

Other Rights

In the event of any liquidation, dissolution or winding up of the Company after the satisfaction in full of the liquidation preferences of holders of any preferred shares, holders of shares of our common stock will be entitled to ratable distribution of the remaining assets available for distribution to shareholders. Holders of shares of GLPI common stock generally will have no preference, conversion, exchange, sinking fund, redemption or appraisal rights and will have no preemptive rights to subscribe for any of GLPI's securities. Subject to the restrictions of the Company's charter on ownership and transfer of the Company's stock, holders of shares of Company's common stock initially will have equal dividend, liquidation and other rights.

Fully Paid

The issued and outstanding shares of our common stock are fully paid and non-assessable. This means the full purchase price for the outstanding shares of common stock has been paid and the holders of such shares will not be assessed any additional amounts for such shares. Any additional shares of common stock that we may issue in the future will also be fully paid and non-assessable.

Transfer Agent and Registrar

The transfer agent and registrar for GLPI common stock is expected to be Continental Stock Transfer & Trust.

NASDAQ Listing

The Company intends to list its shares of common stock on NASDAQ and expects that its shares will trade under the ticker symbol "GLPI".

Preferred Stock

Under our charter, our board of directors may from time to time establish and cause the Company to issue one or more classes or series of preferred stock and set the terms, preferences, conversion or other rights, voting powers, restrictions, limitations as to dividends or other distributions, qualifications, or terms or conditions of redemption of such classes or series. Accordingly, our board of directors, without shareholder approval, may issue preferred stock with voting, conversion, or other rights that could adversely affect the voting power and other rights of the holders of common stock. Preferred stock could be issued quickly with terms calculated to delay or prevent a change of control or make removal of management more difficult. Additionally, the issuance of preferred stock may have the effect of decreasing the market price of our common stock, may adversely affect the voting and other rights of the holders of our common stock, and could have the effect of delaying, deferring or preventing a change of control of GLPI or other corporate action. At present, there are currently no shares of preferred stock outstanding and we have no present plans to issue any shares of preferred stock.

Resale of GLPI Common Stock

As security holders, you will be subject to applicable provisions of the Exchange Act and the rules and regulations thereunder, which provisions may limit the timing of purchases and sales of our securities by you. In addition, if you are deemed an "affiliate" of GLPI (as defined in Rule 405 of the Securities Act), the securities offered hereby may be deemed "restricted securities" (as defined in Rule 144 under the Securities Act) notwithstanding their registration under this Registration Statement. As a result you will not be able to sell the securities offered hereby absent an effective registration statement covering such sales or an available exemption from registration under the Securities Act.

Restrictions on Ownership and Transfer

In order for GLPI to qualify to be taxed as a REIT under the Code, shares of its stock must be beneficially owned by 100 or more persons during at least 335 days of a taxable year of 12 months (other than the first year for which an election to qualify to be taxed as a REIT has been made) or during a proportionate part of a shorter taxable year. Also, not more than 50% of the value of the outstanding shares of GLPI stock (after taking into account options to acquire shares of stock) may be owned, directly or indirectly, by five or fewer individuals (as defined in the Code to include certain entities such as qualified pension plans) during the last half of a taxable year (other than the first year for which an election to be a REIT has been made). In addition, rent from related party tenants (generally, a tenant of a REIT owned, actually or constructively, 10% or more by the REIT, or a 10% owner of the REIT) is not qualifying income for purposes of the gross income tests under the Code. To qualify to be taxed as a REIT, GLPI must satisfy other requirements as well. See "U.S. Federal Income Tax Considerations—Taxation of GLPI—Requirements for Qualification—General."

GLPI's charter will contain restrictions on the ownership and transfer of its stock that are intended to assist GLPI in complying with these requirements. The relevant sections of its charter will provide that, subject to the exceptions described below, no person or entity may own, or be deemed to own, beneficially or by virtue of the applicable constructive ownership provisions of the Code, more than [•]% of the outstanding shares of GLPI common stock (the "common stock ownership limit") or more than [•]% in value or in number, whichever is more restrictive, of the outstanding shares of all classes or series of GLPI stock (the "aggregate stock ownership limit"). The common stock ownership limit and the aggregate stock ownership limit are collectively referred to as the "ownership limits." The person or entity that, but for operation of the ownership limits or another restriction on ownership and transfer of GLPI stock as described below, would beneficially own or constructively own shares of GLPI stock in violation of such limits or restrictions or, if appropriate in the context, a person or entity that would have been the record owner of such shares of GLPI stock is referred to as a "prohibited owner."

The constructive ownership rules under the Code are complex and may cause stock owned beneficially or constructively by a group of related individuals and/or entities to be owned beneficially or constructively by one individual or entity. As a result, the acquisition of less than [•]% of the outstanding shares of GLPI common stock or less than [•]% in value or in number, whichever is more restrictive, of the outstanding shares of all classes and series of GLPI stock (or the acquisition by an individual or entity of an interest in an entity that owns, beneficially or constructively, shares of GLPI stock) could, nevertheless, cause that individual or entity, or another individual or entity, to own beneficially or constructively shares of GLPI stock in excess of the ownership limits. In addition, a person that did not acquire more than [•]% of our outstanding stock may become subject to these restrictions if repurchases by us cause such person's holdings to exceed [•]% of our outstanding stock.

Pursuant to GLPI's charter, GLPI's board of directors may exempt, prospectively or retroactively, a particular shareholder (the "excepted holder") from the ownership limits or establish a different limit on ownership (the "excepted holder limit") if:

- no individual's beneficial or constructive ownership of GLPI stock will result in GLPI being "closely held" under Section 856(h) of the Code (without regard to whether the ownership interest is held during the last half of a taxable year) or otherwise failing to qualify to be taxed as a REIT; and

- such shareholder does not and represents that it will not own, actually or constructively, an interest in a tenant of GLPI (or a tenant of any entity owned or controlled by GLPI) that would cause GLPI to own, actually or constructively, more than a 9.9% interest (as set forth in Section 856(d)(2)(B) of the Code) in such tenant (or GLPI's board of directors determines that revenue derived from such tenant will not affect GLPI's ability to qualify to be taxed as a REIT).

Certain members of the Carlino family and Fortress will be excepted holders. The holder limits for these members of the Carlino family and Fortress are expected to be [•]% and [•]%, respectively.

As a condition of granting the waiver or establishing the excepted holder limit, GLPI's board of directors may require an opinion of counsel or a ruling from the IRS, in either case in form and in substance satisfactory to GLPI's board of directors (in its sole discretion) in order to determine or ensure GLPI's status as a REIT and such representations and undertakings from the person requesting the exception as GLPI's board of directors may require (in its sole discretion) to make the determinations above. GLPI's board of directors may impose such conditions or restrictions as it deems appropriate in connection with granting such a waiver or establishing an excepted holder limit.

GLPI's board of directors may from time to time increase or decrease the common stock ownership limit, the aggregate stock ownership limit or both, for all other persons, unless, after giving effect to such increase, five or fewer individuals could beneficially own, in the aggregate, more than 49.9% in value of GLPI's outstanding stock. A reduced ownership limit will not apply to any person or entity whose percentage ownership of GLPI common stock or GLPI stock of all classes and series, as applicable, is, at the effective time of such reduction, in excess of such decreased ownership limit until such time as such person's or entity's percentage ownership of GLPI common stock or GLPI stock of all classes and series, as applicable, equals or falls below the decreased ownership limit, but any further acquisition of shares of GLPI common stock or stock of all other classes or series, as applicable, will violate the decreased ownership limit.

GLPI's charter will further prohibit:

- any person from beneficially or constructively owning shares of GLPI stock that would result in GLPI being "closely held" under Section 856(h) of the Code (without regard to whether the ownership interest is held during the last half of a taxable year) or otherwise cause GLPI to fail to qualify to be taxed as a REIT;

- any person from transferring shares of GLPI stock if the transfer would result in shares of GLPI stock being beneficially owned by fewer than 100 persons (determined with reference to the rules of attribution under Section 544 of the Code); and

- any person from constructively owning shares of GLPI stock to the extent that such constructive ownership would cause any of GLPI's income that would otherwise qualify as "rents from real property" for purposes of Section 856(d) of the code to fail to qualify as such.

Any person who acquires or attempts or intends to acquire beneficial or constructive ownership of shares of GLPI stock that will or may violate the ownership limits or any of the other restrictions on ownership and transfer of GLPI stock described above, or who would have owned shares of GLPI stock transferred to the charitable trust described below, must immediately give notice to GLPI of such event or, in the case of an attempted or proposed transaction, give GLPI at least 15 days' prior written notice and provide GLPI with such other information as it may request in order to determine the effect of such transfer on its status as a REIT. The foregoing restrictions on ownership and transfer of GLPI stock will not apply if GLPI's board of directors determines that it is no longer in GLPI's best interests to attempt to qualify, or to continue to qualify, to be taxed as a REIT or that compliance with the restrictions and limits on ownership and transfer of GLPI stock described above is no longer required in order for GLPI to qualify to be taxed as a REIT.

If any transfer of shares of GLPI stock or any other event would result in any person violating the ownership limits or any other restriction on ownership and transfer of GLPI shares described above then that number of shares (rounded up to the nearest whole share) that would cause the violation will be automatically transferred to, and held by, a trust for the benefit of one or more charitable organizations selected by GLPI, and the intended transferee or other prohibited owner will acquire no rights in the shares. The automatic transfer will be effective as of the close of business on the business day prior to the date of the violative transfer or other event that results in a transfer to the trust. If the transfer to the trust as described above would not be effective, for any reason, to prevent violation of the applicable ownership limits or any other restriction on ownership and transfer of GLPI shares described above, then GLPI's charter will provide that the transfer of the shares will be null and void and the intended transferee will acquire no rights in such shares.

Shares of GLPI stock held in the trust will continue to be issued and outstanding shares. The prohibited owner will not benefit economically from ownership of any shares of GLPI stock held in the trust and will have no rights to distributions and no rights to vote or other rights attributable to the shares of GLPI stock held in the trust. The trustee of the trust will exercise all voting rights and receive all distributions with respect to shares held in the trust for the exclusive benefit of the charitable beneficiary of the trust. Any distribution made before GLPI's discovery that the shares have been transferred to a trust as described above must be repaid by the recipient to the trustee upon demand. Subject to Pennsylvania law, effective as of the date that the shares have been transferred to the trust, the trustee will have the authority to rescind as void any vote cast by a prohibited owner before GLPI's discovery that the shares have been transferred to the trust and to recast the vote in accordance with the desires of the trustee acting for the benefit of the charitable beneficiary of the trust. However, if GLPI has already taken irreversible corporate action, then the trustee may not rescind and recast the vote.

Shares of GLPI stock transferred to the trustee will be deemed offered for sale to GLPI, or its designee, at a price per share equal to the lesser of (i) the market price of the shares on the day of the event causing the shares to be held in the trust, or (ii) the market price on the date GLPI, or its designee, accepts such offer. GLPI may reduce the amount so payable to the prohibited owner by the amount of any distribution that GLPI made to the prohibited owner before it discovered that the shares had been automatically transferred to the trust and that are then owed by the prohibited owner to the trustee as described above, and GLPI may pay the amount of any such reduction to the trustee for the benefit of the charitable beneficiary. GLPI will have the right to accept such offer until the trustee has sold the shares of GLPI stock held in the trust as discussed below. Upon a sale to GLPI, the interest of the charitable beneficiary in the shares sold will terminate, and the trustee must distribute the net proceeds of the sale to the prohibited owner and must distribute any distributions held by the trustee with respect to such shares to the charitable beneficiary.

If GLPI does not buy the shares, the trustee must, within 20 days of receiving notice from GLPI of the transfer of shares to the trust, sell the shares to a person or entity designated by the trustee who could own the shares without violating the ownership limits or the other restrictions on ownership and transfer of GLPI stock. After the sale of the shares, the interest of the charitable beneficiary in the shares sold will terminate and the trustee must distribute to the prohibited owner an amount equal to the lesser of (i) the market price of the shares on the day of the event causing the shares to be held in the trust and (ii) the sales proceeds (net of any commissions and other expenses of sale) received by the trust for the shares. The trustee may reduce the amount payable to the prohibited owner by the amount of any distribution that GLPI paid to the prohibited owner before GLPI discovered that the shares had been automatically transferred to the trust and that are then owed by the prohibited owner to the trustee as described above. Any net sales proceeds in excess of the amount payable to the prohibited owner must be paid immediately to the charitable beneficiary, together with any distributions thereon. In addition, if prior to the discovery by GLPI that shares of stock have been transferred to a trust, such shares of stock are sold by a prohibited owner, then such shares will be deemed to have been sold on behalf of the trust and, to the extent that the prohibited owner received an amount for such shares that exceeds the amount that such prohibited owner was entitled to receive, such excess amount will be paid to the trustee upon demand. The prohibited owner will have no rights in the shares held by the trustee.

In addition, if GLPI's board of directors determines in good faith that a transfer or other event has occurred that would violate the restrictions on ownership and transfer of GLPI stock described above or that a person or entity intends to acquire or has attempted to acquire beneficial or constructive ownership of any shares of GLPI stock in violation of the restrictions on ownership and transfer of GLPI stock described above, GLPI's board of directors may take such action as it deems advisable to refuse to give effect to or to prevent such transfer or other event, including, but not limited to, causing GLPI to redeem shares of GLPI stock, refusing to give effect to the transfer of GLPI's books or instituting proceedings to enjoin the transfer or other event.

Every person or entity who will be a beneficial owner or constructive owner of more than 5% (or such lower percentage as required by the Code or the regulations promulgated thereunder) of GLPI stock, within 30 days after the end of each taxable year, must give GLPI written notice stating the shareholder's name and address, the number of shares of each class and series of GLPI stock that the shareholder beneficially or constructively owns and a description of the manner in which the shares are held. Each such owner must provide to GLPI such additional information as GLPI may request in order to determine the effect, if any, of the shareholder's beneficial ownership on GLPI's status as a REIT and to ensure compliance with the applicable ownership limits. In addition, any person or entity that will be a beneficial owner or constructive owner of shares of GLPI stock and any person or entity (including the shareholder of record) who will be holding shares of GLPI stock for a beneficial owner or constructive owner must provide to GLPI such information as GLPI may request in good faith in order to determine GLPI's status as a REIT and to comply with the requirements of any governmental or taxing authority or to determine such compliance and to ensure compliance with the ownership limits.

Any certificates representing shares of GLPI stock will bear a legend referring to the restrictions on ownership and transfer of GLPI stock described above.

The restrictions on ownership and transfer of GLPI stock described above could delay, defer or prevent a transaction or a change in control that might involve a premium price for GLPI common stock or otherwise be in the best interests of GLPI shareholders.

Redemption of Securities Owned or Controlled by an Unsuitable Person or Affiliate

In addition to the restrictions set forth above, all of GLPI's outstanding capital stock shall be held subject to applicable gaming laws. Any person owning or controlling at least five percent of any class of GLPI's outstanding capital stock will be required by GLPI's charter to promptly notify GLPI of such person's identity. GLPI's charter will provide that capital stock of GLPI that is owned or controlled by an unsuitable person or an affiliate of an unsuitable person is redeemable by GLPI, out of funds legally available for that redemption, by appropriate action of the GLPI board of directors to the extent required by the gaming authorities making the determination of unsuitability or to the extent determined by the GLPI board of directors. From and after the redemption date, the securities will not be considered outstanding and all rights of the unsuitable person or affiliate will cease, other than the right to receive the redemption price. The redemption price with respect to any securities to be redeemed will be the price, if any, required to be paid by the gaming authority making the finding of unsuitability or if the gaming authority does not require a price to be paid (including if the finding of unsuitability is made by the GLPI board of directors alone), the lesser of (i) the market price on the date of the redemption notice, (ii) the market price on the redemption date or (iii) the actual amount paid by the owner thereof, in each case less a discount in a percentage (up to 100%) to be determined by the GLPI board of directors in its sole and absolute discretion. The redemption price may be paid in cash, by promissory note, or both, as required by the applicable gaming authority and, if not, as determined by GLPI.

The GLPI charter requires any unsuitable person and any affiliate of an unsuitable person to indemnify GLPI and its affiliated companies for any and all costs, including attorneys' fees, incurred by GLPI and its affiliated companies as a result of the unsuitable person's ownership or control or failure to promptly divest itself of any securities of GLPI when and in the specific manner required by a gaming authority or the GLPI charter.

Pennsylvania State Takeover Statutes

Section 2538 of Subchapter 25D of the BCL requires certain transactions with an "interested shareholder" to be approved by a majority of disinterested shareholders. "Interested shareholder" is defined broadly to include any shareholder who is a party to the transaction or who is treated differently than other shareholders and affiliates of the corporation.

Subchapter 25E of the BCL requires a person or group of persons acting in concert which acquires 20% or more of the voting shares of the corporation to offer to purchase the shares of any other shareholder at "fair value." "Fair value" means the value not less than the highest price paid by the controlling person or group during the 90-day period prior to the control transaction, plus a control premium. Among other exceptions, Subchapter 25E does not apply to shares acquired directly from the corporation in a transaction exempt from the registration requirements of the Securities Act of 1933, or to a one-step merger.

Subchapter 25F of the BCL generally establishes a 5-year moratorium on a "business combination" with an "interested shareholder." "Interested shareholder" is defined generally to be any beneficial owner of 20% or more of the corporation's voting stock. "Business combination" is defined broadly to include mergers, consolidations, asset sales and certain self-dealing transactions. Certain restrictions apply to business combination following the 5-year period. Among other exceptions, Subchapter 25F will be rendered inapplicable if the Board of Directors approves the proposed business combination, or approves the interested shareholder's acquisition of 20% of the voting shares, in either case prior to the date on which the shareholder first becomes an interested shareholder.

Subchapter 25G of the BCL provides that "control shares" lose voting rights unless such rights are restored by the affirmative vote of a majority of (i) the disinterested shares (generally, shares held by persons other than the acquiror, executive officers of the corporation and certain employee stock plans) and (ii) the outstanding voting shares of the corporation. "Control shares" are defined as shares which, upon acquisition, will result in a person or group acquiring for the first time voting control over (a) 20%, (b) 331/3% or (c) 50% or more of the outstanding shares, together with shares acquired within 180 days of attaining the applicable threshold and shares purchased with the intention of attaining such threshold. A corporation may redeem control shares if the acquiring person does not request restoration of voting rights as permitted by Subchapter 25G. Among other exceptions, Subchapter 25G does not apply to a merger, consolidation or a share exchange if the corporation is a party to the transaction agreement.

Subchapter 25H of the BCL provides that if any person or group publicly discloses that the person or group may acquire control of the corporation, or a person or group acquires, or publicly discloses an offer or intent to acquire, 20% or more of the voting power of the corporation and, in either case, sells shares in the following 18 months, then the profits from such sale must be disgorged to the corporation if the securities that were sold were acquired during the 18-month period or within the preceding 24 months.

If shareholders approve a control share acquisition under Subchapter 25G, the corporation is also subject to Subchapters 25I and 25J of the BCL. Subchapter 25I provides for a minimum severance payment to certain employees terminated within two years of the approval. Subchapter 25J prohibits the abrogation of certain labor contracts prior to their stated date of expiration.

Amendments to GLPI's Charter and Bylaws and Approval of Extraordinary Actions

Pennsylvania law and our charter generally provide that we can amend our charter, merge, consolidate, sell all or substantially all of our assets, engage in a statutory share exchange or dissolve if the action has first been approved by the board of directors and then by the affirmative vote of shareholders entitled to cast at least the majority of the votes entitled to be cast on the matter. Our charter will also provide that the amendment or repeal of any charter provision concerning the classification of our board or the indemnification or limitation of liability of our directors will require the affirmative vote of at least 75% of the voting power of all of our outstanding capital stock entitled to vote generally in the election of directors, voting together as a single class. Pennsylvania law provides that our shareholders are not entitled by statute to propose amendments to our charter.

GLPI's board of directors will be authorized to adopt, amend or repeal any provision of GLPI's bylaws without shareholder approval. Except as otherwise required by law, any provision of GLPI's bylaws may only be adopted, amended or repealed by the shareholders (i) upon receiving at least the vote of 75% of the shares entitled to vote thereon or (ii) in the event that the amendment has been proposed by a majority of the board of directors, upon receiving a majority vote of the shares entitled to vote thereon.

Classified Board; Size of Board and Vacancies; Removal of Directors

Our charter and bylaws will provide that our board of directors will be divided into three classes. Commencing with the first annual meeting of shareholders following the Spin-Off, directors for each class will be elected at the annual meeting of shareholders held in the year in which the term for that class expires and thereafter will serve for a term of three years. At any meeting of shareholders for the election of directors at which a quorum is present, the election will be determined by a plurality of the votes cast by the shareholders entitled to vote in the election.

Our bylaws will provide that the number of directors on the Company's board of directors will be fixed exclusively by the board of directors. Newly created directorships resulting from any increase in the number of directors and any vacancies in the board of directors resulting from death, resignation, retirement, disqualification, removal from office or other cause will be filled generally by the majority vote of the remaining directors in office, even if less than a quorum is present. A director may be removed by the board of directors only with cause and by the shareholders only with cause and only by the vote of 75% of the shares entitled to vote.

Shareholder Action by Written Consent

Under the BCL, any action required to be taken or which may be taken at any annual or special meeting of the shareholders may be taken without a meeting if, and only if, prior to the taking of such action, all shareholders entitled to vote thereon consent in writing to such action being taken.

Shareholder Meetings

Under the BCL, shareholders will be not entitled to call special meetings of shareholders. Only the chairman of the board of directors or a majority of the directors then in office may call such meetings pursuant to our bylaws.

Requirements for Advance Notification of Shareholder Nominations and Proposals

Our bylaws will establish advance notice procedures with respect to shareholder proposals and nomination of candidates for election as directors other than nominations made by or at the direction of the board of directors or a committee of the board of directors. In particular, shareholders must notify the corporate secretary in writing prior to the meeting at which the matters are to be acted upon or directors are to be elected. The notice must contain the information specified in our bylaws. To be timely, the notice must be received at the Company's principal executive office not less than 120 nor more than 150 days prior to the anniversary date of the immediately preceding annual meeting of shareholders provided, however, that if the date of the next annual meeting has changed by more than 30 calendar days from the prior year's annual meeting, notice by the shareholder must be received by the secretary of the Company not later than the close of business on the later of the 90th day prior to the date of such annual meeting or, if the first public announcement of the date of such annual meeting is less than 100 days prior to the date of such annual meeting, then not later than the close of business on the 10th day following the day on which public announcement of the date of such meeting is first made by the Company.

Effect of Certain Provisions of Pennsylvania Law and of the Charter and Bylaws

The restrictions on ownership and transfer of GLPI stock will prohibit any person from acquiring more than [•]% of its outstanding common stock (without prior approval of its board of directors). The power of GLPI's board of directors to issue authorized but unissued shares of our common stock and preferred stock without shareholder approval also could have the effect of delaying, deferring or preventing a change in control or other transaction. These additional shares may be used for a variety of corporate purposes, including future public offerings to raise additional capital, corporate acquisitions and employee benefit plans. The existence of authorized but unissued shares of common stock and preferred stock could make it more difficult, or discourage an attempt, to obtain control of us by means of a proxy contest, tender offer, merger or otherwise.

These provisions, along with other provisions of the BCL and GLPI's charter and bylaws discussed above, including provisions relating to the removal of directors and the filling of vacancies, the supermajority vote that will be required to amend certain provisions of GLPI's charter, the advance notice and special meeting provisions, alone or in combination, are designed to protect GLPI's shareholders from coercive or otherwise unfair takeover tactics by requiring potential acquirors to negotiate with GLPI's board of directors and by providing GLPI's board of directors with more time to assess any acquisition proposal.

Limitation on Liability of Directors and Officers

Pursuant to the BCL, our charter will eliminate the personal liability for monetary damages of a director to the fullest extent permitted by applicable law.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

Agreements with Certain Shareholders in Connection with the Spin-Off

Peter M. Carlino

As of [•], 2013, members of the Carlino family each beneficially owned [•] or fewer shares of Penn common stock (including stock options and restricted shares), which represents beneficial ownership of approximately [•]% or less of Penn's outstanding common stock for the purpose of determining whether GLPI, directly or indirectly, receives any rent from related party tenants under relevant provisions of the Code. See "U.S. Federal Income Tax Considerations—Taxation of GLPI—Requirements for Qualification—General." Penn, GLPI and Mr. Carlino expect to enter into the Carlino Exchange Agreement providing for the Compliance Exchanges, the effect of which will be to reduce the beneficial ownership of Penn of each of the members of the Carlino family immediately following the Separation, for the purpose of determining compliance with the "related party tenant rule," to 9.9% or less of Penn's outstanding common stock, so that GLPI can qualify to be taxed as a REIT for U.S. federal income tax purposes. Absent this re-alignment of ownership interests, GLPI will not be able to qualify as a REIT and the Spin-Off may not occur. The Compliance Exchanges will also result in a corresponding increase in the Carlino family's beneficial ownership of GLPI immediately following the Separation, to approximately [•]% or less of GLPI's outstanding common stock for these purposes.

The Carlino Exchange Agreement is expected to provide that Mr. Carlino will deliver all of the shares of Penn common stock that he holds (including shares held jointly or through any grantor retained annuity trust, but not including any shares held by the Carlino Family Trust) to Penn on the business day prior to the record date for the Spin-Off in exchange for a number of shares of GLPI common stock having equivalent value, with the value of Penn common stock and GLPI common stock determined for this purpose by applying multiples of 6.8x for Penn (pro forma for the Spin-Off) and 12.5x for GLPI to the projected adjusted EBITDA (defined as net income excluding interest, taxes, stock compensation, depreciation and amortization, and gain or loss on disposal of assets) of Penn and GLPI, respectively, for the calendar year 2013. The Carlino Exchange Agreement is also expected to provide that Mr. Carlino will deliver to Penn, on the second business day following the distribution date for the Spin-Off, the minimum number of options to acquire Penn common stock that must be cancelled so that, immediately following such time, the beneficial ownership of Penn common stock of each of the members of the Carlino family, for the purpose of determining compliance with the "related party tenant rule," will be no greater than 9.9%, and in exchange Mr. Carlino will receive options to acquire GLPI common stock with an equivalent aggregate intrinsic value. The Carlino Exchange Agreement also imposes certain transfer and other restrictions on Mr. Carlino to ensure that GLPI may qualify as a REIT, including a prohibition on any acquisition by Mr. Carlino of shares of Penn common stock that would increase the beneficial ownership of Penn of certain members of the Carlino family (for the purpose of determining whether GLPI, directly or indirectly, receives any rent from related party tenants under relevant provisions of the Code) above 9.9% for so long as Penn is considered a related party tenant of GLPI. Although Mr. Carlino, Penn and GLPI have agreed in principle to effect the Carlino Exchange Agreement as described above, the Carlino Exchange Agreement has not been executed and no assurance can be given that such agreement, or another agreement providing for the Compliance Exchanges, will be executed and delivered.

Penn and the independent members of Penn's Board of Directors have engaged Duff & Phelps to serve as an independent financial advisor to Penn's independent directors and to provide an opinion as to the fairness, from a financial point of view, of the contemplated transactions with Peter M. Carlino described above, as well as the contemplated transactions with Fortress described below. On November 15, 2012, the independent members of the Board of Directors of Penn received a written opinion from Duff & Phelps, as of such date and based upon and subject to the procedures followed, assumptions made, qualifications and limitations on the review undertaken and other matters considered by Duff & Phelps in preparing its opinion, that the consideration to be received by Mr. Carlino in the Separation (as described above) is fair from a financial point of view to the shareholders of Penn (other than shareholders who are members of the Carlino family or trusts for their benefit and Fortress, and without giving effect to any impact of the Separation on any particular shareholder other than in its capacity as a shareholder), assuming that the Compliance Exchanges consist solely of the Carlino Stock Exchange according to an exchange ratio determined based on the values and multiples described above. Duff & Phelps' opinion was directed to the independent members of the Board of Directors of Penn and only addressed the fairness from a financial point of view of the consideration to be received by Mr. Carlino in the Separation, and does not address any other aspect or implication of the Separation, except as described in "—Fortress."

Fortress

On January 16, 2013, Penn entered into the Exchange Agreement with Fortress. The Exchange Agreement provides Fortress with the right to exchange each share of Penn Series B preferred stock for approximately 1.49 shares of Penn Series C preferred stock, an exchange ratio that treats each 1/1,000th of a share of Penn Series C preferred stock (and therefore each share of Penn common stock into which such fractional share is convertible) as having a value of $67 per share, which is the "ceiling price" at which the shares of Penn Series B preferred stock are redeemable by Penn at maturity in 2015. Pursuant to the Exchange Agreement, any shares of Penn Series B preferred stock not exchanged for shares of Penn Series C preferred stock prior to the second business day before the record date for the Spin-Off shall automatically be exchanged for shares of Penn Series C preferred stock at 12:01a.m. Eastern Time on such date. Subsequently, Penn will have the right to purchase from Fortress, prior to the record date for the Spin-Off, a number of shares of Penn Series C preferred stock, at a price of $67 per 1/1,000th of a share of Penn Series C preferred stock, such that, immediately following the consummation of the Spin-Off, Fortress will own not more than 9.9% of GLPI's common stock.

The Exchange Agreement also provides that, following the Spin-Off, GLPI and Fortress will enter into an investor rights agreement (the "Investor Rights Agreement"). The Investor Rights Agreement will grant Fortress four demand registrations and unlimited piggyback registration during the term of the Investor Rights Agreement until the earlier of (i) such time as all the GLPI common stock distributed to Fortress in the Spin-Off, and any additional securities issued with respect thereto (the "Registrable Securities"), have been sold and (ii) such time as Fortress beneficially owns less than 2.5% of the GLPI common stock on a fully-diluted basis. GLPI will also agree to use its reasonable efforts to file a short-form registration statement for the registration and sale of the Registrable Securities with the SEC within 60 days of the date GLPI becomes eligible to use a short-form registration statement, and to keep the shelf registration statement continuously effective under the Securities Act for so long as Fortress has registration rights. In addition, the Investor Rights Agreement grants Fortress certain information rights and prohibits GLPI from taking actions to increase Fortress's beneficial ownership of the outstanding shares of GLPI common stock above 9.9%.

On November 15, 2012, the independent directors of the Board of Directors of Penn received a written opinion from Duff & Phelps that, as of such date and based upon and subject to the procedures followed, assumptions made, qualifications and limitations on the review undertaken and other matters considered by Duff & Phelps in preparing its opinion, the consideration to be received by Fortress in connection with the Spin-Off (as described above) is fair from a financial point of view to the shareholders of Penn (other than shareholders who are members of the Carlino family or trusts for their benefit and Fortress, and without giving effect to any impact of the Spin-Off on any particular shareholder other than in its capacity as a shareholder). Duff & Phelps' opinion was directed to the independent members of the Board of Directors of Penn and only addressed the fairness from a financial point of view of the consideration to be received by Fortress in connection with the Spin-Off, and does not address any other aspect or implication of the Spin-Off, except as described in "—Peter M. Carlino".

Relationship between GLPI and Penn and their respective Subsidiaries

In connection with the Spin-Off, Penn and GLPI or their respective subsidiaries, as applicable, will enter into: (i) the Separation and Distribution Agreement, (ii) the Master Lease pursuant to which GLP Capital, L.P., as landlord, will lease to a subsidiary of Penn, as tenant, the assets relating to the business of Penn excluding the TRS Properties, (iii) the Tax Matters Agreement, (iv) the Transition Services Agreement and (v) the Employee Matters Agreement. See "Relationship between GLPI and Penn after the Spin-Off."

Employment Agreements and Arrangements

We may enter into employment agreements or arrangement with certain of our executive officers. If we elect to do so, we anticipate that they will provide for salary, bonuses and other benefits, including severance benefits upon termination of employment as well as equity awards, among other matters. In the distribution, our executive officers and directors will receive options, shares of restricted stock or PSUs pursuant to the Plan (as defined herein). See "Treatment of Outstanding Compensatory Equity-Based Awards" and "Description of the Long Term Incentive Compensation Plan."

Indemnification of Directors and Officers

Our charter and bylaws will contain indemnification provisions for the benefit of our directors and executive officers. See Item 34 of Part II. Indemnification of Directors and Officers.

Conflict of Interest Policies

We will adopt a code of business conduct that seeks to identify and mitigate conflicts of interest between our employees, directors and officers on the one hand, and us on the other hand. Waivers of our code of business conduct will be required to be disclosed in accordance with NASDAQ and SEC requirements. In addition, we will adopt corporate governance guidelines to assist our board of directors in the exercise of its responsibilities and to serve our interests and those of our shareholders. After the Spin-Off, Peter M. Carlino will serve as Chairman of Penn and the Chairman and Chief Executive Officer of GLPI. In addition, David A. Handler, one of our directors nominees, will continue to serve as a director at Penn. Each of GLPI and Penn expects to adopt governance guidelines prior to the Spin-Off that will require Peter M. Carlino and David A. Handler to report any matter that may create, or may create the appearance of, a conflict of interest to a designated independent director for evaluation and appropriate resolution. Each board may, in the future, also form committees of independent directors to discuss and act upon matters involving both GLPI and Penn. No other person will be a director, executive officer or other employee of both GLPI and Penn.

POLICIES WITH RESPECT TO CERTAIN ACTIVITIES AND TRANSACTIONS

The following is a discussion of our policies with respect to investments, financing and certain other activities. These policies may be amended and revised from time to time at the discretion of our board of directors without notice to or a vote of our shareholders. We cannot assure that our investments objectives will be attained.

Investment Policies

Investments in Real Estate or Interests in Real Estate

We will conduct all of our investment activities through GLP Capital, L.P., a subsidiary through which we will own substantially all of our assets, and its subsidiaries. Our investment objectives will be to increase cash flow, provide quarterly cash distributions, maximize the value of our properties, acquire properties with cash flow growth potential and achieve long-term capital appreciation for our shareholders through increases in the value of our company. Our business will be focused on gaming and leisure sector properties and activities directly related thereto. We have not established a specific policy regarding the relative priority of our investment objectives. We expect to pursue our investment objectives primarily through the ownership of the properties and other acquired properties and assets. We will initially lease all of our properties (except for the TRS Properties, which we will manage) to a subsidiary of Penn pursuant to a triple-net lease under which the tenant will be responsible for all facility maintenance, insurance required in connection with the leased properties and the business conducted on the leased properties, taxes levied on or with respect to the leased properties (other than taxes on the income of the lessor) and all utilities and other services necessary or appropriate for the leased properties and the business conducted on the leased properties. For a discussion of our properties and our business and other strategic objectives, see "Business and Properties of GLPI."

We intend to have a geographically diverse gaming and leisure sector real estate portfolio in the United States. We anticipate that future investment and development activity will be focused primarily in the United States, but will not be limited to any geographic area, property type or business sector. We intend to engage in such future investment activities in a manner that is consistent with the maintenance of our status as REIT for U.S. federal income tax purposes.

We do not have a specific policy as to the amount or percentage of our assets that will be invested in any specific property, but anticipate that our real estate investments will continue to be diversified among a relatively large number of facilities. While we may diversify in terms of property locations, size and market, we do not have any limit on the amount or percentage of our assets that may be invested in any one property or any one geographic area. Following the Spin-Off, our portfolio will consist of 21 gaming and related facilities (including two properties under development in Dayton, OH and Mahoning Valley, OH) encompassing approximately 3,220 acres of land leased and owned and, 6.6 million square feet of building space. We expect initially to grow our portfolio through the acquisition of gaming and leisure facilities. As we acquire additional properties and expand our portfolio, we expect to further diversify by geography, asset class and tenant within and outside of the gaming and leisure sector.

We expect to pursue our investment objectives through the direct ownership of properties, but may also make investments in other entities, including joint ventures, if we determine that doing so would be our most effective means of raising capital. Equity investments may be subject to existing mortgage financing and other indebtedness or such financing or indebtedness may be incurred in connection with acquiring properties, or a combination of these methods. Any such financing or indebtedness will have priority over our equity interest in such property. Investments are also subject to our policy not to make investments that would cause us to meet the definition of an "investment company" under the Investment Company Act of 1940, as amended, or the "1940 Act."

From time to time, we may make investments or agree to terms that support the objectives of our tenants without necessarily maximizing our short-term financial return, which may allow us to build long-term relationships and acquire properties otherwise unavailable to our competition. We believe that these dynamics create long-term, sustainable relationships and, in turn, profitability for us.

Purchase, Sale and Development of Properties

Our policy will be to acquire properties primarily for cash flow growth potential and long-term value. Although we do not currently intend to sell any properties, we will sell certain properties where our board of directors or management determines such properties do not fit our strategic objectives or where such action would be in our best interest. From time to time, we may engage in strategic development opportunities. These opportunities may involve replacing or renovating properties in our portfolio that have become economically obsolete or identifying new sites that present an attractive opportunity and complement our existing portfolio.

Our business will include the rights to acquire and/or develop (but not operate) certain development properties, including certain development opportunities that will be transferred to us by Penn pursuant to the Separation and Distribution Agreement.

Investments in Real Estate Mortgages

Our policy will be to make investments in and outside of the gaming and leisure sector real estate properties. We do not presently intend to invest in mortgages or other real estate interests. However, we may, at the discretion of our board of directors, invest in mortgages and other types of real estate interests consistent with our qualification as a REIT. Investments in real estate mortgages run the risk that one or more borrowers may default under certain mortgages and that the collateral securing certain mortgages may not be sufficient to enable us to recoup our full investment.

Investments in Securities or Interests in Entities Primarily Engaged in Real Estate Activities and Other Issuers

Subject to the percentage of ownership limits and gross income and asset tests necessary for REIT qualification, we may, but do not presently intend to, invest in securities of entities engaged in real estate activities or securities of other issuers (including partnership interests, limited liability company interests or other joint venture interests in special purpose entities owning properties), including for the purpose of exercising control over such entities. We may acquire some, all or substantially all of the securities or assets of other REITs or entities engaged in real estate activities where such investment would be consistent with our investment policies. If we were to acquire investment securities, we would limit the total amount of such securities so that we would not, as a result of such investments, meet the definition of an "investment company" under the 1940 Act.

Financing Policies

We expect to employ leverage in our capital structure in amounts that we determine appropriate from time to time. Our board of directors has not adopted a policy which limits the total amount of indebtedness that we may incur, but will consider a number of factors in evaluating our level of indebtedness from time to time, as well as the amount of such indebtedness that will be either fixed or variable rate. Our charter and bylaws do not limit the amount or percentage of indebtedness that we may incur nor do they restrict the form of our indebtedness (including recourse or nonrecourse debt and cross-collateralized debt). We expect, however, to be subject to certain indebtedness limitations pursuant to the restrictive covenants of our outstanding indebtedness, including our senior credit facilities and senior notes. We may from time to time modify our debt policy in light of then-current economic conditions, relative costs of debt and equity capital, market values of our properties, general market conditions for debt and equity securities, fluctuations in the market price of our common stock, growth and acquisition opportunities and other factors. If these limits are relaxed, we could become more highly leveraged, resulting in an increased risk of default on our obligations and a related increase in debt service requirements that could adversely affect our financial condition and results of operations and our ability to make distributions to our shareholders.

To the extent that our board of directors or management determines that it is necessary to raise additional capital, we may, without shareholder approval, borrow money under our credit facility, issue debt or equity securities, including securities senior to our common stock, retain earnings (subject to the REIT distribution requirements for U.S. federal income tax purposes), assume indebtedness, obtain mortgage financing on a portion of our owned properties, engage in a joint venture, or employ a combination of these methods.

Investment and Other Policies

We may, but do not presently intend to, make investments other than as previously described. We may offer shares of our common stock, preferred stock, options, other equity securities senior to our common stock, or debt securities in exchange for cash or property and to repurchase or otherwise reacquire shares of our common stock or other equity or debt securities in exchange for cash or property. Similarly, we may offer units of limited partnership in GLP Capital L.P., which are redeemable for cash or property. Following our incorporation and in connection with our initial capitalization, we issued 1,000 shares of our common stock to CRC Holdings, Inc., a wholly-owned subsidiary of Penn for an aggregate purchase price of $10. CRC Holdings, Inc. will not hold these shares following the Spin-Off. We expect to issue an additional [•] shares of common stock (based on an estimated [•] shares of Penn common stock, and [•] shares of Penn Series C preferred stock outstanding as of [•], 2013) in order to effect the Separation and the Purging Distribution. Other than the initial issuance and the issuance in connection with the Spin-Off, we have not issued common stock or any other securities in exchange for property or any other purpose, and our board of directors has no present intention of causing us to repurchase any common stock. We have not engaged in trading, underwriting or the agency distribution or sale of securities of other issuers and do not intend to do so. At all times, we intend to make investments in such a manner as to qualify to be taxed as a REIT, unless, because of circumstances or changes in the Code (or the Treasury Regulations promulgated thereunder), our board of directors determines that it is no longer in our best interests to qualify to be taxed as a REIT. Our policies with respect to such activities may be reviewed and modified from time to time by our board of directors without notice to or the vote of our shareholders.

Conflict of Interest Policies

We expect to adopt a code of business conduct that seeks to identify and mitigate conflicts of interest between our directors, officers and employees, including our Chief Executive Officer, Chief Financial Officer and other senior officers on the one hand, and us on the other hand, effective as of the time of our listing on the NASDAQ, in accordance with applicable rules and regulations of the SEC and the NASDAQ. Once it is adopted, the code of business conduct will be available on our website. Waivers of our code of business conduct will be required to be disclosed in accordance with NASDAQ and SEC requirements.

In addition, we expect to adopt corporate governance guidelines to assist our board of directors in the exercise of its responsibilities and to serve our interests and those of our shareholders. Further, GLPI expects to adopt governance guidelines prior to the Spin-Off that will require Peter M. Carlino and David A. Handler to report any matter that may create, or may create the appearance of, a conflict of interest to the lead independent director for evaluation and appropriate resolution. See "Relationship between GLPI and Penn after the Spin-Off—Overlapping Directors."

Our board of directors is subject to certain provisions of Pennsylvania law, which are also designed to eliminate or minimize conflicts. However, we cannot assure you that these policies or provisions of law will always be successful in eliminating or minimizing the influence of such conflicts, and if they are not successful, decisions could be made that might fail to reflect fully the interests of shareholders.

Pursuant to Pennsylvania law, each director and officer is obligated to offer to us any business opportunity (with certain limited exceptions) that comes to him or her in his or her capacity as one of our directors and officers and that is within the scope of our activities and is of present or potential advantage to us.

Transactions with Interested Directors or Officers

Pursuant to the Pennsylvania law, a contract or other transaction between us and a director or an officer, or between us and any other corporation or other entity in which any of our directors or officers is a director or officer or has a material financial interest is not void or voidable solely on the grounds of such common interest, the presence of such director at the meeting at which the contract or transaction is authorized, approved or ratified or the counting of the director's vote in favor thereof, provided that:

- the material facts as to the relationship or interest and the contract or transaction are disclosed or known to our board of directors or a committee of our board of directors, and our board of directors or committee authorizes, approves or ratifies the contract or transaction by the affirmative vote of a majority of disinterested directors, even if the disinterested directors constitute less than a quorum;

- the material facts as to the relationship or interest and the contract or transaction are disclosed or known to shareholders entitled to vote thereon, and the transaction or contract is authorized, approved or ratified in good faith by a majority of the votes cast by the shareholders entitled to vote; or

- the transaction or contract is fair to us as of the time it is authorized, approved or ratified by the board of directors or the shareholders.

We will adopt a policy which requires that all contracts and transactions between us, on the one hand, and any of our directors or executive officers or any entity in which such director or executive officer is a director or has a material financial interest, on the other hand, must be approved by the affirmative vote of a majority of the disinterested directors even if less than a quorum. Where appropriate in the judgment of the disinterested directors, our board of directors may obtain a fairness opinion or engage independent counsel to represent the interests of nonaffiliated security holders, although our board of directors will have no obligation to do so.

Lending Policies

We do not have a policy limiting our ability to make loans to other persons. Subject to REIT qualification rules, we may make loans to third parties. For example, we may consider offering purchase money financing in connection with the sale of properties where the provision of that financing will increase the value to be received by us for the property sold, or we may consider making loans to, or guaranteeing the debt of, joint ventures in which we participate or may participate in the future. We may choose to guarantee the debt of certain joint ventures with third parties. Consideration for those guarantees may include fees, long-term management contracts, options to acquire additional ownership and promoted equity positions. We do not currently intend to engage in any significant lending activities. We intend to make investments in such a way that we will not be treated as an investment company under the 1940 Act. However, our board of directors may adopt a lending policy without notice to or the vote of our shareholders.

Reporting Policies

Following the Spin-Off, we will become subject to the information reporting requirements of the Exchange Act, pursuant to which we will file periodic reports, proxy statements and other information, including audited financial statements, with the SEC. Such filings will be publicly available to our shareholders.

U.S. FEDERAL INCOME TAX CONSIDERATIONS

The following is a summary of the material U.S. federal income tax consequences of an investment in our common stock. For purposes of this section under the heading "U.S. Federal Income Tax Considerations," references to "GLPI," "we," "our" and "us" generally mean only GLPI and not its subsidiaries or other lower-tier entities, except as otherwise indicated, and references to "tenants" are to persons who are treated as lessees of real property for purposes of the REIT requirements including, in general, persons who are referred to as "customers" elsewhere in this Prospectus. This summary is based upon the Code, the regulations promulgated by the Treasury, rulings and other administrative pronouncements issued by the IRS, and judicial decisions, all as currently in effect, and all of which are subject to differing interpretations or to change, possibly with retroactive effect. No assurance can be given that the IRS would not assert, or that a court would not sustain, a position to the contrary to any of the tax consequences described below. The summary is also based upon the assumption that we and our subsidiaries and affiliated entities will operate in accordance with our and their applicable organizational documents. This summary is for general information only and is not tax advice. It does not discuss any state, local or non-U.S. tax consequences relevant to us or an investment in our common stock, and it does not purport to discuss all aspects of U.S. federal income taxation that may be important to a particular investor in light of its investment or tax circumstances or to investors subject to special tax rules, such as:

- banks, insurance companies, regulated investment companies, or other financial institutions;
- dealers or brokers in securities or currencies;
- partnerships, other pass-through entities and trusts, including REITs;
- persons who hold our stock on behalf of other persons as nominees;
- persons who receive our stock as compensation;
- persons holding our stock as part of a "straddle," "hedge," "conversion transaction," "synthetic security" or other integrated investment;
- persons who are subject to alternative minimum tax;

and, except to the extent discussed below:

- tax-exempt organizations; and
- foreign investors.

This summary assumes that investors will hold their common stock as a capital asset, which generally means property held for investment.

The U.S. federal income tax treatment of holders of our common stock depends in some instances on determinations of fact and interpretations of complex provisions of U.S. federal income tax law for which no clear precedent or authority may be available. In addition, the tax consequences to any particular shareholder of holding our common stock will depend on the shareholder's particular tax circumstances. You are urged to consult your tax advisor regarding the U.S. federal, state, local, and foreign income and other tax consequences to you in light of your particular investment or tax circumstances of acquiring, holding, exchanging, or otherwise disposing of our common stock.

Taxation of GLPI

We intend to elect to be taxed as a REIT under Sections 856 through 859 of the Code commencing with our taxable year beginning on January 1, 2014, upon the filing of our U.S. federal income tax return for such period. We believe that we will be organized, and we expect to operate, in such a manner as to qualify for taxation as a REIT under the applicable provisions of the Code.

The firms of Wachtell, Lipton, Rosen & Katz and KPMG LLP have acted as our Special Tax Advisors in connection with our formation and election to be taxed as a REIT. In connection with this transaction, we expect to receive opinions of Special Tax Advisors to the effect that we are organized in conformity with the requirements for qualification and taxation as a REIT under the Code, and that our proposed method of operation will enable us to meet the requirements for qualification and taxation as a REIT commencing with our taxable year beginning on January 1, 2014. It must be emphasized that the opinions of Special Tax Advisors are based on various assumptions relating to our organization and operation, and are conditioned upon fact-based representations and covenants made by our management regarding our organization, assets, and income, and the present and future conduct of our business operations. While we intend to operate so that we will qualify to be taxed as a REIT, given the highly complex nature of the rules governing REITs, the ongoing importance of factual determinations, and the possibility of future changes in our circumstances, no assurance can be given by Special Tax Advisors or by us that we will qualify to be taxed as a REIT for any particular year. The opinions are expressed as of the date issued. Special Tax Advisors will have no obligation to advise us or our shareholders of any subsequent change in the matters stated, represented or assumed, or of any subsequent change in the applicable law. You should be aware that opinions of advisors are not binding on the IRS, and no assurance can be given that the IRS will not challenge the conclusions set forth in such opinions.

Qualification and taxation as a REIT depends on our ability to meet on a continuing basis, through actual operating results, distribution levels, and diversity of stock ownership, various qualification requirements imposed upon REITs by the Code, the compliance with which will not be reviewed by Special Tax Advisors. Our ability to qualify to be taxed as a REIT also requires that we satisfy certain tests, some of which depend upon the fair market values of assets that we own directly or indirectly. Such values may not be susceptible to a precise determination. Accordingly, no assurance can be given that the actual results of our operations for any taxable year will satisfy such requirements for qualification and taxation as a REIT.

Penn has received a private letter ruling from the IRS with respect to certain issues relevant to our qualification as a REIT. In general, the ruling provides, subject to the terms and conditions contained therein, that (1) certain of the assets to be held by us after the Spin-Off and (2) certain amounts received by us pursuant to the Master Lease will not adversely affect our qualification as a REIT. Although we may generally rely upon the ruling, no assurance can be given that the IRS will not challenge our qualification as a REIT on the basis of other issues or facts outside the scope of the ruling.

Taxation of REITs in General

As indicated above, our qualification and taxation as a REIT depends upon our ability to meet, on a continuing basis, various qualification requirements imposed upon REITs by the Code. The material qualification requirements are summarized below under "—Requirements for Qualification—General." While we intend to operate so that we qualify and continue to qualify to be taxed as a REIT, no assurance can be given that the IRS will not challenge our qualification, or that we will be able to operate in accordance with the REIT requirements in the future. See "—Failure to Qualify."

Provided that we qualify to be taxed as a REIT, generally we will be entitled to a deduction for dividends that we pay and therefore will not be subject to U.S. federal corporate income tax on our net REIT taxable income that is currently distributed to our shareholders. This treatment substantially eliminates the "double taxation" at the corporate and shareholder levels that generally results from an investment in a C corporation. A "C corporation" is a corporation that generally is required to pay tax at the corporate level. Double taxation means taxation once at the corporate level when income is earned and once again at the shareholder level when the income is distributed. In general, the income that we generate is taxed only at the shareholder level upon a distribution of dividends to our shareholders.

Beginning in 2013, most U.S. shareholders that are individuals, trusts or estates are taxed on corporate dividends at a maximum U.S. federal income tax rate of 20% (the same as long-term capital gains). With limited exceptions, however, dividends from us or from other entities that are taxed as REITs are generally not eligible for this rate and will continue to be taxed at rates applicable to ordinary income. Commencing in 2013, the highest marginal non-corporate U.S. federal income tax rate applicable to ordinary income is 39.6%. See "—Taxation of Shareholders—Taxation of Taxable U.S. Shareholders—Distributions."

Any net operating losses, foreign tax credits and other tax attributes generally do not pass through to our shareholders, subject to special rules for certain items such as the capital gains that we recognize. See "—Taxation of Shareholders—Taxation of Taxable U.S. Shareholders—Distributions."

If we qualify to be taxed as a REIT, we will nonetheless be subject to U.S. federal tax in the following circumstances:

- We will be taxed at regular corporate rates on any undistributed net taxable income, including undistributed net capital gains.
- We may be subject to the "alternative minimum tax" on our items of tax preference, including any deductions of net operating losses.
- If we have net income from prohibited transactions, which are, in general, sales or other dispositions of inventory or property held primarily for sale to customers in the ordinary course of business, other than foreclosure property, such income will be subject to a 100% tax. See "—Prohibited Transactions" and "—Foreclosure Property" below.
- If we elect to treat property that we acquire in connection with a foreclosure of a mortgage loan or certain leasehold terminations as "foreclosure property," we may thereby avoid the 100% tax on gain from a resale of that property (if the sale would otherwise constitute a prohibited transaction), but the income from the sale or operation of the property may be subject to corporate income tax at the highest applicable rate (currently 35%).
- If we fail to satisfy the 75% gross income test and/or the 95% gross income test, as discussed below, but nonetheless maintain our qualification as a REIT because we satisfy other requirements, we will be subject to a 100% tax on an amount based on the magnitude of the failure, as adjusted to reflect the profit margin associated with our gross income.
- If we violate the asset tests (other than certain *de minimis* violations) or other requirements applicable to REITs, as described below, and yet maintain our qualification as a REIT because there is reasonable cause for the failure and other applicable requirements are met, we may be subject to a penalty tax. In that case, the amount of the penalty tax will be at least $50,000 per failure, and, in the case of certain asset test failures, will be determined as the amount of net income generated by the nonqualifying assets in question multiplied by the highest corporate tax rate (currently 35%) if that amount exceeds $50,000 per failure.
- If we fail to distribute during each calendar year at least the sum of (i) 85% of our ordinary income for such year, (ii) 95% of our capital gain net income for such year and (iii) any undistributed net taxable income from prior periods, we will be subject to a nondeductible 4% excise tax on the excess of the required distribution over the sum of (a) the amounts that we actually distributed and (b) the amounts we retained and upon which we paid income tax at the corporate level.
- We may be required to pay monetary penalties to the IRS in certain circumstances, including if we fail to meet record-keeping requirements intended to monitor our compliance with rules relating to the composition of a REIT's shareholders, as described below in "—Requirements for Qualification—General."

- A 100% tax may be imposed on transactions between us and a TRS that do not reflect arm's-length terms.

- If we acquire appreciated assets from a corporation that is not a REIT (i.e., a corporation taxable under subchapter C of the Code) in a transaction in which the adjusted tax basis of the assets in our hands is determined by reference to the adjusted tax basis of the assets in the hands of the subchapter C corporation, we may be subject to tax on such appreciation at the highest corporate income tax rate then applicable if we subsequently recognize gain on a disposition of any such assets during the ten-year period following their acquisition from the subchapter C corporation.

- The earnings of our TRSs will generally be subject to U.S. federal corporate income tax.

In addition, we and our subsidiaries may be subject to a variety of taxes, including payroll taxes and state, local, and foreign income, property, gross receipts and other taxes on our assets and operations. We could also be subject to tax in situations and on transactions not presently contemplated.

Requirements for Qualification—General

The Code defines a REIT as a corporation, trust or association:

1. that is managed by one or more trustees or directors;

2. the beneficial ownership of which is evidenced by transferable shares, or by transferable certificates of beneficial interest;

3. that would be taxable as a domestic corporation but for its election to be subject to tax as a REIT;

4. that is neither a financial institution nor an insurance company subject to specific provisions of the Code;

5. the beneficial ownership of which is held by 100 or more persons;

6. in which, during the last half of each taxable year, not more than 50% in value of the outstanding stock is owned, directly or indirectly, by five or fewer "individuals" (as defined in the Code to include specified tax-exempt entities); and

7. that meets other tests described below, including with respect to the nature of its income and assets.

The Code provides that conditions (1) through (4) must be met during the entire taxable year, and that condition (5) must be met during at least 335 days of a taxable year of 12 months, or during a proportionate part of a shorter taxable year. Conditions (5) and (6) need not be met during a corporation's initial tax year as a REIT (which, in our case, will be 2014). Our charter will provide restrictions regarding the ownership and transfers of our stock, which are intended to assist us in satisfying the stock ownership requirements described in conditions (5) and (6) above. These restrictions, however, may not ensure that we will, in all cases, be able to satisfy the share ownership requirements described in conditions (5) and (6) above. If we fail to satisfy these share ownership requirements, except as provided in the next sentence, our status as a REIT will terminate. If, however, we comply with the rules contained in applicable Treasury regulations that require us to ascertain the actual ownership of our shares and we do not know, or would not have known through the exercise of reasonable diligence, that we failed to meet the requirements described in condition (6) above, we will be treated as having met this requirement.

To monitor compliance with the stock ownership requirements, we generally are required to maintain records regarding the actual ownership of our stock. To do so, we must demand written statements each year from the record holders of significant percentages of our stock pursuant to which the record holders must disclose the actual owners of the stock (i.e., the persons required to include our dividends in their gross income). We must maintain a list of those persons failing or refusing to comply with this demand as part of our records. We could be subject to monetary penalties if we fail to comply with these record-keeping requirements. If you fail or refuse to comply with the demands, you will be required by Treasury regulations to submit a statement with your tax return disclosing your actual ownership of our stock and other information.

In addition, a corporation generally may not elect to become a REIT unless its taxable year is the calendar year. We intend to adopt December 31 as our year-end, and thereby satisfy this requirement.

Effect of Subsidiary Entities

Ownership of Partnership Interests

If we are a partner in an entity that is treated as a partnership for U.S. federal income tax purposes, Treasury regulations provide that we are deemed to own our proportionate share of the partnership's assets, and to earn our proportionate share of the partnership's income, for purposes of the asset and gross income tests applicable to REITs. Our proportionate share of a partnership's assets and income is based on our capital interest in the partnership (except that for purposes of the 10% value test, described below, our proportionate share of the partnership's assets is based on our proportionate interest in the equity and certain debt securities issued by the partnership). In addition, the assets and gross income of the partnership are deemed to retain the same character in our hands. Thus, our proportionate share of the assets and income of any of our subsidiary partnerships will be treated as our assets and items of income for purposes of applying the REIT requirements.

If we become a limited partner or non-managing member in any partnership or limited liability company and such entity takes or expects to take actions that could jeopardize our status as a REIT or require us to pay tax, we may be forced to dispose of our interest in such entity. In addition, it is possible that a partnership or limited liability company could take an action which could cause us to fail a gross income or asset test, and that we would not become aware of such action in time to dispose of our interest in the partnership or limited liability company or take otherwise corrective action on a timely basis. In that case, we could fail to qualify to be taxed as a REIT unless we were entitled to relief, as described below.

Disregarded Subsidiaries

If we own a corporate subsidiary that is a "qualified REIT subsidiary," that subsidiary is generally disregarded as a separate entity for U.S. federal income tax purposes, and all of the subsidiary's assets, liabilities and items of income, deduction and credit are treated as our assets, liabilities and items of income, deduction and credit, including for purposes of the gross income and asset tests applicable to REITs. A qualified REIT subsidiary is any corporation, other than a TRS (as described below), that is directly or indirectly wholly-owned by a REIT. Other entities that are wholly-owned by us, including single member limited liability companies that have not elected to be taxed as corporations for U.S. federal income tax purposes, are also generally disregarded as separate entities for U.S. federal income tax purposes, including for purposes of the REIT income and asset tests. Disregarded subsidiaries, along with any partnerships in which we hold an equity interest, are sometimes referred to herein as "pass-through subsidiaries."

In the event that a disregarded subsidiary of ours ceases to be wholly-owned—for example, if any equity interest in the subsidiary is acquired by a person other than us or another disregarded subsidiary of ours—the subsidiary's separate existence would no longer be disregarded for U.S. federal income tax purposes. Instead, the subsidiary would have multiple owners and would be treated as a either a partnership or a taxable corporation. Such an event could, depending on the circumstances, adversely affect our ability to satisfy the various asset and gross income requirements applicable to REITs, including the requirements the REITs generally may not own, directly or indirectly, more than 10% of the securities of another corporation. See "—Asset Tests" and "—Income Tests."

Taxable REIT Subsidiaries

In general, we may jointly elect with a subsidiary corporation, whether or not wholly-owned, to treat such subsidiary corporation as a TRS. We generally may not own more than 10% of the securities of a taxable corporation, as measured by voting power or value, unless we and such corporation elect to treat such corporation as a TRS. The separate existence of a TRS or other taxable corporation is not ignored for U.S. federal income tax purposes. Accordingly, a TRS or other taxable subsidiary corporation generally is subject to corporate income tax on its earnings, which may reduce the cash flow that we and our subsidiaries generate in the aggregate and may reduce our ability to make distributions to our shareholders.

We are not treated as holding the assets of a TRS or other taxable subsidiary corporation or as receiving any income that the subsidiary earns. Rather, the stock issued by a taxable subsidiary corporation to us is an asset in our hands, and we treat the dividends paid to us from such taxable subsidiary corporation, if any, as income. This treatment can affect our income and asset test calculations, as described below. Because we do not include the assets and income of TRSs or other taxable subsidiary corporations on a look-through basis in determining our compliance with the REIT requirements, we may use such entities to undertake indirectly activities that the REIT rules might otherwise preclude us from doing directly or through pass-through subsidiaries. For example, we may use TRSs or other taxable subsidiary corporations to perform services or conduct activities that give rise to certain categories of income or to conduct activities that, if conducted by us directly, would be treated in our hands as prohibited transactions.

The TRS rules limit the deductibility of interest paid or accrued by a TRS to its parent REIT to assure that the TRS is subject to an appropriate level of corporate taxation. Further, the rules impose a 100% excise tax on transactions between a TRS and its parent REIT or the REIT's tenants that are not conducted on an arm's-length basis. We intend that all of our transactions with our TRS, if any, will be conducted on an arm's-length basis.

Income Tests

In order to qualify to be taxed as a REIT, we must satisfy two gross income requirements on an annual basis. First, at least 75% of our gross income for each taxable year, excluding gross income from sales of inventory or dealer property in "prohibited transactions," discharge of indebtedness and certain hedging transactions, generally must be derived from "rents from real property," gains from the sale of real estate assets, interest income derived from mortgage loans secured by real property (including certain types of mortgage-backed securities), dividends received from other REITs, and specified income from temporary investments. Second, at least 95% of our gross income in each taxable year, excluding gross income from prohibited transactions, discharge of indebtedness and certain hedging transactions, must be derived from some combination of income that qualifies under the 75% gross income test described above, as well as other dividends, interest, and gain from the sale or disposition of stock or securities, which need not have any relation to real property. Income and gain from certain hedging transactions will be excluded from both the numerator and the denominator for purposes of both the 75% and 95% gross income tests.

Rents from Real Property

Rents we receive from a tenant will qualify as "rents from real property" for the purpose of satisfying the gross income requirements for a REIT described above only if all of the conditions described below are met.

- The amount of rent is not based in whole or in part on the income or profits of any person. However, an amount we receive or accrue generally will not be excluded from the term "rents from real property" solely because it is based on a fixed-percentage or percentages of receipts or sales;

- Neither we nor an actual or constructive owner of 10% or more of our stock actually or constructively owns 10% or more of the interests in the assets or net profits of a non-corporate tenant, or, if the tenant is a corporation, 10% or more of the total combined voting power of all classes of stock entitled to vote or 10% or more of the total value of all classes of stock of the tenant. Rents we receive from such a tenant that is a TRS of ours, however, will not be excluded from the definition of "rents from real property" as a result of this condition if at least 90% of the space at the property to which the rents relate is leased to third parties, and the rents paid by the TRS are substantially comparable to rents paid by our other tenants for comparable space. Whether rents paid by a TRS are substantially comparable to rents paid by other tenants is determined at the time the lease with the TRS is entered into, extended, and modified, if such modification increases the rents due under such lease. Notwithstanding the foregoing, however, if a lease with a "controlled TRS" is modified and such modification results in an increase in the rents payable by such TRS, any such increase will not qualify as "rents from real property." For purposes of this rule, a "controlled TRS" is a TRS in which the parent REIT owns stock possessing more than 50% of the voting power or more than 50% of the total value of the outstanding stock of such TRS;

- Rent attributable to personal property that is leased in connection with a lease of real property is not greater than 15% of the total rent received under the lease. If this condition is not met, then the portion of the rent attributable to personal property will not qualify as "rents from real property;" and

- We generally are not permitted to operate or manage our properties or to furnish or render services to our tenants, subject to a 1% *de minimis* exception and except as further provided below. We are permitted, however, to perform directly certain services that are "usually or customarily rendered" in connection with the rental of space for occupancy only and are not otherwise considered "rendered to the occupant" of the property. Examples of these permitted services include the provision of light, heat, or other utilities, trash removal and general maintenance of common areas. In addition, we are permitted to employ an independent contractor from whom we derive no revenue, or a TRS that is wholly or partially owned by us, to provide both customary and non-customary property management or services to our tenants without causing the rent that we receive from those tenants to fail to qualify as "rents from real property." Any amounts that we receive from a TRS with respect to the TRS's provision of non-customary services will, however, be nonqualifying income under the 75% gross income test and, except to the extent received through the payment of dividends, the 95% gross income test.

A significant portion of the value of our properties is attributable to barge-based facilities—i.e., barges that serve as foundations upon which buildings are constructed to serve as gaming or related facilities, as well as barges that serve ancillary purposes such as access platforms or shear barges to protect a facility from floating debris. In addition, under the Master Lease, Penn (or a subsidiary of Penn) will pay GLP Capital, L.P. an amount consisting of both (1) a fixed annual base amount, subject to the escalator, as described above, and certain other adjustments and (2) an amount based on net revenues from the applicable leased facility. We expect that our barge-based facilities will be treated as real property for purposes of the REIT gross income tests, and we expect that the rent payments received pursuant to the Master Lease will be treated a rents from real property for purposes of the REIT gross income tests. Penn has received a private letter ruling from the IRS with respect to certain issues relevant to GLPI's qualification as a REIT. In general, the ruling provides, subject to the terms and conditions contained therein, that (1) certain of the assets to be held by GLPI after the Spin-Off (e.g., the barge-based facilities) and (2) certain amounts received by GLPI pursuant to the Master Lease (e.g., Percentage Rent) will not adversely affect our qualification as a REIT. Although we may generally rely upon the ruling, no assurance can be given that the IRS will not challenge our qualification as a REIT on the basis of other issues or facts outside the scope of the ruling.

Interest Income

Interest income constitutes qualifying mortgage interest for purposes of the 75% gross income test (as described above) to the extent that the obligation upon which such interest is paid is secured by a mortgage on real property. If we receive interest income with respect to a mortgage loan that is secured by both real property and other property, and the highest principal amount of the loan outstanding during a taxable year exceeds the fair market value of the real property on the date that we acquired or originated the mortgage loan, the interest income will be apportioned between the real property and the other collateral, and our income from the arrangement will qualify for purposes of the 75% gross income test only to the extent that the interest is allocable to the real property. Even if a loan is not secured by real property, or is undersecured, the income that it generates may nonetheless qualify for purposes of the 95% gross income test. For these purposes, the term "interest" generally does not include any amount received or accrued, directly or indirectly, if the determination of all or some of the amount depends in any way on the income or profits of any person. However, an amount received or accrued generally will not be excluded from the term "interest" solely by reason of being based on a fixed percentage or percentages of receipts or sales.

Dividend Income

We may directly or indirectly receive distributions from TRSs or other corporations that are not REITs or qualified REIT subsidiaries. These distributions generally are treated as dividend income to the extent of the earnings and profits of the distributing corporation. Such distributions will generally constitute qualifying income for purposes of the 95% gross income test, but not for purposes of the 75% gross income test. Any dividends that we receive from another REIT, however, will be qualifying income for purposes of both the 95% and 75% gross income tests.

Fee Income

Any fee income that we earn will generally not be qualifying income for purposes of either gross income test. Any fees earned by a TRS, however, will not be included for purposes of our gross income tests.

Hedging Transactions

Any income or gain that we or our pass-through subsidiaries derive from instruments that hedge certain risks, such as the risk of changes in interest rates, will be excluded from gross income for purposes of both the 75% and 95% gross income tests, provided that specified requirements are met, including the requirement that the instrument is entered into during the ordinary course of our business, the instrument hedges risks associated with indebtedness issued by us or our pass-through subsidiary that is incurred or to be incurred to acquire or carry "real estate assets" (as described below under "—Asset Tests"), and the instrument is properly identified as a hedge along with the risk that it hedges within prescribed time periods. Certain items of income or gain attributable to hedges of foreign currency fluctuations with respect to income that satisfies the REIT gross income requirements may also be excluded from the 95% and 75% gross income tests. Most likely, income and gain from all other hedging transactions will not be qualifying income for either the 95% or 75% gross income test.

Failure to Satisfy the Gross Income Tests

If we fail to satisfy one or both of the 75% or 95% gross income tests for any taxable year, we may still qualify to be taxed as a REIT for such year if we are entitled to relief under applicable provisions of the Code. These relief provisions will be generally available if (i) our failure to meet these tests was due to reasonable cause and not due to willful neglect and (ii) following our identification of the failure to meet the 75% or 95% gross income test for any taxable year, we file a schedule with the IRS setting forth each item of our gross income for purposes of the 75% or 95% gross income test for such taxable year in accordance with Treasury regulations, which have not yet been issued. It is not possible to state whether we would be entitled to the benefit of these relief provisions in all circumstances. If these relief provisions are inapplicable to a particular set of circumstances, we will not qualify to be taxed as a REIT. Even if these relief provisions apply, and we retain our status as a REIT, the Code imposes a tax based upon the amount by which we fail to satisfy the particular gross income test.

Asset Tests

At the close of each calendar quarter, we must also satisfy four tests relating to the nature of our assets. First, at least 75% of the value of our total assets must be represented by some combination of "real estate assets," cash, cash items, U.S. government securities, and, under some circumstances, stock or debt instruments purchased with new capital. For this purpose, real estate assets include interests in real property and stock of other corporations that qualify as REITs, as well as some kinds of mortgage-backed securities and mortgage loans. Assets that do not qualify for purposes of the 75% asset test are subject to the additional asset tests described below.

Second, the value of any one issuer's securities that we own may not exceed 5% of the value of our total assets.

Third, we may not own more than 10% of any one issuer's outstanding securities, as measured by either voting power or value. The 5% and 10% asset tests do not apply to securities of TRSs and qualified REIT subsidiaries and the 10% asset test does not apply to "straight debt" having specified characteristics and to certain other securities described below. Solely for purposes of the 10% asset test, the determination of our interest in the assets of a partnership or limited liability company in which we own an interest will be based on our proportionate interest in any securities issued by the partnership or limited liability company, excluding for this purpose certain securities described in the Code.

Fourth, the aggregate value of all securities of TRSs that we hold, together with other non-qualified assets (such as furniture and equipment or other tangible personal property, or non-real estate securities) may not, in the aggregate, exceed 25% of the value of our total assets.

Notwithstanding the general rule, as noted above, that for purposes of the REIT income and asset tests we are treated as owning our proportionate share of the underlying assets of a subsidiary partnership, if we hold indebtedness issued by a partnership, the indebtedness will be subject to, and may cause a violation of, the asset tests unless the indebtedness is a qualifying mortgage asset or other conditions are met. Similarly, although stock of another REIT is a qualifying asset for purposes of the REIT asset tests, any non-mortgage debt that is issued by another REIT may not so qualify (although such debt will not be treated as "securities" for purposes of the 10% asset test, as explained below).

Certain securities will not cause a violation of the 10% asset test described above. Such securities include instruments that constitute "straight debt," which term generally excludes, among other things, securities having contingency features. A security does not qualify as "straight debt" where a REIT (or a controlled TRS of the REIT) owns other securities of the same issuer which do not qualify as straight debt, unless the value of those other securities constitute, in the aggregate, 1% or less of the total value of that issuer's outstanding securities. In addition to straight debt, the Code provides that certain other securities will not violate the 10% asset test. Such securities include (i) any loan made to an individual or an estate, (ii) certain rental agreements pursuant to which one or more payments are to be made in subsequent years (other than agreements between a REIT and certain persons related to the REIT under attribution rules), (iii) any obligation to pay rents from real property, (iv) securities issued by governmental entities that are not dependent in whole or in part on the profits of (or payments made by) a non-governmental entity, (v) any security (including debt securities) issued by another REIT and (vi) any debt instrument issued by a partnership if the partnership's income is of a nature that it would satisfy the 75% gross income test described above under "—Income Tests." In applying the 10% asset test, a debt security issued by a partnership is not taken into account to the extent, if any, of the REIT's proportionate interest in the equity and certain debt securities issued by that partnership.

A significant portion of the value of our properties is attributable to barge-based facilities, as described above. We expect that our barge-based facilities will be treated as real property for purposes of the REIT asset tests, and Penn has received a private letter ruling from the IRS, subject to the terms and conditions contained therein, generally to that effect. If, however, any barge-based facilities not covered by the IRS ruling are subsequently determined not to constitute real property for purposes of the REIT asset tests, we could fail to satisfy such tests.

No independent appraisals have been obtained to support our conclusions as to the value of our total assets or the value of any particular security or securities. Moreover, the values of some assets may not be susceptible to a precise determination, and values are subject to change in the future. Furthermore, the proper classification of an instrument as debt or equity for U.S. federal income tax purposes may be uncertain in some circumstances, which could affect the application of the REIT asset requirements. Accordingly, there can be no assurance that the IRS will not contend that our interests in our subsidiaries or in the securities of other issuers will not cause a violation of the REIT asset tests.

However, certain relief provisions are available to allow REITs to satisfy the asset requirements or to maintain REIT qualification notwithstanding certain violations of the asset and other requirements. For example, if we should fail to satisfy the asset tests at the end of a calendar quarter such a failure would not cause us to lose our REIT qualification if we (i) satisfied the asset tests at the close of the preceding calendar quarter and (ii) the discrepancy between the value of our assets and the asset requirements was not wholly or partly caused by an acquisition of non-qualifying assets, but instead arose from changes in the relative market values of our assets. If the condition described in (ii) were not satisfied, we still could avoid disqualification by eliminating any discrepancy within 30 days after the close of the calendar quarter in which it arose or by making use of the relief provisions described above.

In the case of *de minimis* violations of the 10% and 5% asset tests, a REIT may maintain its qualification despite a violation of such requirements if (i) the value of the assets causing the violation does not exceed the lesser of 1% of the REIT's total assets and $10,000,000 and (ii) the REIT either disposes of the assets causing the failure within six months after the last day of the quarter in which it identifies the failure, or the relevant tests are otherwise satisfied within that time frame.

Even if we did not qualify for the foregoing relief provisions, one additional provision allows a REIT which fails one or more of the asset requirements to nevertheless maintain its REIT qualification if (i) the REIT provides the IRS with a description of each asset causing the failure, (ii) the failure is due to reasonable cause and not willful neglect, (iii) the REIT pays a tax equal to the greater of (a) $50,000 per failure and (b) the product of the net income generated by the assets that caused the failure multiplied by the highest applicable corporate tax rate (currently 35%) and (iv) the REIT either disposes of the assets causing the failure within six months after the last day of the quarter in which it identifies the failure, or otherwise satisfies the relevant asset tests within that time frame.

Annual Distribution Requirements

In order to qualify to be taxed as a REIT, we are required to distribute dividends, other than capital gain dividends, to our shareholders in an amount at least equal to:

(i) the sum of

(a) 90% of our REIT taxable income, computed without regard to our net capital gains and the deduction for dividends paid; and

(b) 90% of our after tax net income, if any, from foreclosure property (as described below); minus

(ii) the excess of the sum of specified items of non-cash income over 5% of our REIT taxable income, computed without regard to our net capital gain and the deduction for dividends paid.

We generally must make these distributions in the taxable year to which they relate, or in the following taxable year if declared before we timely file our tax return for the year and if paid with or before the first regular dividend payment after such declaration. These distributions will be treated as received by our shareholders in the year in which paid. In order for distributions to be counted as satisfying the annual distribution requirements for REITs, and to provide us with a REIT-level tax deduction, the distributions must not be "preferential dividends." A dividend is not a preferential dividend if the distribution is (i) pro rata among all outstanding shares of stock within a particular class and (ii) in accordance with any preferences among different classes of stock as set forth in our organizational documents.

To the extent that we distribute at least 90%, but less than 100%, of our REIT taxable income, as adjusted, we will be subject to tax at ordinary corporate tax rates on the retained portion. We may elect to retain, rather than distribute, some or all of our net long-term capital gains and pay tax on such gains. In this case, we could elect for our shareholders to include their proportionate shares of such undistributed long-term capital gains in income, and to receive a corresponding credit for their share of the tax that we paid. Our shareholders would then increase the adjusted basis of their stock by the difference between (i) the amounts of capital gain dividends that we designated and that they include in their taxable income, minus (ii) the tax that we paid on their behalf with respect to that income.

To the extent that in the future we may have available net operating losses carried forward from prior tax years, such losses may reduce the amount of distributions that we must make in order to comply with the REIT distribution requirements. Such losses, however, will generally not affect the tax treatment to our shareholders of any distributions that are actually made. See "—Taxation of Shareholders—Taxation of Taxable U.S. Shareholders—Distributions."

If we fail to distribute during each calendar year at least the sum of (i) 85% of our ordinary income for such year, (ii) 95% of our capital gain net income for such year and (iii) any undistributed net taxable income from prior periods, we will be subject to a non-deductible 4% excise tax on the excess of such required distribution over the sum of (a) the amounts actually distributed, plus (b) the amounts of income we retained and on which we have paid corporate income tax.

We expect that our REIT taxable income will be less than our cash flow because of depreciation and other non-cash charges included in computing REIT taxable income. Accordingly, we anticipate that we generally will have sufficient cash or liquid assets to enable us to satisfy the distribution requirements described above. However, from time to time, we may not have sufficient cash or other liquid assets to meet these distribution requirements due to timing differences between the actual receipt of income and actual payment of deductible expenses, and the inclusion of income and deduction of expenses in determining our taxable income. In addition, we may decide to retain our cash, rather than distribute it, in order to repay debt, acquire assets, or for other reasons. If these timing differences occur, we may borrow funds to pay dividends or pay dividends through the distribution of other property (including shares of our stock) in order to meet the distribution requirements, while preserving our cash.

If our taxable income for a particular year is subsequently determined to have been understated, we may be able to rectify a resultant failure to meet the distribution requirements for a year by paying "deficiency dividends" to shareholders in a later year, which may be included in our deduction for dividends paid for the earlier year. In this case, we may be able to avoid losing REIT qualification or being taxed on amounts distributed as deficiency dividends, subject to the 4% excise tax described above. We will be required to pay interest based on the amount of any deduction taken for deficiency dividends.

For purposes of the 90% distribution requirement and excise tax described above, any dividend that we declare in October, November or December of any year and that is payable to a shareholder of record on a specified date in any such month will be treated as both paid by us and received by the shareholder on December 31 of such year, provided that we actually pay the dividend before the end of January of the following calendar year.

Earnings and Profits Distribution Requirement

In connection with the Separation, Penn will allocate its accumulated earnings and profits (as determined for U.S. federal income tax purposes) for periods prior to the consummation of the Separation between Penn and GLPI in a manner that, in its best judgment, is in accordance with provisions of the Code. A REIT is not permitted to have accumulated earnings and profits attributable to non-REIT years. A REIT has until the close of its first taxable year in which it has non-REIT earnings and profits to distribute all such earnings and profits. Our failure to comply with this rule would require that we pay a "deficiency dividend" to our shareholders and interest to the IRS to distribute any remaining earnings and profits. Our failure to make this deficiency dividend distribution would result in our loss of REIT status. See "—Failure to Qualify."

In order to comply with this requirement, we will pay the Purging Distribution by declaring a dividend to our shareholders to distribute any accumulated earnings and profits attributable to any pre-REIT years, including any earnings and profits allocated to us in connection with the Separation. We will pay the Purging Distribution in a combination of cash and our stock, which we anticipate will consist of approximately 28% cash and 72% stock. Each GLPI shareholder will be permitted to elect to receive the shareholder's entire entitlement under the Purging Distribution in either cash or GLPI common stock, subject to the Cash Limitation. The Cash Limitation will in no event be less than 20% of the Purging Distribution declaration (without regard to any cash that may be paid in lieu of fractional shares), although it is currently expected to comprise approximately 40% of the Purging Distribution. If GLPI shareholders elect to receive an amount of cash in excess of the Cash Limitation, each such electing shareholder will receive a pro rata amount of money corresponding to the shareholder's respective entitlement under the Purging Distribution declaration. Penn has received a private letter ruling from the IRS with respect to certain issues relevant to our payment of the Purging Distribution in a combination of cash and our stock. In general, the ruling provides, subject to the terms and conditions contained therein, that (1) the Purging Distribution will be treated as a dividend that will first reduce our accumulated earnings and profits (as determined for U.S. federal income tax purposes) attributable to pre-REIT years in satisfaction of the REIT annual distribution requirement and (2) the amount of any of our stock received by any of our shareholders as part of the Purging Distribution will be considered to equal the amount of cash that could have been received instead. In the Purging Distribution, a shareholder of our common stock will be required to report dividend income as a result of the Purging Distribution even though we distributed no cash or only nominal amounts of cash to such shareholder. See "—Taxation of Shareholders—Taxation of Taxable U.S. Shareholders—Distributions."

Prohibited Transactions

Net income that we derive from a prohibited transaction is subject to a 100% tax. The term "prohibited transaction" generally includes a sale or other disposition of property (other than foreclosure property, as discussed below) that is held as inventory or primarily for sale to customers in the ordinary course of a trade or business. We intend to conduct our operations so that no asset that we own (or are treated as owning) will be treated as, or having been, held as inventory or for sale to customers, and that a sale of any such asset will not be treated as having been in the ordinary course of our business. Whether property is held as inventory or "primarily for sale to customers in the ordinary course of a trade or business" depends on the particular facts and circumstances. No assurance can be given that any property that we sell will not be treated as inventory or property held for sale to customers, or that we can comply with certain safe-harbor provisions of the Code that would prevent such treatment. The 100% tax does not apply to gains from the sale of property that is held through a TRS or other taxable corporation, although such income will be subject to tax in the hands of the corporation at regular corporate rates. We intend to structure our activities to avoid prohibited transaction characterization.

Like-Kind Exchanges

We may dispose of properties in transactions intended to qualify as like-kind exchanges under the Code. Such like-kind exchanges are intended to result in the deferral of gain for U.S. federal income tax purposes. The failure of any such transaction to qualify as a like-kind exchange could require us to pay federal income tax, possibly including the 100% prohibited transaction tax, depending on the facts and circumstances surrounding the particular transactions.

Derivatives and Hedging Transactions

We may enter into hedging transactions with respect to interest rate exposure on one or more of our assets or liabilities. Any such hedging transactions could take a variety of forms, including the use of derivative instruments such as interest rate swap contracts, interest rate cap or floor contracts, futures or forward contracts, and options. Except to the extent provided by Treasury regulations, any income from a hedging transaction we enter into (i) in the normal course of our business primarily to manage risk of interest rate changes or currency fluctuations with respect to borrowings made or to be made, or ordinary obligations incurred or to be incurred, to acquire or carry real estate assets, which is clearly identified as specified in Treasury regulations before the close of the day on which it was acquired, originated, or entered into, including gain from the sale or disposition of a position in such a transaction and (ii) primarily to manage risk of currency fluctuations with respect to any item of income or gain that would be qualifying income under the 75% or 95% income tests which is clearly identified as such before the close of the day on which it was acquired, originated, or entered into, will not constitute gross income for purposes of the 75% or 95% gross income test. To the extent that we enter into hedging transactions that are not described in the preceding clauses (i) or (ii), the income from these transactions is likely to be treated as non-qualifying income for purposes of both the 75% and 95% gross income tests. Moreover, to the extent that a position in a hedging transaction has positive value at any particular point in time, it may be treated as an asset that does not qualify for purposes of the REIT asset tests. We intend to structure any hedging transactions in a manner that does not jeopardize our qualification as a REIT. We may conduct some or all of our hedging activities (including hedging activities relating to currency risk) through a TRS or other corporate entity, the income from which may be subject to U.S. federal income tax, rather than by participating in the arrangements directly or through pass-through subsidiaries. No assurance can be given, however, that our hedging activities will not give rise to income or assets that do not qualify for purposes of the REIT tests, or that our hedging activities will not adversely affect our ability to satisfy the REIT qualification requirements.

Foreclosure Property

Foreclosure property is real property and any personal property incident to such real property (i) that we acquire as the result of having bid in the property at foreclosure, or having otherwise reduced the property to ownership or possession by agreement or process of law, after a default (or upon imminent default) on a lease of the property or a mortgage loan held by us and secured by the property , (ii) for which we acquired the related loan or lease at a time when default was not imminent or anticipated and (iii) with respect to which we made a proper election to treat the property as foreclosure property. We generally will be subject to tax at the maximum corporate rate (currently 35%) on any net income from foreclosure property, including any gain from the disposition of the foreclosure property, other than income that would otherwise be qualifying income for purposes of the 75% gross income test. Any gain from the sale of property for which a foreclosure property election has been made will not be subject to the 100% tax on gains from prohibited transactions described above, even if the property would otherwise constitute inventory or dealer property. We do not anticipate receiving any income from foreclosure property that does not qualify for purposes of the 75% gross income test.

Penalty Tax

Any redetermined rents, redetermined deductions or excess interest we generate will be subject to a 100% penalty tax. In general, redetermined rents are rents from real property that are overstated as a result of any services furnished to any of our tenants by a TRS, and redetermined deductions and excess interest represent any amounts that are deducted by a TRS for amounts paid to us that are in excess of the amounts that would have been deducted based on arm's-length negotiations or if the interest payments were at a commercially reasonable rate. Rents that we receive will not constitute redetermined rents if they qualify for certain safe harbor provisions contained in the Code.

Failure to Qualify

If we fail to satisfy one or more requirements for REIT qualification other than the income or asset tests, we could avoid disqualification as a REIT if our failure is due to reasonable cause and not to willful neglect and we pay a penalty of $50,000 for each such failure. Relief provisions are also available for failures of the income tests and asset tests, as described above in "—Income Tests" and "—Asset Tests."

If we fail to qualify for taxation as a REIT in any taxable year, and the relief provisions described above do not apply, we would be subject to tax, including any applicable alternative minimum tax, on our taxable income at regular corporate rates. We cannot deduct distributions to shareholders in any year in which we are not a REIT, nor would we be required to make distributions in such a year. In this situation, to the extent of current and accumulated earnings and profits (as determined for U.S. federal income tax purposes), distributions to shareholders would be taxable as regular corporate dividends. Such dividends paid to U.S. shareholders that are individuals, trusts and estates may be taxable at the preferential income tax rates (i.e., the 20% maximum U.S. federal rate) for qualified dividends. In addition, subject to the limitations of the Code, corporate distributes may be eligible for the dividends received deduction. Unless we are entitled to relief under specific statutory provisions, we would also be disqualified from re-electing to be taxed as a REIT for the four taxable years following the year during which we lost our qualification. It is not possible to state whether, in all circumstances, we would be entitled to this statutory relief.

Taxation of Shareholders

Taxation of Taxable U.S. Shareholders

The following is a summary of certain U.S. federal income tax consequences of the ownership and disposition of our stock applicable to taxable U.S. shareholders. A "U.S. shareholder" is any holder of our common stock that is, for U.S. federal income tax purposes:

- an individual who is a citizen or resident of the United States;
- a corporation (or entity treated as a corporation for U.S. federal income tax purposes) created or organized in the United States or under the laws of the United States, or of any state thereof, or the District of Columbia;
- an estate, the income of which is includible in gross income for U.S. federal income tax purposes regardless of its source; or
- a trust if a U.S. court is able to exercise primary supervision over the administration of such trust and one or more U.S. fiduciaries have the authority to control all substantial decisions of the trust.

If a partnership, including for this purpose any entity that is treated as a partnership for U.S. federal income tax purposes, holds our common stock, the tax treatment of a partner in the partnership will generally depend upon the status of the partner and the activities of the partnership. An investor that is a partnership and the partners in such partnership should consult their tax advisors about the U.S. federal income tax consequences of the acquisition, ownership and disposition of our common stock.

Distributions

So long as we qualify to be taxed as a REIT, the distributions that we make to our taxable U.S. shareholders out of current or accumulated earnings and profits (as determined for U.S. federal income tax purposes) that we do not designate as capital gain dividends will generally be taken into account by such shareholders as ordinary income and will not be eligible for the dividends received deduction for corporations. With limited exceptions, our dividends are not eligible for taxation at the preferential income tax rates (i.e., the 20% maximum U.S. federal income tax rate) for qualified dividends received by most U.S. shareholders that are individuals, trusts and estates from taxable C corporations. Such shareholders, however, are taxed at the preferential rates on dividends designated by and received from REITs to the extent that the dividends are attributable to:

- income retained by the REIT in the prior taxable year on which the REIT was subject to corporate level income tax (less the amount of tax) (i.e., the Purging Distribution);
- dividends received by the REIT from TRSs or other taxable C corporations; or
- income in the prior taxable year from the sales of "built-in gain" property acquired by the REIT from C corporations in carryover basis transactions (less the amount of corporate tax on such income).

We will pay the Purging Distribution in a combination of cash and our stock, which we expect will consist of approximately 28% cash and 72% stock. Each GLPI shareholder will be permitted to elect to receive the shareholder's entire entitlement under the Purging Distribution in either cash or GLPI common stock, subject to the Cash Limitation. The Cash Limitation will in no event be less than 20% of the Purging Distribution declaration (without regard to any cash that may be paid in lieu of fractional shares), although it is currently expected to comprise approximately 28% of the Purging Distribution. If GLPI shareholders elect to receive an amount of cash in excess of the Cash Limitation, each such electing shareholder will receive a pro rata amount of cash corresponding to the shareholder's respective entitlement under the Purging Distribution declaration. Penn has received a private letter ruling from the IRS with respect to certain issues relevant to the payment of the Purging Distribution in a combination of cash and our stock. In general, the ruling provides, subject to the terms and conditions contained therein, that (1) the Purging Distribution will be treated as a dividend that will first reduce our accumulated earnings and profits (as determined for U.S. federal income tax purposes) attributable to pre-REIT years in satisfaction of the REIT annual distribution requirement and (2) the amount of any of our stock received by any of our shareholders as part of the Purging Distribution will be considered to equal the amount of cash that could have been received instead. In the Purging Distribution, taxable U.S. holders of our common stock will be required to report dividend income as a result of the Purging Distribution even though we distributed no cash or only nominal amounts of cash to such shareholder.

Distributions that we designate as capital gain dividends will generally be taxed to our U.S. shareholders as long-term capital gains, to the extent that such distributions do not exceed our actual net capital gain for the taxable year, without regard to the period for which the shareholder that receives such distribution has held its stock. We may elect to retain and pay taxes on some or all of our net long-term capital gains, in which case we may elect to apply provisions of the Code that treat our U.S. shareholders as having received, solely for tax purposes, our undistributed capital gains, and the shareholders as receiving a corresponding credit for taxes that we paid on such undistributed capital gains. See "Taxation of GLPI—Annual Distribution Requirements." Corporate shareholders may be required to treat up to 20% of some capital gain dividends as ordinary income. Long-term capital gains are generally taxable at maximum U.S. federal rates of 20% in the case of U.S. shareholders that are individuals, trusts and estates, and 35% in the case of U.S. shareholders that are corporations. Capital gains attributable to the sale of depreciable real property held for more than 12 months are subject to a 25% maximum U.S. federal income tax rate for taxpayers who are taxed as individuals, to the extent of previously claimed depreciation deductions.

Distributions in excess of our current and accumulated earnings and profits (as determined for U.S. federal income tax purposes) will generally represent a return of capital and will not be taxable to a shareholder to the extent that the amount of such distributions does not exceed the adjusted basis of the shareholder's shares in respect of which the distributions were made. Rather, the distribution will reduce the adjusted basis of the shareholder's shares. To the extent that such distributions exceed the adjusted basis of a shareholder's shares, the shareholder generally must include such distributions in income as long-term capital gain if the shares have been held for more than one year, or short-term capital gain if the shares have been held for one year or less. In addition, any dividend that we declare in October, November or December of any year and that is payable to a shareholder of record on a specified date in any such month will be treated as both paid by us and received by the shareholder on December 31 of such year, provided that we actually pay the dividend before the end of January of the following calendar year.

To the extent that we have available net operating losses and capital losses carried forward from prior tax years, such losses may reduce the amount of distributions that we must make in order to comply with the REIT distribution requirements. See "Taxation of GLPI—Annual Distribution Requirements." Such losses, however, are not passed through to shareholders and do not offset income of shareholders from other sources, nor would such losses affect the character of any distributions that we make, which are generally subject to tax in the hands of shareholders to the extent that we have current or accumulated earnings and profits (as determined for U.S. federal income tax purposes).

Dispositions of Our Stock

If a U.S. shareholder sells or disposes of shares of our stock, it will generally recognize gain or loss for U.S. federal income tax purposes in an amount equal to the difference between the amount of cash and the fair market value of any property received on the sale or other disposition and the shareholder's adjusted tax basis in the shares of stock. In general, capital gains recognized by individuals, trusts and estates upon the sale or disposition of our stock will be subject to a maximum U.S. federal income tax rate of 20% if the stock is held for more than one year, and will be taxed at ordinary income rates (of up to 39.6%) if the stock is held for one year or less. Gains recognized by shareholders that are corporations are subject to U.S. federal income tax at a maximum rate of 35%, whether or not such gains are classified as long-term capital gains. Capital losses recognized by a shareholder upon the disposition of our stock that was held for more than one year at the time of disposition will be considered long-term capital losses, and are generally available only to offset capital gain income of the shareholder but not ordinary income (except in the case of individuals, who may also offset up to $3,000 of ordinary income each year). In addition, any loss upon a sale or exchange of shares of our stock by a shareholder who has held the shares for six months or less, after applying holding period rules, will be treated as a long-term capital loss to the extent of actual or deemed distributions that we make that are required to be treated by the shareholder as long-term capital gain.

If an investor recognizes a loss upon a subsequent disposition of our stock or other securities in an amount that exceeds a prescribed threshold, it is possible that the provisions of Treasury regulations involving "reportable transactions" could apply, with a resulting requirement to separately disclose the loss-generating transaction to the IRS. These regulations, though directed towards "tax shelters," are broadly written and apply to transactions that would not typically be considered tax shelters. The Code imposes significant penalties for failure to comply with these requirements. You should consult your tax advisor concerning any possible disclosure obligation with respect to the receipt or disposition of our stock or securities or transactions that we might undertake directly or indirectly. Moreover, you should be aware that we and other participants in the transactions in which we are involved (including their advisors) might be subject to disclosure or other requirements pursuant to these regulations.

Passive Activity Losses and Investment Interest Limitations

Distributions that we make and gains arising from the sale or exchange by a U.S. shareholder of our stock will not be treated as passive activity income. As a result, shareholder will not be able to apply any "passive losses" against income or gain relating to our stock. To the extent that distributions we make do not constitute a return of capital, they will be treated as investment income for purposes of computing the investment interest limitation.

Taxation of Non-U.S. Shareholders

The following is a summary of certain U.S. federal income and estate tax consequences of the ownership and disposition of our stock applicable to non-U.S. shareholders. A "non-U.S. shareholder" is any holder of our common stock other than a partnership or U.S. shareholder.

Ordinary Dividends

The portion of dividends received by non-U.S. shareholders that (i) is payable out of our earnings and profits (including the Purging Distributions), (ii) is not attributable to capital gains that we recognize and (iii) is not effectively connected with a U.S. trade or business of the non-U.S. shareholder, will be subject to U.S. withholding tax at the rate of 30%, unless reduced or eliminated by treaty.

In general, non-U.S. shareholders will not be considered to be engaged in a U.S. trade or business solely as a result of their ownership of our stock. In cases where the dividend income from a non-U.S. shareholder's investment in our stock is, or is treated as, effectively connected with the non-U.S. shareholder's conduct of a U.S. trade or business, the non-U.S. shareholder generally will be subject to U.S. federal income tax at graduated rates, in the same manner as U.S. shareholders are taxed with respect to such dividends. Such effectively connected income must generally be reported on a U.S.

income tax return filed by or on behalf of the non-U.S. shareholder. The income may also be subject to a branch profits tax at the rate of 30% (unless reduced or eliminated by treaty) in the case of a non-U.S. shareholder that is a corporation.

Non-Dividend Distributions

Unless our stock constitutes a U.S. real property interest ("USRPI"), distributions that we make which are not dividends out of our earnings and profits will not be subject to U.S. income tax. If we cannot determine at the time a distribution is made whether or not the distribution will exceed current and accumulated earnings and profits, the distribution will be subject to withholding at the rate applicable to dividends. The non-U.S. shareholder may seek a refund from the IRS of any amounts withheld if it is subsequently determined that the distribution was, in fact, in excess of our current and accumulated earnings and profits. If our stock constitutes a USRPI, as described below, distributions that we make in excess of the sum of (i) the shareholder's proportionate share of our earnings and profits, plus (ii) the shareholder's basis in its stock, will be taxed under the Foreign Investment in Real Property Tax Act of 1980 ("FIRPTA"), at the rate of tax, including any applicable capital gains rates, that would apply to a U.S. shareholder of the same type (e.g., an individual or a corporation, as the case may be), and the collection of the tax will be enforced by a withholding at a rate of 10% of the amount by which the distribution exceeds the shareholder's share of our earnings and profits.

Capital Gain Dividends

Under FIRPTA, a distribution that we make to a non-U.S. shareholder, to the extent attributable to gains from dispositions of USRPIs that we held directly or through pass-through subsidiaries, or USPRI capital gains, will, except as described below, be considered effectively connected with a U.S. trade or business of the non-U.S. shareholder and will be subject to U.S. income tax at the rates applicable to U.S. individuals or corporations, without regard to whether we designate the distribution as a capital gain dividend. See above under "—Ordinary Dividends," for a discussion of the consequences of income that is effectively connected with a U.S. trade or business. In addition, we will be required to withhold tax equal to 35% of the maximum amount that could have been designated as USRPI capital gain dividends. Distributions subject to FIRPTA may also be subject to a branch profits tax at the rate of 30% (unless reduced or eliminated by treaty) in the hands of a non-U.S. shareholder that is a corporation. A distribution is not attributable to USRPI capital gain if we held an interest in the underlying asset solely as a creditor. Capital gain dividends received by a non-U.S. shareholder that are attributable to dispositions of our assets other than USRPIs are not subject to U.S. federal income or withholding tax, unless (i) the gain is effectively connected with the non-U.S. shareholder's U.S. trade or business, in which case the non-U.S. shareholder would be subject to the same treatment as U.S. shareholders with respect to such gain, except that a non-U.S. shareholder that is a corporation may also be subject to a branch profits tax at the rate of 30% (unless reduced or eliminated by treaty), or (ii) the non-U.S. shareholder is a nonresident alien individual who was present in the United States for 183 days or more during the taxable year and has a "tax home" in the United States, in which case the non-U.S. shareholder will incur a 30% tax on his capital gains. We expect that a significant portion of our assets will be USRPIs.

A capital gain dividend that would otherwise have been treated as a USRPI capital gain will not be so treated or be subject to FIRPTA, and generally will not be treated as income that is effectively connected with a U.S. trade or business, and instead will be treated in the same manner as an ordinary dividend (see—Ordinary Dividends"), if (i) the capital gain dividend is received with respect to a class of stock that is regularly traded on an established securities market located in the United States and (ii) the recipient non-U.S. shareholder does not own more than 5% of that class of stock at any time during the year ending on the date on which the capital gain dividend is received. We anticipate that our common stock will be "regularly traded" on an established securities exchange.

Dispositions of Our Stock

Unless our stock constitutes a USRPI, a sale of our stock by a non-U.S. shareholder generally will not be subject to U.S. taxation under FIRPTA. Subject to certain exceptions discussed below, our stock will be treated as a USRPI if 50% or more of our assets throughout a prescribed testing period consist of interests in real property located within the United States, excluding, for this purpose, interests in real property solely in a capacity as a creditor. We expect that 50% or more of our assets will consist of USRPIs.

Even if the foregoing 50% test is met, however, our stock will not constitute a USRPI if we are a "domestically controlled qualified investment entity." A domestically controlled qualified investment entity includes a REIT, less than 50% of value of which is held, directly or indirectly, by non-U.S. shareholders at all times during a specified testing period. As described above, our charter contains restrictions designed to protect our status as a "domestically controlled qualified investment entity," and we believe that we will be and will remain a domestically controlled qualified investment entity, and that a sale of our stock should not be subject to taxation under FIRPTA. However, no assurance can be given that we will be or will remain a domestically controlled qualified investment entity.

In the event that we are not a domestically controlled qualified investment entity, but our stock is "regularly traded," as defined by applicable Treasury regulations, on an established securities market, a non-U.S. shareholder's sale of our common stock nonetheless also would not be subject to tax under FIRPTA as a sale of a USRPI, provided that the selling non-U.S. shareholder held 5% or less of our outstanding common stock at any time during a prescribed testing period. We expect that our common stock will be regularly traded on an established securities market.

If gain on the sale of our stock were subject to taxation under FIRPTA, the non-U.S. shareholder would be required to file a U.S. federal income tax return and would be subject to the same treatment as a U.S. shareholder with respect to such gain, subject to applicable alternative minimum tax and a special alternative minimum tax in the case of non-resident alien individuals. Moreover, in order to enforce the collection of the tax, the purchaser of the stock could be required to withhold 10% of the purchase price and remit such amount to the IRS.

Gain from the sale of our stock that would not otherwise be subject to FIRPTA will nonetheless be taxable in the United States to a non-U.S. shareholder in two cases: (i) if the non-U.S. shareholder's investment in our stock is effectively connected with a U.S. trade or business conducted by such non-U.S. shareholder, the non-U.S. shareholder will be subject to the same treatment as a U.S. shareholder with respect to such gain, except that a non-U.S. shareholder that is a corporation may also be subject to a branch profits tax at a rate of 30% (unless reduced or eliminated by treaty), or (ii) if the non-U.S. shareholder is a nonresident alien individual who was present in the United States for 183 days or more during the taxable year and has a "tax home" in the United States, the nonresident alien individual will be subject to a 30% tax on the individual's capital gain. In addition, even if we are a domestically controlled qualified investment entity, upon disposition of our stock (subject to the 5% exception applicable to "regularly traded" stock described above), a non-U.S. shareholder may be treated as having gain from the sale or exchange of a USRPI if the non-U.S. shareholder (a) disposes of our common stock within a 30-day period preceding the ex-dividend date of a distribution, any portion of which, but for the disposition, would have been treated as gain from the sale or exchange of a USRPI and (b) acquires, or enters into a contract or option to acquire, other shares of our common stock within 30 days after such ex-dividend date.

Non-U.S. shareholders are urged to consult their tax advisors regarding the U.S. federal, state, local and foreign income and other tax consequences of owning our stock.

Taxation of Tax-Exempt Shareholders

Tax-exempt entities, including qualified employee pension and profit sharing trusts and individual retirement accounts, generally are exempt from U.S. federal income taxation. However, they may be subject to taxation on their unrelated business taxable income ("UBTI"). While some investments in real estate may generate UBTI, the IRS has ruled that dividend distributions from a REIT to a tax-exempt entity do not constitute UBTI. Based on that ruling, and provided that (i) a tax-exempt shareholder has not held our stock as "debt financed property" within the meaning of the Code (i.e., where the acquisition or holding of the property is financed through a borrowing by the tax-exempt shareholder) and (ii) our stock is not otherwise used in an unrelated trade or business, distributions that we make and income from the sale of our stock generally should not give rise to UBTI to a tax-exempt shareholder.

Tax-exempt shareholders that are social clubs, voluntary employee benefit associations, supplemental unemployment benefit trusts, and qualified group legal services plans exempt from U.S. federal income taxation under sections 501(c)(7), (c)(9), (c)(17) and (c)(20) of the Code are subject to different UBTI rules, which generally require such shareholders to characterize distributions that we make as UBTI.

In certain circumstances, a pension trust that owns more than 10% of our stock could be required to treat a percentage of any dividends received from us as UBTI if we are a "pension-held REIT." We will not be a pension-held REIT unless (i) we are required to "look through" one or more of our pension trust shareholders in order to satisfy the REIT "closely-held" test and (ii) either (a) one pension trust owns more than 25% of the value of our stock or (b) one or more pension trusts, each individually holding more than 10% of the value of our stock, collectively own more than 50% of the value of our stock. Certain restrictions on ownership and transfer of our stock generally should prevent a tax-exempt entity from owning more than 10% of the value of our stock and generally should prevent us from becoming a pension-held REIT.

Tax-exempt shareholders are urged to consult their tax advisors regarding the U.S. federal, state, local and foreign income and other tax consequences of owning our stock.

Other Tax Considerations

Legislative or Other Actions Affecting REITs

The present U.S. federal income tax treatment of REITs may be modified, possibly with retroactive effect, by legislative, judicial or administrative action at any time. The REIT rules are constantly under review by persons involved in the legislative process and by the IRS and the Treasury which may result in statutory changes as well as revisions to regulations and interpretations. Changes to the U.S. federal tax laws and interpretations thereof could adversely affect an investment in our common stock.

Medicare 3.8% Tax on Investment Income

For taxable years beginning after December 31, 2012, certain U.S. shareholders who are individuals, estates or trusts and whose income exceeds certain thresholds will be required to pay a 3.8% Medicare tax on dividends and certain other investment income, including capital gains from the sale or other disposition of our common stock.

Foreign Account Tax Compliance Act

Legislation enacted in 2010 and existing guidance issued thereunder will require, after December 31, 2013, withholding at a rate of 30% on dividends in respect of, and, after December 31, 2016, gross proceeds from the sale of, our common stock held by or through certain foreign financial institutions (including investment funds), unless such institution enters into an agreement with the

Treasury to report, on an annual basis, information with respect to shares in the institution held by certain U.S. persons and by certain non-U.S. entities that are wholly or partially owned by U.S. persons and to withhold on certain payments. An intergovernmental agreement between the United States and an applicable foreign country, or future Treasury regulations or other guidance may modify these requirements. Accordingly, the entity through which our common stock is held will affect the determination of whether such withholding is required. Similarly, dividends in respect of, and gross proceeds from the sale of, our common stock held by an investor that is a non-financial non-U.S. entity which does not qualify under certain exemptions will be subject to withholding at a rate of 30%, unless such entity either (i) certifies to us that such entity does not have any "substantial United States owners" or (ii) provides certain information regarding the entity's "substantial United States owners," which we will in turn provide to the Secretary of the Treasury. We will not pay any additional amounts to shareholders in respect of any amounts withheld. Non-U.S. shareholders are encouraged to consult their tax advisors regarding the possible implications of the legislation on their investment in our common stock.

State, Local and Foreign Taxes

We and our subsidiaries and shareholders may be subject to state, local or foreign taxation in various jurisdictions including those in which we or they transact business, own property or reside. Our state, local or foreign tax treatment and that of our shareholders may not conform to the U.S. federal income tax treatment discussed above. Any foreign taxes that we incur do not pass through to shareholders as a credit against their U.S. federal income tax liability. Prospective investors should consult their tax advisors regarding the application and effect of state, local and foreign income and other tax laws on an investment in our stock.

DESCRIPTION OF THE LONG TERM INCENTIVE COMPENSATION PLAN

The following summary of the key features of the 2013 Long Term Incentive Compensation Plan (the "Plan") is qualified in its entirety by the Plan, which, upon filing, will be incorporated by reference into this Prospectus.

General

The Plan will permit the Company to issue stock options (incentive and/or non-qualified), SARs, restricted stock, PSUs and other equity and cash awards to employees of the Company and its subsidiaries, including officers. Non-employee directors and consultants will be eligible to receive all such awards, other than incentive stock options. At [•], 2013, the Company had approximately [•] individuals eligible to anticipate in the Plan.

The Company is not able to determine the specific benefits under the Plan that will be granted to executive officers in the future, as the Compensation and Governance Committee (the "Committee") will have the discretion to determine the amount and timing of awards under the Plan, subject to the restrictions imposed by the Plan and described below.

Administration of the Plan

The Plan will be administered by the Committee with regard to awards made to participants. The Committee will have the authority and the discretion under the Plan to grant awards to such participants and to determine the terms, timing, number, amount and form of such awards. The Committee will also have the authority and the discretion to delegate its authority under the Plan to the Chairman of the Board or his/her designee. Awards to non-employee directors under the Plan will be administered by the Board or the Committee.

Except in connection with a corporate transaction involving the Company (including, without limitation, any stock dividend, stock split, extraordinary cash dividend, recapitalization, reorganization, merger, consolidation, split-up, spin-off, combination, or exchange of shares), the terms of outstanding awards may not be amended to reduce the exercise price of outstanding stock options or SARs or cancel outstanding stock options or SARs in exchange for cash, other awards or stock options or SARs with an exercise price that is less than the exercise price of the original stock options or SARs without shareholder approval.

Number of Shares Available for Issuance

The aggregate number of shares of common stock currently available for issuance under the Plan will be [•] (the "Award Limit"). Any awards that will be not settled in shares of common stock shall not count against this limit.

In addition, the number of stock options, SARs, restricted stock and PSUs granted to any individual in any calendar year may not, in each case, represent more than 1,000,000 shares. The Committee shall adjust the Award Limit and the individual 1,000,000 share limit (subject to compliance with Section 162(m) of the Code) if it determines that a dividend, recapitalization, stock split, merger, consolidation or other similar corporate transaction or event equitably requires an adjustment.

Amount of Cash Awards Available for Issuance

The amount of cash awards granted to any individual in any calendar year may not, in each case, represent more than $6,000,000.

Types of Awards

The Plan will provide for the issuance of stock options, SARs, restricted stock, PSUs and other equity-based or cash awards. The Plan will govern awards that convert from existing Penn awards in connection with the Spin-Off, as well as other award grants made following the Spin-Off pursuant to the Plan. Notwithstanding the foregoing, the terms that govern Penn awards that will convert into GLPI awards in connection with the Spin-Off will govern such awards to the extent inconsistent with the terms described below.

Rights to awards may be contingent on the recipient's continued employment or service. In addition, the Committee may establish performance goals in connection with the grant of awards under the Plan. In the case of awards intended to qualify for the performance-based compensation exception of Section 162(m) of the Code, the performance goals will be based on one or more of the following performance criteria: free cash flow, EBITDA, sales, revenue, revenue growth, income, operating income, net income, net earnings, earnings per share, return on total capital, return on equity, cash flow, operating profit, margin rate, gross margins, debt leverage (debt to capital), market capitalization, total enterprise value (market capitalization plus debt), total shareholder return and stock price, which may be applied to the Company as a whole or a business unit or related company, and may be measured either annually or cumulatively over a period of years on an absolute basis or relative to a pre-established target, to a previous year's results or to a designated comparison group (the "Performance Goals"). The outcome must be substantially uncertain at the time the Committee establishes the Performance Goals.

Stock Options

The Plan will provide for two types of stock options—incentive stock options and non-qualified stock options. The differences between incentive stock options and non-qualified stock options will relate primarily to their tax treatment under the Code (see "—U.S. Tax Consequences," below). A stock option will give the holder the right to receive a designated number of shares of the Company's common stock during the period that the option will be vested upon payment of the exercise price for the stock options, subject to the terms and conditions of the Plan and the specific award. Exercisability of a stock option may be contingent on the recipient's continued employment or service for a specified period and/or attainment of one or more performance goals. The exercise price of an option may not be less than the fair market value of the Company's common stock on the date of grant of the option. Further, in the case of incentive stock options granted to 10% shareholders, the exercise price must be at least 110% of the fair market value of the Company's common stock on the date of grant. Stock options must expire no later than the tenth anniversary of the date of grant, except for incentive stock options granted to 10% shareholders, in which case expiration may be no later than the fifth anniversary of the date of grant. A holder may generally pay the exercise price for a stock option in cash, shares of previously owned common stock, pursuant to a cashless exercise program (if available), or through a reduction of shares of common stock issued upon exercise of a stock option or any combination of the foregoing.

SARs

A SAR will entitle the holder to a payment (in cash or shares of the Company's common stock) equal to the excess of the fair market value of the number of shares of the Company's common stock underlying the SAR as of the date the SAR will be exercised over the base amount of the SAR established in the specific award. A SAR will be subject to the terms and conditions of the Plan and the specific award. Exercisability of a SAR may be contingent on the recipient's continued employment or service for a specified period and/or attainment of one or more performance goals. The base amount of a SAR may not be less than the fair market value of the number of shares of common stock underlying the SAR as of the date the SAR is granted. The term of a SAR may not exceed ten years.

Restricted Stock

A restricted stock award will be an award of shares of the Company's common stock, subject to the restrictions, terms and conditions of the specific award and the terms of the Plan, including the conditions on which the award will no longer be subject to forfeiture, if any. Restricted stock will be forfeited to the Company if the eligibility requirements set for the award, which may include the recipient's continued employment or service for a specified period and/or attainment of one or more performance goals, are not maintained during the period prior to the restrictions lapsing. The recipient of a restricted stock award generally will have the right to vote the shares and receive dividends, subject to the applicable award restrictions.

PSUs

A PSU will represent the right to receive one share of the Company's common stock in the future, or an amount of cash in the future equal to the value of one share of the Company's common stock on the payment date, subject to the terms and conditions of the specific award and the terms of the Plan, including the conditions on which the award will vest and no longer be subject to forfeiture. PSUs will be forfeited if the vesting requirements set for the award, which may include the recipient's continued employment or service for a specified period and/or attainment of one or more performance goals, will be not met.

Other Awards

The Board or the Committee, as applicable, may grant other awards that will be based on or linked to the value of the Company's common stock or will be denominated as a cash amount. Other Awards may but will not be required to be subject to the performance goals described above and in the Plan. Any award granted under the Plan may be granted dividend rights, in the Committee's discretion, upon such terms and conditions as the Committee may determine.

Fair Market Value

For the purposes of the Plan, fair market value will be equal to the closing sales price of a share of the Company's common stock on the trading day immediately preceding the date of grant.

Adjustments for Changes in Capitalization

If the Committee determines that a dividend, recapitalization, stock split, merger, consolidation, or other similar corporate transaction or event equitably requires an adjustment, then the Committee will adjust, as appropriate, any or all of:

- the number and kind of shares of common stock (or other securities or property) with respect to which awards may be granted or awarded;
- the number and kind of shares of common stock (or other securities or property) subject to outstanding awards; and
- the grant, purchase, base amount or exercise price with respect to any outstanding option or SAR.

Termination of Employment or Service

Awards made under the Plan which have not vested, for which the applicable restrictions have not lapsed or which otherwise have not become exercisable, will generally be forfeited if the holder ceases to be an employee of the Company or its subsidiaries or if a participant's service terminates for any reason other than death or disability. The Board or the Committee (as applicable) may, in its sole discretion, accelerate the vesting or exercisability of the holder's awards that are unvested or not exercisable at the time of the holder's termination of employment or service.

Change in Control

All outstanding awards will become fully vested and/or exercisable upon a "change in control." If an award is subject to performance-based vesting, performance will be deemed to have been achieved at the target level or, if greater, the actual level of achievement as of the date of the Change in Control, annualized for the entire performance period, if appropriate. A change in control will be generally defined as the occurrence of one or more of the following events following the Spin-Off:

- a person, entity or group becomes the beneficial owner of shares representing 50% or more of (a) the Company's outstanding shares or (b) the combined voting power of the then outstanding voting securities of the Company entitled to vote in the election of directors, except when such beneficial ownership is due to an acquisition directly from or by the Company, by a Company employee benefit plan or any acquisition following which (1) all or substantially all of the beneficial owners immediately prior to such transaction still beneficially own more than 50% of the Company's outstanding shares; (2) no person beneficially owns 20% or more of the Company's outstanding shares who did not own such amount prior to the transaction; and (3) at least a majority of the directors are continuing directors; or

- the shareholders of the Company approve any plan or proposal for the complete liquidation or dissolution of the Company; or

- the Company consummates a reorganization, merger or consolidation or sale or other disposition of all or substantially all of the assets of the Company or the acquisition of assets of another entity, unless, following such transaction, (a) all or substantially all of the beneficial owners immediately prior to such transaction still beneficially own more than 50% of the Company's outstanding shares; (b) no person beneficially owns 20% or more of the Company's outstanding shares who did not own such amount prior to the transaction; and (c) at least a majority of the directors are continuing directors; or

- any time continuing directors do not constitute a majority of the Board.

For purposes of the Plan, continuing directors will be individuals who are members of the Board on the effective date of the Plan or who are nominated for election or elected to the Board with the affirmative vote of at least two-thirds of the directors then comprising the Board who are continuing directors immediately prior to such nomination or election.

For purposes of awards that will be subject to Section 409A of the Code, each of the foregoing events will be deemed to be a change in control as long as each such event qualifies as a "change in control event" under Section 409A of the Code at the time of such event's occurrence.

In general, stock options, SARs and restricted stock will not be subject to Section 409A of the Code, and PSUs may be subject to Section 409A of the Code (although the Company intends that all such awards will be designed to avoid Section 409A of the Code's adverse tax consequences; see "—U.S. Tax Consequences" below).

Duration

The Plan will continue in effect until [•], unless terminated earlier by the board of directors.

Amendment and Termination

The Plan may be terminated by the Board at any time without shareholder approval. The Board may amend the Plan (and the awards issued thereunder), but may not:

- without prior approval of the shareholders, take any action that requires shareholder approval pursuant to any tax, regulatory or stock exchange requirements, including increasing the maximum number of shares of common stock that may be issued under the Plan (other than pursuant to an equitable adjustment); or

- amend the Plan in a way that adversely affects any rights of an outstanding award holder without prior approval of the holder of such award, except in accordance with the Plan or applicable award.

Additional REIT Restrictions

The Plan will provide that no participant will be granted, become vested in the right to receive or acquire or be permitted to acquire, or will have any right to acquire, shares under an award if such acquisition would be prohibited by the restrictions on ownership and transfer of GLPI stock contained in GLPI's charter or would impair GLPI's status as a REIT.

U.S. Tax Consequences

The following brief description, which is based on existing law, sets forth certain of the federal income tax consequences of the grant of awards under the Plan. State and local tax treatment is subject to individual state and local laws and is not included in this description. This description may differ from the actual tax consequences incurred by any individual recipient of an award. Moreover, existing law is subject to change by new legislation, by new regulations, by administrative pronouncements and by court decisions or by new or clarified interpretations or applications of existing laws, regulations, administrative pronouncements and court decisions. Any such change may affect the federal income tax consequences described below.

Non-Qualified Stock Options

A participant who is granted a non-qualified stock option will not recognize taxable income at the time the stock option is granted provided that such option is granted with an exercise price that is equal to or greater than the fair market value of a share of the Company's common stock on the date of grant. In general, an optionee will be subject to tax for the year of exercise on an amount of ordinary income equal to the excess of the fair market value of the shares on the date of exercise over the option exercise price, and the Company will receive a corresponding federal income tax deduction. Income tax withholding requirements apply upon exercise by employees. The optionee's basis in the shares so acquired will be equal to the option exercise price plus the amount of ordinary income upon which he or she is taxed. Upon subsequent disposition of the shares, the optionee will recognize capital gain or loss, long-term or short-term, depending upon the length of time the shares are held after the stock option is exercised.

Incentive Stock Options

An employee who is granted an incentive stock option is not taxed at the time the option is granted. The tax consequences upon exercise and later disposition generally depend upon whether the optionee was an employee of the Company or a subsidiary at all times from the date of grant until three months preceding exercise (one year in the case of disability) and on whether the optionee holds the shares for more than one year after exercise and two years after the date of grant of the stock option.

If the optionee satisfies both the employment rule and the holding rule, for regular tax purposes the optionee will not recognize income upon exercise of the stock option and the Company will not be allowed an income tax deduction with respect to the option at any time. The difference between the option exercise price and the amount realized upon disposition of the shares by the optionee will constitute a long-term capital gain or a long-term capital loss, as the case may be.

If the optionee meets the employment rule but fails to observe the holding rule (a "disqualifying disposition"), the optionee generally recognizes as ordinary income, in the year of the disqualifying disposition, the excess of the fair market value of the shares at the date of exercise over the option exercise price. Any excess of the sales price over the fair market value at the date of exercise will be recognized by the optionee as capital gain (long-term or short-term depending on the length of time the stock was held after the stock option was exercised). If the sale price is less than the fair market value on the date of exercise, then the ordinary income recognized by the optionee is generally limited to the excess of the sales price over the option exercise price. In both situations, the tax deduction allowable to the Company is limited to the ordinary income recognized by the optionee. Under current IRS guidelines, the Company is not required to withhold any federal income tax in the event of a disqualifying disposition.

Different consequences may apply for an optionee subject to the alternative minimum tax.

SARs

A participant will not recognize taxable income upon the award of a SAR provided that the base amount of the SAR is equal to or greater than the fair market value of a share of the Company's common stock on the date the award is granted. Upon the exercise of SARs, any cash received and the fair market value on the exercise date of any shares of common stock received will constitute ordinary income to the participant and will be subject to income tax withholding requirements in the case of employees. The Company will be entitled to a deduction in the amount of such income at the time of exercise.

Restricted Stock

A participant who is awarded restricted stock generally will not recognize taxable income at the time the award is granted. Instead, a restricted shareholder will recognize ordinary taxable income when the stock is no longer subject to a substantial risk of forfeiture (generally, when the award vests) in an amount equal to the fair market value of the shares on that date and the Company will receive a corresponding Federal income tax deduction at that time. The amount recognized by the restricted shareholder is subject to income tax withholding requirements in the case of employees and the Company may satisfy such requirements by withholding a portion of the shares or by withholding cash from other compensation payable to the restricted shareholder. Upon disposition of the shares, the restricted shareholder will recognize capital gain or loss, long-term or short-term, depending on the length of time the shares are held, in an amount equal to the difference between the amount realized on the disposition and the restricted shareholder's basis in the shares (generally, the fair market value of the shares on the date the award vests).

Alternatively, a restricted shareholder may file with the IRS a "Section 83(b) election" no later than thirty (30) days after the date of grant, as a result of which the restricted shareholder will recognize taxable ordinary income as of the grant date, generally in an amount equal to the fair market value of the stock at that time, less any amount paid for the stock. Upon subsequent disposition of the shares, the restricted shareholder will recognize capital gain or loss, long-term or short-term, equal to the difference between the sale price of the stock and the restricted shareholder's basis in the shares (usually the amount recognized as ordinary income at the time of grant), depending on the length of time the shares are held after the date of grant.

PSUs

A participant who is awarded PSUs generally will not recognize taxable income at the time the PSUs are granted. Instead, the grantee will recognize ordinary taxable income in an amount equal to the value of the cash or shares received in payment of the award, which amount will be subject to income tax withholding in the case of employees. The Company will receive a corresponding Federal income tax deduction at that time. If the grantee receives shares of Company stock in respect of the award, the grantee will recognize capital gain or loss, long-term or short-term, depending on the length of time the shares are held, at the time the shares are sold. The amount of the capital gain or loss will be equal to the difference between the amount realized on the sale of the shares and the grantee's basis in the shares (generally, the fair market value of the shares on the date the grantee received them).

Impact of Section 409A

Section 409A of the Code applies to non-qualified deferred compensation. Generally speaking, "non-qualified deferred compensation" is compensation earned in one taxable year, the payment of which is deferred to a later taxable year, and an amount is "vested" on the date that the individual's right to receive the amount is no longer conditioned on his or her performance of substantial future services or upon the occurrence of an event (such as a change in control) or the achievement of performance goals that are substantially related to the purpose of the compensation.

Options, SARs, restricted stock, PSUs and other awards available under the Plan are designed to be exempt from the requirements of Section 409A or to satisfy its requirements. An award that is subject to Section 409A and fails to satisfy its requirements could subject the holder of the award to immediate taxation, an interest penalty and an additional 20% tax on the amount underlying the award.

Deductibility of Executive Compensation

Section 162(m) of the Code disallows a tax deduction to publicly held companies for compensation paid to the Chief Executive Officer and the three most highly compensated executive officers other than the Chief Executive Officer (currently excluding the Company's Chief Financial Officer), to the extent that total compensation exceeds $1 million per covered officer in any taxable year. The limitation applies only to compensation which is not considered to be qualified performance-based compensation for purposes of Section 162(m) of the Code. Compensation deemed paid by the Company in connection with disqualifying dispositions of incentive stock option shares or exercises of non-qualified stock options and SARs granted under the Plan generally can qualify as performance-based compensation for purposes of Section 162(m) of the Code if awards are granted by a committee of "outside directors" as defined under Section 162(m) of the Code, the Plan states the maximum number of shares with respect to which options or SARs may be granted during a specified period to any employee, the awards are granted with an exercise price at or above the fair market value of the Company's common stock on the date of grant and the Plan is approved by the shareholders. Compensation paid by the Company in connection with restricted stock, PSUs and other cash and equity based awards may be taken into account for purposes of the $1 million limitation for covered employees unless the individual award complies with Section 162(m) of the Code's performance-based exemption. In order to satisfy Section 162(m)'s performance-based exemption, payment of these awards must be contingent on the satisfaction of objective performance goals established and certified by a committee comprised solely of two or more outside directors (such as the Committee) and the Plan must be approved by the Company's shareholders.

USE OF PROCEEDS

We will not receive any proceeds from the distribution of our common stock in the Spin-Off. Any proceeds received by us from the exercise of the stock options covered by the Plan will be used for general corporate purposes.

DETERMINATION OF OFFERING PRICE

Peter M. Carlino will exchange (i) shares of Penn common stock for shares of GLPI common stock prior to the Spin-Off and (ii) options to acquire Penn common stock for options to acquire GLPI common stock following the Spin-Off, as described in "Certain Relationships and Related Party Transactions—Agreements with Certain Shareholders in Connection with the Spin-Off—Peter M. Carlino."

No consideration otherwise will be paid for the shares of common stock distributed in the Spin-Off.

LEGAL MATTERS

The validity of the shares of our common stock issued in the Spin-Off will be passed upon by Pepper Hamilton LLP. Certain tax matters will be passed upon by Wachtell, Lipton, Rosen & Katz.

EXPERTS

The combined balance sheets of Louisiana Casino Cruises, Inc. and Penn Cecil Maryland, Inc. as of December 31, 2012 and 2011, and the related combined statements of operations, changes in shareholders' equity, and cash flows for each of the three years in the period ended December 31, 2012, the schedule of the real estate assets to be acquired by GLPI as of December 31, 2012 and the consolidated balance sheet of GLPI as of March 31, 2013, have each been audited by Ernst & Young LLP, an independent registered public accounting firm, as set forth in their reports appearing elsewhere herein, and are included in reliance upon such reports given on the authority of such firm as experts in accounting and auditing.

WHERE YOU CAN FIND MORE INFORMATION

We have filed a Registration Statement on Form S-11 with the SEC with respect to the shares of our common stock being registered hereunder. This Prospectus, which is a part of such Registration Statement, does not include all of the information that you can find in such registration statement or the exhibits to such registration statement. You should refer to the Registration Statement, including its exhibits and schedules, for further information about us and our common stock. Statements contained in this Prospectus as to the contents of any contract or document are not necessarily complete and, if the contract or document is filed as an exhibit to a registration statement, is qualified in all respects by reference to the relevant exhibit.

After the Spin-Off, we will file annual, quarterly and current reports, proxy statements and other information with the SEC. The Registration Statement is, and any of these future filings with the SEC will be, available to the public over the Internet on the SEC's website at *www.sec.gov*. You may read and copy any filed document at the SEC's public reference rooms in Washington, D.C. at 100 F Street, N.E., Washington, D.C. 20549 and at the SEC's regional offices in New York at 233 Broadway, New York, New York 10279 and in Chicago at Citicorp Center, 500 W. Madison Street, Suite 1400, Chicago, Illinois 60661. Please call the SEC at 1-800-SEC-0330 for further information about the public reference rooms.

INDEX TO FINANCIAL STATEMENTS

Report of Independent Registered Public Accounting Firm

Board of Directors
Penn National Gaming, Inc. and subsidiaries

We have audited the accompanying combined balance sheets of Louisiana Casino Cruises, Inc. and Penn Cecil Maryland, Inc. as of December 31, 2012 and 2011, and the related combined statements of operations, changes in shareholders' equity, and cash flows for each of the three years in the period ended December 31, 2012. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Company's internal controls over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined financial position of Louisiana Casino Cruises, Inc. and Penn Cecil Maryland, Inc. at December 31, 2012 and 2011, and the combined results of their operations and their cash flows for each of the three years in the period ended December 31, 2012, in conformity with U.S. generally accepted accounting principles.

/s/ ERNST & YOUNG LLP

Philadelphia, Pennsylvania
May 13, 2013

Combined Balance Sheets of
Louisiana Casino Cruises, Inc. and Penn Cecil Maryland, Inc.

(in thousands)

	December 31, 2012	December 31, 2011
Assets		
Current assets		
Cash and cash equivalents	$ 14,562	$ 17,146
Receivables, net of allowance for doubtful accounts of $36 and $44 at December 31, 2012 and December 31, 2011, respectively	444	1,653
Prepaid expenses and other current assets	1,706	2,010
Deferred income taxes	2,070	1,910
Total current assets	18,782	22,719
Property and equipment, net	118,954	128,091
Other assets		
Receivable from Penn National Gaming, Inc.	43,318	25,300
Goodwill	75,521	75,521
Other intangible assets	9,577	9,577
Other assets	134	134
Total other assets	128,550	110,532
Total assets	$ 266,286	$ 261,342
Liabilities and stockholder's equity		
Current liabilities		
Accounts payable and accrued expenses	$ 6,038	$ 6,754
Accrued salaries and wages	3,507	3,901
Income taxes	11,538	21,700
Other current liabilities	1,245	1,521
Total current liabilities	22,328	33,876
Long-term liabilities		
Deferred income taxes	7,628	7,555
Total long-term liabilities	7,628	7,555
Stockholder's Equity		
Additional paid-in capital	71,356	77,856
Retained earnings	164,974	142,055
Total stockholders' equity	236,330	219,911
Total liabilities and stockholders' equity	$ 266,286	$ 261,342

See accompanying notes to the combined financial statements.

Combined Statements of Operations of
Louisiana Casino Cruises, Inc. and Penn Cecil Maryland, Inc.

(in thousands)

Year ended December 31,	2012	2011	2010
Revenues			
Gaming	$ 202,581	$ 223,302	$ 138,480
Food, beverage and other	15,635	16,396	11,893
Revenues	218,216	239,698	150,373
Less promotional allowances	(7,573)	(7,814)	(7,175)
Net revenues	210,643	231,884	143,198
Operating expenses			
Gaming	113,111	124,971	65,672
Food, beverage and other	13,114	13,664	9,617
General and administrative	26,660	26,168	25,969
Depreciation	14,090	14,568	10,809
Total operating expenses	166,975	179,371	112,067
Income from operations	43,668	52,513	31,131
Other income (expenses)			
Interest expense on debt obligation to Penn National Gaming, Inc.	—	—	(583)
Interest income	2	4	9
Management fee	(6,320)	(6,958)	(4,300)
Total other expenses	(6,318)	(6,954)	(4,874)
Income from operations before income taxes	37,350	45,559	26,257
Taxes on income	14,431	18,875	10,927
Net income	$ 22,919	$ 26,684	$ 15,330

See accompanying notes to the combined financial statements.

Combined Statements of Changes in Stockholders' Equity of
Louisiana Casino Cruises, Inc. and Penn Cecil Maryland, Inc.
(in thousands)

	Additional Paid-In Capital	Retained Earnings	Total Stockholder's Equity
Balance, December 31, 2009	$ 38,816	$ 100,041	$ 138,857
Cash contribution from parent	61,201	—	61,201
Net income	—	15,330	15,330
Balance, December 31, 2010	100,017	115,371	215,388
Cash distribution to parent	(22,161)	—	(22,161)
Net income	—	26,684	26,684
Balance, December 31, 2011	77,856	142,055	219,911
Cash distribution to parent	(6,500)	—	(6,500)
Net income	—	22,919	22,919
Balance, December 31, 2012	$ 71,356	$ 164,974	$ 236,330

See accompanying notes to the combined financial statements.

Combined Statements of Cash Flows of
Louisiana Casino Cruises, Inc. and Penn Cecil Maryland, Inc.

(in thousands)

Year ended December 31,	2012	2011	2010
Operating activities			
Net income	$ 22,919	$ 26,684	$ 15,330
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation	14,090	14,568	10,809
(Gain) loss on sale of fixed assets	(143)	(75)	93
Deferred income taxes	(87)	(6,515)	9,647
Decrease (increase):			
Accounts receivable	1,209	(442)	(1,069)
Prepaid expenses and other current assets	304	(806)	135
Other assets	—	(2)	(20)
(Decrease) increase:			
Accounts payable and accrued expenses	(716)	(468)	2,494
Accrued interest on debt obligation to Penn National Gaming, Inc.	—	(4)	(108)
Accrued salaries and wages	(394)	313	1,682
Income taxes	(10,162)	23,396	(10,440)
Other current liabilities	(276)	191	530
Net cash provided by operating activities	26,744	56,840	29,083
Investing activities			
Expenditures for property and equipment, net of reimbursements	(5,190)	(8,288)	(59,056)
Proceeds from sale of property and equipment	380	117	69
Net cash used in investing activities	(4,810)	(8,171)	(58,987)
Financing activities			
Net advances (to)/from parent	(18,018)	(27,375)	1,415
Cash contributions (to)/from parent	(6,500)	(22,161)	61,201
Principal payments on debt obligation to Penn National Gaming, Inc.	—	(900)	(20,750)
Net cash (used in) provided by financing activities	(24,518)	(50,436)	41,866
Net (decrease) increase in cash and cash equivalents	(2,584)	(1,767)	11,962
Cash and cash equivalents at beginning of year	17,146	18,913	6,951
Cash and cash equivalents at end of year	$ 14,562	$ 17,146	$ 18,913

See accompanying notes to the combined financial statements.

Notes to Combined Financial Statements of
Louisiana Casino Cruises, Inc. and Penn Cecil Maryland, Inc.

Note 1—Business and Basis of Presentation

Louisiana Casino Cruises, Inc. ("Hollywood Casino Baton Rouge") and Penn Cecil Maryland, Inc. ("Hollywood Casino Perryville"), which operate Hollywood Casino Baton Rouge and Hollywood Casino Perryville, are currently wholly-owned subsidiaries of Penn National Gaming, Inc. ("Penn"), a publicly held Pennsylvania corporation. On November 15, 2012, Penn announced that it was pursuing plans to separate the majority of its operating assets and real property assets into two separate publicly traded companies: an operating entity and, through a tax-free spin-off of its real estate assets to holders of its common stock (the "Spin-Off"), a newly formed publicly traded real estate investment trust ("REIT"), Gaming and Leisure Properties, Inc. ("GLPI") which is a newly formed company and currently owned by Penn. Following the Spin-Off, GLPI will hold directly or indirectly substantially all of the assets and liabilities associated with Penn's real property interests and real estate development business, as well as all of the interests in Hollywood Casino Baton Rouge and Hollywood Casino Perryville (which are together referred to in these notes as Company).

Hollywood Casino Baton Rouge was acquired by Penn in April 2001 as part of its acquisition of CRC Holdings, Inc. The facility is a dockside riverboat gaming facility which at December 31, 2012 featured approximately 28,000 square feet of gaming space with 960 gaming machines and 18 table games. The facility also includes a dockside building featuring a variety of amenities, including a steakhouse, a buffet and deli and various entertainment options.

Hollywood Casino Perryville was opened by Penn on September 27, 2010. At December 31, 2012, the facility offered approximately 34,000 square feet of gaming space with 1,500 slot machines. In November 2012, voters in the state of Maryland approved a referendum authorizing the ability to add table games to Maryland's five existing and planned casinos. Hollywood Casino Perryville opened 12 table games and an 8-table poker room on March 5, 2013 and in January 2013, the facility removed approximately 350 slot machines as a result of additional competition in the marketplace which has resulted in a reduction to business volumes.

The preparation of financial statements in conformity with generally accepted accounting principles 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.

Note 2—Summary of Significant Accounting Policies

Cash and Cash Equivalents

The Company considers all cash balances and highly liquid investments with original maturities of three months or less to be cash and cash equivalents.

Concentration of Credit Risk

Financial instruments that subject the Company to credit risk consist of cash and cash equivalents. At times, the Company has bank deposits that exceed federally insured limits.

Accounts are written off when management determines that an account is uncollectible. Recoveries of accounts previously written off are recorded when received. An allowance for doubtful accounts is determined to reduce the Company's receivables to their carrying value, which approximates fair value.

Notes to Combined Financial Statements of
Louisiana Casino Cruises, Inc. and Penn Cecil Maryland, Inc. (Continued)

Note 2—Summary of Significant Accounting Policies (Continued)

The allowance is estimated based on historical collection experience, specific review of individual customer accounts, and current economic and business conditions.

Property and Equipment

Property and equipment are stated at cost, less accumulated depreciation. Maintenance and repairs that neither add materially to the value of the asset nor appreciably prolong its useful life are charged to expense as incurred. Gains or losses on the disposal of property and equipment are included in the determination of income.

Depreciation of property and equipment is recorded using the straight-line method over the following estimated useful lives:

Land improvements	5 to 15 years
Building and improvements	5 to 40 years
Furniture, fixtures, and equipment	3 to 31 years

Leasehold improvements are depreciated over the shorter of the estimated useful life of the improvement or the related lease term.

The estimated useful lives are determined based on the nature of the assets as well as the Company's current operating strategy.

The Company reviews the carrying value of its property and equipment for possible impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable based on undiscounted estimated future cash flows expected to result from its use and eventual disposition. The factors considered by the Company in performing this assessment include current operating results, trends and prospects, as well as the effect of obsolescence, demand, competition and other economic factors. In estimating expected future cash flows for determining whether an asset is impaired, assets are grouped at the individual property level. In assessing the recoverability of the carrying value of property and equipment, the Company must make assumptions regarding future cash flows and other factors. If these estimates or the related assumptions change in the future, the Company may be required to record an impairment loss for these assets.

Goodwill and Other Intangible Assets

At December 31, 2012, the Company had $75.5 million in goodwill and $9.6 million in other intangible assets within its combined balance sheet, resulting from the Company's acquisition of Hollywood Casino Baton Rouge and payments for Hollywood Casino Perryville's gaming license.

Goodwill is tested annually, or more frequently if indicators of impairment exist, for impairment by comparing the fair value of the Hollywood Casino Baton Rouge reporting unit to its carrying amount. If the carrying amount exceeds its fair value in step 1 of the impairment test, then step 2 of the impairment test is performed to determine the implied value of goodwill. If the implied value of goodwill is less than the goodwill allocated, an impairment loss is recognized.

In accordance with Financial Accounting Standards Board Accounting Standards Codification ("ASC") 350, "Intangibles—Goodwill and Other," the Company considers its Hollywood Casino Perryville gaming license as an indefinite-life intangible asset that does not require amortization based on the Company's future expectations to operate this casino indefinitely as well as the gaming

Notes to Combined Financial Statements of
Louisiana Casino Cruises, Inc. and Penn Cecil Maryland, Inc. (Continued)

Note 2—Summary of Significant Accounting Policies (Continued)

industry's historical experience in renewing these intangible assets at minimal cost with various state gaming and racing commissions. Rather, the Company's gaming license is tested annually, or more frequently if indicators of impairment exist, for impairment by comparing the fair value of the recorded asset to its carrying amount. If the carrying amount of the indefinite-life intangible asset exceeds its fair value, an impairment loss is recognized.

Income Taxes

The Company accounts for income taxes in accordance with ASC 740, "Income Taxes" ("ASC 740"). Under ASC 740, deferred tax assets and liabilities are determined based on the differences between the financial statement carrying amounts and the tax bases of existing assets and liabilities and are measured at the prevailing enacted tax rates that will be in effect when these differences are settled or realized. ASC 740 also requires that deferred tax assets be reduced by a valuation allowance if it is more likely than not that some portion or all of the deferred tax assets will not be realized.

The realizability of the deferred tax assets is evaluated by assessing the valuation allowance and by adjusting the amount of the allowance, if any, as necessary. The factors used to assess the likelihood of realization are the forecast of future taxable income.

ASC 740 also creates a single model to address uncertainty in tax positions, and clarifies the accounting for uncertainty in income taxes recognized in an enterprise's financial statements by prescribing the minimum recognition threshold a tax position is required to meet before being recognized in an enterprise's financial statements. It also provides guidance on derecognition, measurement, classification, interest and penalties, accounting in interim periods, disclosure and transition. The Company did not have any uncertain tax positions in 2012, 2011 or 2010, respectively.

The Company is required under ASC 740 to disclose its accounting policy for classifying interest and penalties, the amount of interest and penalties charged to expense each period, as well as the cumulative amounts recorded in the combined balance sheets. If and when they occur, the Company will classify any income tax-related penalties and interest accrued related to unrecognized tax benefits in taxes on income within the combined statements of operations.

Revenue Recognition and Promotional Allowances

The following table discloses the components of gaming revenue within the consolidated statements of operations for the years ended December 31, 2012, 2011 and 2010:

Year ended December 31,	2012	2011	2010
		(in thousands)	
Video lottery, net of cash incentives	$ 189,808	$ 210,349	$ 126,312
Table game	11,891	12,333	12,168
Poker	882	620	—
Total gaming revenue	$ 202,581	$ 223,302	$ 138,480

Revenues are recognized net of certain sales incentives in accordance with ASC 605-50, *Revenue Recognition—Customer Payments and Incentives*. The Company records cash incentives as a reduction of gaming revenue.

Notes to Combined Financial Statements of
Louisiana Casino Cruises, Inc. and Penn Cecil Maryland, Inc. (Continued)

Note 2—Summary of Significant Accounting Policies (Continued)

Video lottery gaming revenue 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), front money that are removed from the live gaming tables.

Food and beverage revenue is recognized as services are performed.

Revenues are recognized net of certain sales incentives in accordance with ASC 605-50, "Revenue Recognition—Customer Payments and Incentives." The Company records certain sales incentives and points earned in point-loyalty programs as a reduction of revenue.

The retail value of food and beverage and other services furnished to guests without charge is included in gross revenues and then deducted as promotional allowances. The amounts included in promotional allowances for the years ended December 31, 2012, 2011 and 2010 are as follows:

Year ended December 31,	2012	2011	2010
		(in thousands)	
Food and beverage	$ 6,807	$ 6,971	$ 6,268
Other	766	843	907
Total promotional allowances	$ 7,573	$ 7,814	$ 7,175

The estimated cost of providing such complimentary services, which is primarily included in food, beverage, and other expense, for the years ended December 31, 2012, 2011 and 2010 are as follows:

Year ended December 31,	2012	2011	2010
		(in thousands)	
Food and beverage	$ 3,319	$ 3,202	$ 2,296
Other	385	409	465
Total cost of complimentary services	$ 3,704	$ 3,611	$ 2,761

Gaming and Admission Taxes

The Company is subject to gaming and admission taxes based on gross gaming revenues in the jurisdictions in which it operates. The Company primarily 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 were or in which wagering occurs. At Hollywood Casino Baton Rouge, the gaming admission tax is based on graduated tax rates. The Company records gaming and admission 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 rate change during the year, such changes are applied prospectively in the determination of gaming tax expense in future interim periods. For the years ended December 31, 2012, 2011 and 2010, these

Notes to Combined Financial Statements of
Louisiana Casino Cruises, Inc. and Penn Cecil Maryland, Inc. (Continued)

Note 2—Summary of Significant Accounting Policies (Continued)

expenses, which are recorded within gaming expense in the combined statements of operations, totaled $94.9 million, $105.4 million and $48.7 million, respectively.

Certain Risks and Uncertainties

The Company's operations are dependent on its continued licensing by state gaming commissions. The loss of a license, in any jurisdiction in which the Company operates, could have a material adverse effect on future results of operations.

The Company is dependent on the local market in which its casinos operate for a significant number of its patrons and revenues. If economic conditions in this area deteriorate or additional gaming licenses are awarded in these markets, the Company's results of operations could be adversely affected.

The Company is dependent on the economy of the U.S. in general, and any deterioration in the national economic, energy, credit and capital markets could have a material adverse effect on future results of operations.

The Company is dependent upon a stable gaming tax structure in the locations that it operates in. Any change in the tax structure could have a material adverse effect on future results of operations.

Note 3—Property and Equipment

Property and equipment, net, consists of the following:

December 31,	2012	2011
	(in thousands)	
Land and improvements	$ 28,193	$ 36,153
Building and improvements	109,248	110,023
Furniture, fixtures, and equipment	76,088	62,749
Construction in progress	87	644
Total property and equipment	213,616	209,569
Less accumulated depreciation	(94,662)	(81,478)
Property and equipment, net	$ 118,954	$ 128,091

Depreciation expense for property and equipment totaled $14.1 million, $14.6 million, and $10.8 million for the years ended December 31, 2012, 2011 and 2010, respectively.

Note 4—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

Notes to Combined Financial Statements of
Louisiana Casino Cruises, Inc. and Penn Cecil Maryland, Inc. (Continued)

Note 4—Commitments and Contingencies (Continued)

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.

Operating Lease Commitments

The Company is liable under numerous operating leases for equipment and other miscellaneous assets, which expire at various dates through 2015. Total rental expense under these agreements was $1.6 million, $1.6 million, and $0.4 million for the years ended December 31, 2012, 2011 and 2010, respectively.

The future minimum lease commitments relating to the base lease rent portion of noncancelable operating leases at December 31, 2012 are as follows (in thousands):

Year ending December 31,	
2013	$ 13
2014	13
2015	10
Total	$ 36

Note 5—Income Taxes

Deferred tax assets and liabilities are provided for the effects of temporary differences between the tax basis of an asset or liability and its reported amount in the combined balance sheets. These temporary differences result in taxable or deductible amounts in future years.

The components of the Company's deferred tax assets and liabilities are as follows:

Year ended December 31,	2012	2011
	(in thousands)	
Deferred tax assets:		
Accrued expenses	$ 14,401	$ 13,956
Net deferred tax assets	14,401	13,956
Deferred tax liabilities:		
Property, plant and equipment	(19,383)	(19,601)
Intangibles	(576)	—
Net deferred tax liabilities	(19,959)	(19,601)
Net	$ (5,558)	$ (5,645)
Reflected on combined balance sheets:		
Current deferred tax assets, net	$ 2,070	$ 1,910
Noncurrent deferred tax liabilities, net	(7,628)	(7,555)
Net deferred taxes	$ (5,558)	$ (5,645)

Notes to Combined Financial Statements of
Louisiana Casino Cruises, Inc. and Penn Cecil Maryland, Inc. (Continued)

Note 5—Income Taxes (Continued)

The provision for income taxes charged to operations for the years ended December 31, 2012, 2011 and 2010 was as follows:

Year ended December 31,	2012	2011 (in thousands)	2010
Current tax expense			
Federal	$ 12,215	$ 21,049	$ (1,403)
State	2,303	4,341	2,683
Total current	14,518	25,390	1,280
Deferred tax (benefit) expense			
Federal	65	(6,781)	9,982
State	(152)	266	(335)
Total deferred	(87)	(6,515)	9,647
Total provision	$ 14,431	$ 18,875	$ 10,927

The following table reconciles the statutory federal income tax rate to the actual effective income tax rate for 2012, 2011 and 2010:

Year ended December 31,	2012	2011	2010
Percent of pretax income			
Federal taxes	35.0%	35.0%	35.0%
State and local income taxes	3.0%	6.6%	6.3%
Permanent differences	0.1%	0.2%	0.2%
Other miscellaneous items	0.5%	-0.4%	0.1%
	38.6%	41.4%	41.6%

Year ended December 31,	2012	2011 (in thousands)	2010
Amount based upon pretax income			
Federal taxes	$ 13,073	$ 15,945	$ 9,190
State and local income taxes	1,126	3,016	1,643
Permanent differences	30	72	46
Other miscellaneous items	202	(158)	48
	$ 14,431	$ 18,875	$ 10,927

The Company has historically been included in the consolidated federal income tax return with Penn and Penn's other subsidiaries. However, the Company computes federal and state income taxes on a separate return basis. Taxes due are settled between the Company and Penn. The Company paid no federal income taxes directly to tax authorities and instead settles all intercompany balances with Penn on a continuing basis. These settlements include, among other things, the share of the federal income taxes allocated by Penn to the Company.

Notes to Combined Financial Statements of
Louisiana Casino Cruises, Inc. and Penn Cecil Maryland, Inc. (Continued)

Note 6—Related Party Transactions

Net Advances and Liabilities to Parent and Related Entities

The Company had cumulative net advances of $43.3 million and $25.3 million at December 31, 2012 and 2011, respectively. These advances are the result of operating cash flows generated by the Company in excess of intercompany allocations such as the management fee agreement (described below). These funds are used by the Company to fund capital improvements, management fees, insurance programs, other miscellaneous charges and certain income tax amounts reclassified from the current taxes payable. There are no stated repayment terms for these other assets.

The Company participates in Penn's property, general liability, workers' compensation, and other insurance programs. The Company's estimated share of these costs, which were allocated directly to the Company by Penn, was $2.6 million, $1.9 million, and $3.4 million for the years ended December 31, 2012, 2011, and 2010, respectively.

Management Fee Agreement

The Company has a corporate overhead assessment agreement with Penn, whereby, Penn provides various management services in consideration of a management fee equal to 3% of net revenues. The Company incurred and paid management fees of $6.3 million, $7.0 million and $4.3 million for the years ended December 31, 2012, 2011, and 2010, respectively.

Note 7—Supplemental Disclosures of Cash Flow Information

Hollywood Casino Baton Rouge had an intercompany note from Penn due to Penn's acquisition of the property. In January 2011, Hollywood Casino Baton Rouge fully repaid this obligation to Penn. Interest expense was assessed on this note based on Penn's estimated incremental borrowing costs. All interest expense was incurred and settled through intercompany charges from Penn on a continuing basis.

The Company pays no federal income taxes directly to tax authorities and instead settles all intercompany balances with Penn on a continuing basis. These settlements include, among other things, the share of the income taxes allocated by Penn to the Company. The amounts paid to Penn for the Company's allocated share of federal income taxes was $13.2 million, $15.1 million and $10.1 million for the years ended December 31, 2012, 2011 and 2010, respectively. The Company also made state income tax payments of $3.2 million, $3.3 million and $1.3 million, for the years ended December 31, 2012, 2011, and 2010 directly to state taxing authorities.

Note 8—Subsequent Events

Events subsequent to December 31, 2012 were evaluated through the date these financial statements were issued and no additional events were identified requiring further disclosure in these financial statements.

Combined Balance Sheets of
Louisiana Casino Cruises, Inc. and Penn Cecil Maryland, Inc.

(in thousands)

	June 30, 2013 (unaudited)	December 31, 2012
Assets		
Current assets		
Cash and cash equivalents	$ 18,400	$ 14,562
Receivables, net of allowance for doubtful accounts of $31 and $36 at June 30, 2013 and December 31, 2012, respectively	466	444
Prepaid expenses and other current assets	1,931	1,706
Deferred income taxes	1,766	2,070
Total current assets	22,563	18,782
Property and equipment, net	113,986	118,954
Other assets		
Receivable from Penn National Gaming, Inc.	43,695	43,318
Goodwill	75,521	75,521
Other intangible assets	9,577	9,577
Other assets	128	134
Total other assets	128,921	128,550
Total assets	$ 265,470	$ 266,286
Liabilities and stockholders' equity		
Current liabilities		
Accounts payable and accrued expenses	$ 6,443	$ 6,038
Accrued salaries and wages	2,521	3,507
Income taxes	3,706	11,538
Other current liabilities	1,606	1,245
Total current liabilities	14,276	22,328
Long-term liabilities		
Deferred income taxes	6,951	7,628
Total long-term liabilities	6,951	7,628
Stockholders' equity		
Additional paid-in capital	71,356	71,356
Retained earnings	172,887	164,974
Total stockholders' equity	244,243	236,330
Total liabilities and stockholders' equity	$ 265,470	$ 266,286

See accompanying notes to the combined financial statements.

Combined Statements of Operations of
Louisiana Casino Cruises, Inc. and Penn Cecil Maryland, Inc.

(in thousands) (unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2013	2012	2013	2012
Revenues				
Gaming	$ 44,299	$ 57,885	$ 85,379	$ 122,241
Food, beverage and other	3,374	4,494	6,589	9,144
Revenues	47,673	62,379	91,968	131,385
Less promotional allowances	(1,601)	(2,127)	(3,247)	(4,224)
Net revenues	46,072	60,252	88,721	127,161
Operating expenses				
Gaming	24,342	32,032	47,481	68,278
Food, beverage and other	2,783	3,501	5,550	7,164
General and administrative	6,230	6,732	12,575	13,667
Depreciation	3,627	3,515	7,215	7,073
Total operating expenses	36,982	45,780	72,821	96,182
Income from operations	9,090	14,472	15,900	30,979
Other income (expenses)				
Interest income	1	1	1	2
Management fee	(1,381)	(1,807)	(2,661)	(3,815)
Total other expenses	(1,380)	(1,806)	(2,660)	(3,813)
Income from operations before income taxes	7,710	12,666	13,240	27,166
Taxes on income	3,011	5,048	5,327	10,882
Net income	$ 4,699	$ 7,618	$ 7,913	$ 16,284

See accompanying notes to the combined financial statements.

Combined Statements of Changes in Stockholders' Equity of
Louisiana Casino Cruises, Inc. and Penn Cecil Maryland, Inc.

(in thousands) (unaudited)

	Additional Paid-In Capital	Retained Earnings	Total Stockholders' Equity
Balance, December 31, 2011	$ 77,856	$ 142,055	$ 219,911
Cash contribution to parent	(6,500)	—	(6,500)
Net income	—	16,284	16,284
Balance, June 30, 2012	$ 71,356	$ 158,339	$ 229,695
Balance, December 31, 2012	$ 71,356	$ 164,974	$ 236,330
Net income	—	7,913	7,913
Balance, June 30, 2013	$ 71,356	$ 172,887	$ 244,243

See accompanying notes to the combined financial statements.

Combined Statements of Cash Flows of
Louisiana Casino Cruises, Inc. and Penn Cecil Maryland, Inc.

(in thousands) (unaudited)

	Six months ended June 30, 2013	Six months ended June 30, 2012
Operating activities		
Net income	$ 7,913	$ 16,284
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	7,215	7,073
Gain on sale of fixed assets	(30)	(51)
Deferred income taxes	(373)	(277)
(Increase) decrease:		
Accounts receivable	(22)	626
Prepaid expenses and other current assets	(225)	673
Other assets	6	—
Increase (decrease):		
Accounts payable and accrued expenses	405	473
Accrued salaries and wages	(986)	(1,016)
Income taxes	(7,832)	(12,513)
Other current liabilities	361	101
Net cash provided by operating activities	6,432	11,373
Investing activities		
Expenditures for property and equipment, net of reimbursements	(2,298)	(2,265)
Proceeds from sale of property and equipment	81	51
Net cash used in investing activities	(2,217)	(2,214)
Financing activities		
Net advances from parent	(377)	(3,964)
Cash contributions to parent	—	(6,500)
Net cash used in financing activities	(377)	(10,464)
Net increase (decrease) in cash and cash equivalents	3,838	(1,305)
Cash and cash equivalents at beginning of year	14,562	17,146
Cash and cash equivalents at end of year	$ 18,400	$ 15,841

See accompanying notes to the combined financial statements.

Notes to Combined Financial Statements of
Louisiana Casino Cruises, Inc. and Penn Cecil Maryland, Inc.

(Unaudited)

Note 1—Business and Basis of Presentation

Louisiana Casino Cruises, Inc. ("Hollywood Casino Baton Rouge") and Penn Cecil Maryland, Inc. ("Hollywood Casino Perryville"), which operate Hollywood Casino Baton Rouge and Hollywood Casino Perryville, are currently wholly-owned subsidiaries of Penn National Gaming, Inc. ("Penn"), a publicly held Pennsylvania corporation. On November 15, 2012, Penn announced that it was pursuing plans to separate the majority of its operating assets and real property assets into two separate publicly traded companies: an operating entity and, through a tax-free spin-off of its real estate assets to holders of its common stock (the "Spin-Off"), a newly formed publicly traded real estate investment trust ("REIT"), Gaming and Leisure Properties, Inc. ("GLPI") which is a newly formed company and currently owned by Penn. Following the Spin-Off, GLPI will hold directly or indirectly substantially all of the assets and liabilities associated with Penn's real property interests and real estate development business, as well as all of the interests in Hollywood Casino Baton Rouge and Hollywood Casino Perryville (which are together referred to in these notes as Company).

Hollywood Casino Baton Rouge was acquired by Penn in April 2001 as part of its acquisition of CRC Holdings, Inc. The facility is a dockside riverboat gaming facility which at June 30, 2013 featured approximately 28,000 square feet of gaming space with 963 gaming machines and 18 table games. The facility also includes a dockside building featuring a variety of amenities, including a steakhouse, a buffet and deli and various entertainment options.

Hollywood Casino Perryville was opened by Penn on September 27, 2010. At June 30, 2013, the facility offered approximately 34,000 square feet of gaming space with 1,158 slot machines. In January 2013, the facility had removed approximately 350 slot machines as a result of additional competition in the marketplace which resulted in a reduction to business volumes. Additionally, in November 2012, voters in the state of Maryland approved a referendum authorizing the ability to add table games to Maryland's five existing and planned casinos. Hollywood Casino Perryville opened 12 table games and an 8-table poker room on March 5, 2013.

The preparation of financial statements in conformity with generally accepted accounting principles 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.

Note 2—Summary of Significant Accounting Policies

Cash and Cash Equivalents

The Company considers all cash balances and highly liquid investments with original maturities of three months or less to be cash and cash equivalents.

Concentration of Credit Risk

Financial instruments that subject the Company to credit risk consist of cash and cash equivalents. At times, the Company has bank deposits that exceed federally insured limits.

Accounts are written off when management determines that an account is uncollectible. Recoveries of accounts previously written off are recorded when received. An allowance for doubtful accounts is determined to reduce the Company's receivables to their carrying value, which approximates fair value.

Notes to Combined Financial Statements of
Louisiana Casino Cruises, Inc. and Penn Cecil Maryland, Inc. (Continued)

(Unaudited)

Note 2—Summary of Significant Accounting Policies (Continued)

The allowance is estimated based on historical collection experience, specific review of individual customer accounts, and current economic and business conditions.

Property and Equipment

Property and equipment are stated at cost, less accumulated depreciation. Maintenance and repairs that neither add materially to the value of the asset nor appreciably prolong its useful life are charged to expense as incurred. Gains or losses on the disposal of property and equipment are included in the determination of income.

Depreciation of property and equipment is recorded using the straight-line method over the following estimated useful lives:

Land improvements	5 to 15 years
Building and improvements	5 to 40 years
Furniture, fixtures, and equipment	3 to 31 years

Leasehold improvements are depreciated over the shorter of the estimated useful life of the improvement or the related lease term.

The estimated useful lives are determined based on the nature of the assets as well as the Company's current operating strategy.

The Company reviews the carrying value of its property and equipment for possible impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable based on undiscounted estimated future cash flows expected to result from its use and eventual disposition. The factors considered by the Company in performing this assessment include current operating results, trends and prospects, as well as the effect of obsolescence, demand, competition and other economic factors. In estimating expected future cash flows for determining whether an asset is impaired, assets are grouped at the individual property level. In assessing the recoverability of the carrying value of property and equipment, the Company must make assumptions regarding future cash flows and other factors. If these estimates or the related assumptions change in the future, the Company may be required to record an impairment loss for these assets.

Goodwill and Other Intangible Assets

At June 30, 2013, the Company had $75.5 million in goodwill and $9.6 million in other intangible assets within its combined balance sheet, resulting from the Company's acquisition of Hollywood Casino Baton Rouge and payments for Hollywood Casino Perryville's gaming license.

Goodwill is tested annually, or more frequently if indicators of impairment exist, for impairment by comparing the fair value of the Hollywood Casino Baton Rouge reporting unit to its carrying amount. If the carrying amount exceeds its fair value in step 1 of the impairment test, then step 2 of the impairment test is performed to determine the implied value of goodwill. If the implied value of goodwill is less than the goodwill allocated, an impairment loss is recognized.

In accordance with Financial Accounting Standards Board Accounting Standards Codification ("ASC") 350, "Intangibles—Goodwill and Other," the Company considers its Hollywood Casino

Notes to Combined Financial Statements of Louisiana Casino Cruises, Inc. and Penn Cecil Maryland, Inc. (Continued)

(Unaudited)

Note 2—Summary of Significant Accounting Policies (Continued)

Perryville gaming license as an indefinite-life intangible asset that does not require amortization based on the Company's future expectations to operate this casino indefinitely as well as the gaming industry's historical experience in renewing these intangible assets at minimal cost with various state gaming and racing commissions. Rather, the Company's gaming license is tested annually, or more frequently if indicators of impairment exist, for impairment by comparing the fair value of the recorded asset to its carrying amount. If the carrying amount of the indefinite-life intangible asset exceeds its fair value, an impairment loss is recognized.

Income Taxes

The Company accounts for income taxes in accordance with ASC 740, "Income Taxes" ("ASC 740"). Under ASC 740, deferred tax assets and liabilities are determined based on the differences between the financial statement carrying amounts and the tax bases of existing assets and liabilities and are measured at the prevailing enacted tax rates that will be in effect when these differences are settled or realized. ASC 740 also requires that deferred tax assets be reduced by a valuation allowance if it is more likely than not that some portion or all of the deferred tax assets will not be realized.

The realizability of the deferred tax assets is evaluated by assessing the valuation allowance and by adjusting the amount of the allowance, if any, as necessary. The factors used to assess the likelihood of realization are the forecast of future taxable income.

ASC 740 also creates a single model to address uncertainty in tax positions, and clarifies the accounting for uncertainty in income taxes recognized in an enterprise's financial statements by prescribing the minimum recognition threshold a tax position is required to meet before being recognized in an enterprise's financial statements. It also provides guidance on derecognition, measurement, classification, interest and penalties, accounting in interim periods, disclosure and transition. The Company did not have any uncertain tax positions at June 30, 2013 or December 31, 2012.

The Company is required under ASC 740 to disclose its accounting policy for classifying interest and penalties, the amount of interest and penalties charged to expense each period, as well as the cumulative amounts recorded in the combined balance sheets. If and when they occur, the Company will classify any income tax-related penalties and interest accrued related to unrecognized tax benefits in taxes on income within the combined statements of operations.

Notes to Combined Financial Statements of
Louisiana Casino Cruises, Inc. and Penn Cecil Maryland, Inc. (Continued)

(Unaudited)

Note 2—Summary of Significant Accounting Policies (Continued)

Revenue Recognition and Promotional Allowances

The following table discloses the components of gaming revenue within the consolidated statements of operations for the three and six months ended June 30, 2013 and 2012:

	Three months ended June 30,		Six months ended June 30,	
	2013	2012	2013	2012
	(in thousands)			
Video lottery, net of cash incentives	$ 37,697	$ 54,328	$ 75,049	$ 114,811
Table game	5,562	3,240	9,010	6,776
Poker	1,040	317	1,320	654
Total gaming revenue	$ 44,299	$ 57,885	$ 85,379	$ 122,241

Revenues are recognized net of certain sales incentives in accordance with ASC 605-50, *Revenue Recognition—Customer Payments and Incentives*. The Company records cash incentives as a reduction of gaming revenue.

Video lottery gaming revenue 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), front money that are removed from the live gaming tables.

Food and beverage revenue is recognized as services are performed.

Revenues are recognized net of certain sales incentives in accordance with ASC 605-50, "Revenue Recognition—Customer Payments and Incentives." The Company records certain sales incentives and points earned in point-loyalty programs as a reduction of revenue.

The retail value of food and beverage and other services furnished to guests without charge is included in gross revenues and then deducted as promotional allowances. The amounts included in promotional allowances for the three and six months ended June 30, 2013 and 2012 are as follows:

	Three months ended June 30,		Six months ended June 30,	
	2013	2012	2013	2012
	(in thousands)			
Food and beverage	$ 1,588	$ 1,939	$ 3,105	$ 3,822
Other	13	188	142	402
Total promotional allowances	$ 1,601	$ 2,127	$ 3,247	$ 4,224

Notes to Combined Financial Statements of
Louisiana Casino Cruises, Inc. and Penn Cecil Maryland, Inc. (Continued)

(Unaudited)

Note 2—Summary of Significant Accounting Policies (Continued)

The estimated cost of providing such complimentary services, which is primarily included in food, beverage, and other expense, for the three and six months ended June 30, 2013 and 2012 are as follows:

	Three months ended June 30,		Six months ended June 30,	
	2013	2012	2013	2012
	(in thousands)			
Food and beverage	$ 746	$ 912	$ 1,459	$ 1,775
Other	6	87	75	199
Total cost of complimentary services	$ 752	$ 999	$ 1,534	$ 1,974

Gaming and Admission Taxes

The Company is subject to gaming and admission taxes based on gross gaming revenues in the jurisdictions in which it operates. The Company primarily 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 were or in which wagering occurs. At Hollywood Casino Baton Rouge, the gaming admission tax is based on graduated tax rates. The Company records gaming and admission 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 rate 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, 2013, these expenses, which are primarily recorded within gaming expense in the combined statements of operations, totaled $19.6 million and $38.3 million, respectively, as compared to $27.2 million and $58.2 million for the three and six months ended June 30, 2012, respectively.

Certain Risks and Uncertainties

The Company's operations are dependent on its continued licensing by state gaming commissions. The loss of a license, in any jurisdiction in which the Company operates, could have a material adverse effect on future results of operations.

The Company is dependent on the local market in which its casinos operate for a significant number of its patrons and revenues. If economic conditions in this area deteriorate or additional gaming licenses are awarded in these markets, the Company's results of operations could be adversely affected.

The Company is dependent on the economy of the U.S. in general, and any deterioration in the national economic, energy, credit and capital markets could have a material adverse effect on future results of operations.

The Company is dependent upon a stable gaming tax structure in the locations that it operates in. Any change in the tax structure could have a material adverse effect on future results of operations.

Notes to Combined Financial Statements of
Louisiana Casino Cruises, Inc. and Penn Cecil Maryland, Inc. (Continued)

(Unaudited)

Note 3—Property and Equipment

Property and equipment, net, consists of the following:

	June 30, 2013	December 31, 2012
	(in thousands)	
Land and improvements	$ 28,156	$ 28,193
Building and improvements	109,633	109,248
Furniture, fixtures, and equipment	76,623	76,088
Construction in progress	441	87
Total property and equipment	214,853	213,616
Less accumulated depreciation	(100,867)	(94,662)
Property and equipment, net	$ 113,986	$ 118,954

Depreciation expense for property and equipment totaled $3.6 million and $7.2 million for the three and six months ended June 30, 2013, respectively, as compared to $3.5 million and $7.1 million for the three and six months ended June 30, 2012, respectively.

Note 4—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.

Operating Lease Commitments

The Company is liable under numerous operating leases for equipment and other miscellaneous assets, which expire at various dates through 2015. Total rental expense under these agreements was $0.4 million and $0.7 million for the three and six months ended June 30, 2013, respectively, as compared to $0.5 million and $0.9 million for the three and six months ended June 30, 2012, respectively.

Notes to Combined Financial Statements of
Louisiana Casino Cruises, Inc. and Penn Cecil Maryland, Inc. (Continued)

(Unaudited)

Note 4—Commitments and Contingencies (Continued)

The future minimum lease commitments relating to the base lease rent portion of noncancelable operating leases at June 30, 2013 are as follows (in thousands):

Within one year	$ 13
1-3 years	17
Total	$ 30

Note 5—Income Taxes

Deferred tax assets and liabilities are provided for the effects of temporary differences between the tax basis of an asset or liability and its reported amount in the combined balance sheets. These temporary differences result in taxable or deductible amounts in future years.

The components of the Company's deferred tax assets and liabilities are as follows:

	June 30, 2013	December 31, 2012
	(in thousands)	
Deferred tax assets:		
Accrued expenses	$ 13,829	$ 14,401
Net deferred tax assets	13,829	14,401
Deferred tax liabilities:		
Property, plant and equipment	(18,315)	(19,383)
Intangibles	(699)	(576)
Net deferred tax liabilities	(19,014)	(19,959)
Net	$ (5,185)	$ (5,558)
Reflected on combined balance sheets:		
Current deferred tax assets, net	$ 1,766	$ 2,070
Noncurrent deferred tax liabilities, net	(6,951)	(7,628)
Net deferred taxes	$ (5,185)	$ (5,558)

Notes to Combined Financial Statements of
Louisiana Casino Cruises, Inc. and Penn Cecil Maryland, Inc. (Continued)

(Unaudited)

Note 5—Income Taxes (Continued)

The provision for income taxes charged to operations for the three and six months ended June 30, 2013 and 2012 was as follows:

	Three months ended June 30,		Six months ended June 30,	
	2013	2012	2013	2012
	(in thousands)			
Current tax expense				
Federal	$ 3,047	$ 4,687	$ 4,849	$ 8,928
State	464	1,062	851	2,224
Total current	3,511	5,749	5,700	11,152
Deferred tax (benefit) expense				
Federal	(553)	(581)	(633)	(179)
State	53	(120)	260	(91)
Total deferred	(500)	(701)	(373)	(270)
Total provision	$ 3,011	$ 5,048	$ 5,327	$ 10,882

The following table reconciles the statutory federal income tax rate to the actual effective income tax rate for the three and six months ended June 30, 2013 and 2012:

	Three months ended June 30,		Six months ended June 30,	
	2013	2012	2013	2012
Percent of pretax income				
Federal taxes	35.0%	35.0%	35.0%	35.0%
State and local income taxes	4.4%	4.8%	5.4%	5.1%
Permanent differences	-0.1%	0.1%	0.1%	0.1%
Other miscellaneous items	-0.3%	-0.1%	-0.3%	-0.1%
	39.0%	39.8%	40.2%	40.1%

	Three months ended June 30,		Six months ended June 30,	
	2013	2012	2013	2012
	(in thousands)			
Amount based upon pretax income				
Federal taxes	$ 2,699	$ 4,432	$ 4,634	$ 9,508
State and local income taxes	336	612	722	1,386
Permanent differences	(3)	17	9	16
Other miscellaneous items	(21)	(13)	(38)	(28)
	$ 3,011	$ 5,048	$ 5,327	$ 10,882

The Company has historically been included in the consolidated federal income tax return with Penn and Penn's other subsidiaries. However, the Company computes federal and state income taxes

Notes to Combined Financial Statements of
Louisiana Casino Cruises, Inc. and Penn Cecil Maryland, Inc. (Continued)

(Unaudited)

Note 5—Income Taxes (Continued)

on a separate return basis. Taxes due are settled between the Company and Penn. The Company paid no federal income taxes directly to tax authorities and instead settles all intercompany balances with Penn on a continuing basis. These settlements include, among other things, the share of the federal income taxes allocated by Penn to the Company.

Note 6—Related Party Transactions

Net Advances and Liabilities to Parent and Related Entities

The Company had cumulative net advances of $43.7 million and $43.3 million at June 30, 2013 and December 31, 2012, respectively. These advances are the result of operating cash flows generated by the Company in excess of intercompany allocations such as the management fee agreement (described below). These funds are used by the Company to fund capital improvements, management fees, insurance programs, other miscellaneous charges and certain income tax amounts reclassified from the current taxes payable. There are no stated repayment terms for these other assets.

The Company participates in Penn's property, general liability, workers' compensation, and other insurance programs. The Company's estimated share of these costs, which were allocated directly to the Company by Penn, was $0.7 million and $1.4 million for the three and six months ended June 30, 2013, respectively, as compared to $0.7 million and $1.3 million for the three and six months ended June 30, 2012, respectively.

Management Fee Agreement

The Company has a corporate overhead assessment agreement with Penn, whereby, Penn provides various management services in consideration of a management fee equal to 3% of net revenues. The Company incurred and paid management fees of $1.4 million and $2.7 million for the three and six months ended June 30, 2013, respectively, as compared to $1.8 million and $3.8 million for the three and six months ended June 30, 2012, respectively.

Note 7—Supplemental Disclosures of Cash Flow Information

The Company pays no federal income taxes directly to tax authorities and instead settles all intercompany balances with Penn on a continuing basis. These settlements include, among other things, the share of the income taxes allocated by Penn to the Company. The amounts paid to Penn for the Company's allocated share of federal income taxes was $4.9 million and $6.7 million for the three and six months ended June 30, 2013, respectively, as compared to $3.3 million and $6.6 million for the three and six months ended June 30, 2012, respectively. The Company made state income tax payments of $0.7 million directly to state taxing authorities for the three and six months ended June 30, 2013, as compared to $2.0 million and $2.2 million for the three and six months ended June 30, 2012, respectively.

Note 8—Subsequent Events

Events subsequent to June 30, 2013 were evaluated through August 29, 2013 the date these financial statements were available to be issued and no additional events were identified requiring further disclosure in these financial statements.

Report of Independent Registered Public Accounting Firm

Board of Directors
Penn National Gaming, Inc. and subsidiaries

We have audited the accompanying schedule of real estate assets to be acquired by Gaming and Leisure Properties, Inc. as of December 31, 2012. This schedule is the responsibility of the Company's management. Our responsibility is to express an opinion on this schedule based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the schedule of real estate assets to be acquired by Gaming and Leisure Properties, Inc. is free of material misstatement. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the schedule of real estate assets, assessing the accounting principles used and significant estimates made by management, and evaluating the overall presentation of the schedule. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the schedule referred to above presents fairly, in all material respects, the real estate assets to be acquired by Gaming and Leisure Properties, Inc. at December 31, 2012, in conformity with U.S. generally accepted accounting principles.

/s/ ERNST & YOUNG LLP

Philadelphia, Pennsylvania
May 13, 2013

Schedule of Real Estate Assets to be Acquired by
Gaming and Leisure Properties, Inc.

(in thousands)

	December 31, 2012
Assets	
Land and Buildings, net of accumulated depreciation	$ 2,008,171
Total Assets	$ 2,008,171

See accompanying notes to the schedule of real estate assets to be acquired by
Gaming and Leisure Properties, Inc.

**Notes to Schedule of Real Estate Assets to be Acquired by
Gaming and Leisure Properties, Inc.**

Note 1—Business and Basis of Presentation

Penn National Gaming, Inc. and subsidiaries (collectively, "Penn") is a diversified, multi-jurisdictional owner and manager of gaming and pari-mutuel properties. As of December 31, 2012, Penn owned, managed, or had ownership interests in twenty-nine facilities in the following nineteen jurisdictions: Colorado, Florida, Illinois, Indiana, Iowa, Kansas, Louisiana, Maine, Maryland, Mississippi, Missouri, Nevada, New Jersey, New Mexico, Ohio, Pennsylvania, Texas, West Virginia, and Ontario. On November 15, 2012, Penn announced that it was pursuing plans to separate the majority of its operating assets and real property assets into two publicly traded companies including an operating entity and, through a tax-free spin-off of its real estate assets to holders of its common stock (the "Spin-Off"), a newly formed publicly traded real estate investment trust ("REIT"), subject to required gaming regulatory body approvals.

Gaming and Leisure Properties, Inc., (the "Company" or "GLPI") was incorporated on February 13, 2013 and is currently a wholly-owned subsidiary of Penn that will hold directly or indirectly 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 the Hollywood Casino Baton Rouge and the Hollywood Casino Perryville, in connection with the Spin-Off discussed above. GLPI's primary business following the Spin-Off will consist of acquiring, financing, and owning real estate property to be leased to gaming operators in "triple net" lease arrangements. Initially, GLPI's sole tenant will be a subsidiary of Penn under a master lease agreement (the "Master Lease"). Following the Spin-Off, GLPI will be the first gaming-focused REIT, and expects to grow its portfolio by aggressively pursuing opportunities to acquire additional gaming facilities to lease to gaming operators, which may include Penn. GLPI also anticipates diversifying its portfolio over time, including by acquiring properties outside the gaming industry to lease to third parties.

The accompanying schedule of real estate assets to be acquired by GLPI reflects certain owned real estate of 19 gaming and related facilities that will be acquired by GLPI from Penn prior to the Spin-Off.

Note 2—Summary of Significant Accounting Policies

Basis of Presentation

The accompanying schedule of real estate assets to be acquired by GLPI reflects the assets directly attributable to Penn's real estate holdings to be owned by GLPI, with the exception of the operations of Louisiana Casino Cruises, Inc. and Penn Cecil Maryland, Inc. The schedule of real estate assets to be acquired by GLPI presented herein is combined on the basis of common control. The schedule of real estate assets to be acquired by GLPI is prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP"). The schedule of real estate assets to be acquired by GLPI has been derived from the accounting records of Penn using the historical basis of assets of Penn adjusted as necessary to conform to GAAP. Management believes the assumptions underlying the schedule of real estate assets to be acquired by GLPI are reasonable. However, the schedule of real estate assets to be acquired by GLPI included herein may not necessarily reflect GLPI's financial position in the future or what their financial position would have been had GLPI operated independently of Penn at the date presented.

**Notes to Schedule of Real Estate Assets to be Acquired by
Gaming and Leisure Properties, Inc. (Continued)**

Note 2—Summary of Significant Accounting Policies (Continued)

Land and Buildings

Land and buildings are stated at historical cost. Maintenance and repairs that neither add materially to the value of the asset nor appreciably prolong its useful life are charged to expense as incurred. Gains or losses on the disposal of property and equipment are included in the determination of income.

Depreciation is recorded using the straight-line method over the following estimated useful lives:

Land improvements	5 to 15 years
Building and improvements	5 to 40 years
Furniture, fixtures, and equipment	3 to 31 years

Leasehold improvements are depreciated over the shorter of the estimated useful life of the improvement or the related lease term.

The estimated useful lives are determined based on the nature of the assets as well as the Company's current operating strategy.

The Company reviews the carrying value of its property and equipment for possible impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable based on undiscounted estimated future cash flows expected to result from its use and eventual disposition. The factors considered by the Company in performing this assessment include current operating results, trends and prospects, as well as the effect of obsolescence, demand, competition and other economic factors. In assessing the recoverability of the carrying value of land and buildings, the Company must make assumptions regarding future cash flows and other factors. If these estimates or the related assumptions change in the future, the Company may be required to record an impairment loss for these assets.

Note 3—Land and Buildings

Land and buildings, net, consists of the following (in thousands):

	December 31, 2012
Land and improvements	$ 385,273
Building and improvements	2,026,028
Total land and building improvements	2,411,301
Less accumulated depreciation	(403,130)
Land and buildings, net	$ 2,008,171

Note 4—Concentration of Credit Risks

Concentrations of credit risks arise when a number of operators, tenants, or obligors related to the Company's investments are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations, including those to the Company, to be similarly affected by changes in economic conditions. Following the Spin-Off, substantially all of the Company's real estate properties will be leased to Penn, and all of

**Notes to Schedule of Real Estate Assets to be Acquired by
Gaming and Leisure Properties, Inc. (Continued)**

Note 4—Concentration of Credit Risks (Continued)

the Company's rental revenues will be derived from the Master Lease. Penn is a publicly traded company and is subject to the informational filing requirements of the Securities and Exchange Act of 1934, as amended, and is required to file periodic reports on Form 10-K and Form 10-Q with the SEC. As of December 31, 2012, Penn, through its subsidiaries, owned, managed or had ownership interests in twenty-nine facilities spread across nineteen jurisdictions. Penn's net revenues were $2.9 billion for the year ended December 31, 2012. Other than the Company's tenant concentration, management believes the current portfolio is reasonably diversified by geographical location and does not contain any other significant concentration of credit risks. The Company's portfolio of nineteen properties is diversified by location across thirteen jurisdictions.

Note 5—Subsequent Events

Events subsequent to December 31, 2012 were evaluated through the date this schedule of real estate assets to be acquired by GLPI was issued and no additional events were identified requiring further disclosure in this schedule of real estate assets to be acquired by GLPI.

Schedule of Real Estate Assets to be Acquired by
Gaming and Leisure Properties, Inc.

(in thousands)

	June 30, 2013 (unaudited)	December 31, 2012
Assets		
Land and Buildings, net of accumulated depreciation	$ 2,014,008	$ 2,008,171
Total Assets	$ 2,014,008	$ 2,008,171

See accompanying notes to the schedule of real estate assets to be acquired by
Gaming and Leisure Properties, Inc.

**Notes to Schedule of Real Estate Assets to be Acquired by
Gaming and Leisure Properties, Inc.**

Note 1—Business and Basis of Presentation

Penn National Gaming, Inc. and subsidiaries (collectively, "Penn") is a diversified, multi-jurisdictional owner and manager of gaming and pari-mutuel properties. As of June 30, 2013, Penn owned, managed, or had ownership interests in twenty-nine facilities in the following nineteen jurisdictions: Colorado, Florida, Illinois, Indiana, Iowa, Kansas, Louisiana, Maine, Maryland, Mississippi, Missouri, Nevada, New Jersey, New Mexico, Ohio, Pennsylvania, Texas, West Virginia, and Ontario. On November 15, 2012, Penn announced that it was pursuing plans to separate the majority of its operating assets and real property assets into two publicly traded companies including an operating entity and, through a tax-free spin-off of its real estate assets to holders of its common stock (the "Spin-Off"), a newly formed publicly traded real estate investment trust ("REIT"), subject to required gaming regulatory body approvals.

Gaming and Leisure Properties, Inc., (the "Company" or "GLPI") was incorporated on February 13, 2013 and is currently a wholly-owned subsidiary of Penn that will hold directly or indirectly 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 the Hollywood Casino Baton Rouge and the Hollywood Casino Perryville, in connection with the Spin-Off discussed above. GLPI's primary business following the Spin-Off will consist of acquiring, financing, and owning real estate property to be leased to gaming operators in "triple net" lease arrangements. Initially, GLPI's sole tenant will be a subsidiary of Penn under a master lease agreement (the "Master Lease"). Following the Spin-Off, GLPI will be the first gaming-focused REIT, and expects to grow its portfolio by aggressively pursuing opportunities to acquire additional gaming facilities to lease to gaming operators, which may include Penn. GLPI also anticipates diversifying its portfolio over time, including by acquiring properties outside the gaming industry to lease to third parties.

The accompanying schedule of real estate assets to be acquired by GLPI reflects certain owned real estate of 21 gaming and related facilities that will be acquired by GLPI from Penn prior to the Spin-Off.

Note 2—Summary of Significant Accounting Policies

Basis of Presentation

The accompanying schedule of real estate assets to be acquired by GLPI reflects the assets directly attributable to Penn's real estate holdings to be owned by GLPI, with the exception of the operations of Louisiana Casino Cruises, Inc. and Penn Cecil Maryland, Inc. The schedule of real estate assets to be acquired by GLPI presented herein is combined on the basis of common control. The schedule of real estate assets to be acquired by GLPI is prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP"). The schedule of real estate assets to be acquired by GLPI has been derived from the accounting records of Penn using the historical basis of assets of Penn adjusted as necessary to conform to GAAP. Management believes the assumptions underlying the schedule of real estate assets to be acquired by GLPI are reasonable. However, the schedule of real estate assets to be acquired by GLPI included herein may not necessarily reflect GLPI's financial position in the future or what their financial position would have been had GLPI operated independently of Penn at the date presented.

**Notes to Schedule of Real Estate Assets to be Acquired by
Gaming and Leisure Properties, Inc. (Continued)**

Note 2—Summary of Significant Accounting Policies (Continued)

Land and Buildings

Land and buildings are stated at historical cost. Maintenance and repairs that neither add materially to the value of the asset nor appreciably prolong its useful life are charged to expense as incurred. Gains or losses on the disposal of property and equipment are included in the determination of income.

Depreciation is recorded using the straight-line method over the following estimated useful lives:

Land improvements	5 to 15 years
Building and improvements	5 to 40 years
Furniture, fixtures, and equipment	3 to 31 years

Leasehold improvements are depreciated over the shorter of the estimated useful life of the improvement or the related lease term.

The estimated useful lives are determined based on the nature of the assets as well as the Company's current operating strategy.

The Company reviews the carrying value of its property and equipment for possible impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable based on undiscounted estimated future cash flows expected to result from its use and eventual disposition. The factors considered by the Company in performing this assessment include current operating results, trends and prospects, as well as the effect of obsolescence, demand, competition and other economic factors. In assessing the recoverability of the carrying value of land and buildings, the Company must make assumptions regarding future cash flows and other factors. If these estimates or the related assumptions change in the future, the Company may be required to record an impairment loss for these assets.

Note 3—Land and Buildings

Land and buildings, net, consists of the following (in thousands):

	June 30, 2013 (unaudited)	December 31, 2012
Land and improvements	$ 382,828	$ 385,273
Building and improvements	2,080,370	2,026,028
Total land and building improvements	2,463,198	2,411,301
Less accumulated depreciation	(449,190)	(403,130)
Land and buildings, net	$ 2,014,008	$ 2,008,171

Note 4—Concentration of Credit Risks

Concentrations of credit risks arise when a number of operators, tenants, or obligors related to the Company's investments are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations, including those to the Company, to be similarly affected by changes in economic conditions. Following

Notes to Schedule of Real Estate Assets to be Acquired by Gaming and Leisure Properties, Inc. (Continued)

Note 4—Concentration of Credit Risks (Continued)

the Spin-Off, substantially all of the Company's real estate properties will be leased to Penn, and all of the Company's rental revenues will be derived from the Master Lease. Penn is a publicly traded company and is subject to the informational filing requirements of the Securities and Exchange Act of 1934, as amended, and is required to file periodic reports on Form 10-K and Form 10-Q with the SEC. As of June 30, 2013, Penn, through its subsidiaries, owned, managed or had ownership interests in twenty-nine facilities spread across nineteen jurisdictions. Penn's net revenues were $1.56 billion for the six-month period ended June 30, 2013, and $2.90 billion for the year ended December 31, 2012. Other than the Company's tenant concentration, management believes the current portfolio is reasonably diversified by geographical location and does not contain any other significant concentration of credit risks. The Company's portfolio of nineteen properties is diversified by location across thirteen jurisdictions.

Note 5—Subsequent Events

Events subsequent to June 30, 2013 were evaluated through August 29, 2013 the date this schedule of real estate assets to be acquired by GLPI was made available to be issued and no additional events were identified requiring further disclosure in this schedule of real estate assets to be acquired by GLPI.

Report of Independent Registered Public Accounting Firm

Board of Directors
Penn National Gaming, Inc. and subsidiaries

We have audited the accompanying consolidated balance sheet of Gaming and Leisure Properties, Inc. as of March 31, 2013. This balance sheet is the responsibility of the Company's management. Our responsibility is to express an opinion on this balance sheet based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. We were not engaged to perform an audit of the Company's internal controls over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the balance sheet, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated balance sheet referred to above presents fairly, in all material respects, the consolidated financial position of Gaming and Leisure Properties, Inc. at March 31, 2013, in conformity with U.S. generally accepted accounting principles.

/s/ ERNST & YOUNG LLP

Philadelphia, Pennsylvania
May 13, 2013

Gaming and Leisure Properties, Inc.

Consolidated Balance Sheet

March 31, 2013

(amounts in thousands, except share data)

Assets	
Cash	$ —
Total assets	$ —
Shareholder's Equity	
Common stock, $0.01 par value, 1,000 shares authorized, issued and outstanding	$ —
Additional paid capital	—
Total shareholder's equity	$ —

See accompanying notes to the consolidated balance sheet.

Gaming and Leisure Properties, Inc.

Notes to the Consolidated Balance Sheet

Note 1—Organization and Operations

Gaming and Leisure Properties, Inc., (the "Company" or "GLPI") is a newly formed Pennsylvania corporation that was incorporated on February 13, 2013 and is a wholly-owned subsidiary of Penn National Gaming, Inc. ("Penn") that will hold directly or indirectly 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 the Hollywood Casino Baton Rouge and the Hollywood Casino Perryville, in connection with their proposed spin-off (the "Spin-Off"). GLPI's primary business following the Spin-Off will consist of acquiring, financing, and owning real estate property to be leased to gaming operators in "triple net" lease arrangements. Initially, GLPI's sole tenant will be a subsidiary of Penn under a master lease agreement (the "Master Lease"). Following the Spin-Off, GLPI will be the first gaming-focused REIT, and expects to grow its portfolio by aggressively pursuing opportunities to acquire additional gaming facilities to lease to gaming operators, which may include Penn. GLPI also anticipates diversifying its portfolio over time, including by acquiring properties outside the gaming industry to lease to third parties.

Penn's plan to separate its real estate assets from its operating assets consists of the following key transactions:

- Reorganizing, through a series of internal corporate restructurings, such that:
  - Substantially all of Penn's owned real property at its casino operations will be held by GLPI; and
  - all of Penn's operations and other assets and liabilities will continue to be held by Penn;
- To govern their ongoing relationship, Penn and GLPI or their respective subsidiaries, as applicable, will enter into certain agreements on or prior to the Spin-Off. These agreements include: (i) a separation and distribution agreement, providing for certain organizational matters, the mechanics related to the Spin-Off as well as other ongoing obligations of Penn and GLPI, (ii) the Master Lease pursuant to which GLP Capital, L.P., as landlord, will lease to a subsidiary of Penn, as tenant, the assets related to the business of Penn, excluding Hollywood Casino Baton Rouge and Hollywood Casino Perryville (the "TRS Properties"), (iii) an agreement relating to tax matters, (iv) an agreement pursuant to which Penn will provide certain services to GLPI on a transitional basis and (v) an agreement relating to employee matters;
- For every share of Penn common stock and every 1/1,000th of a share of Penn Series C preferred stock that are owned by its shareholders on the record date, Penn will distribute one share of common stock of GLPI on the distribution date. Peter M. Carlino will exchange (i) shares of Penn common stock for shares of GLPI common stock prior to the Spin-Off and (ii) options to acquire Penn common stock for options to acquire GLPI common stock following the Spin-Off; and
- GLPI electing and qualifying to be taxed as a REIT for U.S. federal income tax purposes, which GLPI currently expects to occur commencing with its taxable year beginning on January 1, 2014.

With the exception of any earnings generated from the Company's taxable REIT subsidiaries, the Company generally will not be subject to U.S. federal income taxes on its taxable income to the extent that it annually distributes at least 90% of its taxable income to shareholders and maintains its intended qualification as a REIT.

Gaming and Leisure Properties, Inc.

Notes to the Consolidated Balance Sheet (Continued)

Note 2—Summary of Significant Accounting Policies

Basis of Presentation

The accompanying consolidated balance sheet of GLPI has been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP").

Use of Estimates

The preparation of the consolidated balance sheet in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts reported in the balance sheet and related notes. Actual results could differ from those estimates.

Summary of Significant Accounting Policies

Property and Equipment

Property and equipment are stated at historical cost. Maintenance and repairs that neither add materially to the value of the asset nor appreciably prolong its useful life are charged to expense as incurred. Gains or losses on the disposal of property and equipment are included in the determination of income.

Depreciation of property and equipment is recorded using the straight-line method over the following estimated useful lives:

Land improvements	5 to 15 years
Building and improvements	5 to 40 years
Furniture, fixtures, and equipment	3 to 31 years

Leasehold improvements are depreciated over the shorter of the estimated useful life of the improvement or the related lease term.

The estimated useful lives are determined based on the nature of the assets as well as the Company's current operating strategy.

The Company reviews the carrying value of its property and equipment for possible impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable based on undiscounted estimated future cash flows expected to result from its use and eventual disposition. The factors considered by the Company in performing this assessment include current operating results, trends and prospects, as well as the effect of obsolescence, demand, competition and other economic factors. In estimating expected future cash flows for determining whether an asset is impaired, assets are grouped at the individual property level. In assessing the recoverability of the carrying value of property and equipment, the Company must make assumptions regarding future cash flows and other factors. If these estimates or the related assumptions change in the future, the Company may be required to record an impairment loss for these assets.

Cash and Cash Equivalents

The Company considers all cash balances and highly liquid investments with original maturities of three months or less to be cash and cash equivalents.

Gaming and Leisure Properties, Inc.

Notes to the Consolidated Balance Sheet (Continued)

Note 3—Subsequent Events

Events subsequent to March 31, 2013 were evaluated through the date this consolidated balance sheet was issued and no additional events were identified requiring further disclosure in this consolidated balance sheet.

Gaming and Leisure Properties, Inc.

Consolidated Balance Sheets

(amounts in thousands, except share data)

	June 30, 2013 (unaudited)	March 31, 2013
Assets		
Cash	$ —	$ —
Total assets	$ —	$ —
Shareholder's Equity		
Common stock, $0.01 par value, 1,000 shares authorized, issued and outstanding	$ —	$ —
Additional paid capital	—	$ —
Total shareholder's equity	$ —	$ —

See accompanying notes to the consolidated balance sheets.

Gaming and Leisure Properties, Inc.

Notes to the Consolidated Balance Sheets

Note 1—Organization and Operations

Gaming and Leisure Properties, Inc., (the "Company" or "GLPI") is a newly formed Pennsylvania corporation that was incorporated on February 13, 2013 and is a wholly-owned subsidiary of Penn National Gaming, Inc. ("Penn") that will hold directly or indirectly 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 the Hollywood Casino Baton Rouge and the Hollywood Casino Perryville, in connection with their proposed spin-off (the "Spin-Off"). GLPI's primary business following the Spin-Off will consist of acquiring, financing, and owning real estate property to be leased to gaming operators in "triple net" lease arrangements. Initially, GLPI's sole tenant will be a subsidiary of Penn under a master lease agreement (the "Master Lease"). Following the Spin-Off, GLPI will be the first gaming-focused REIT, and expects to grow its portfolio by aggressively pursuing opportunities to acquire additional gaming facilities to lease to gaming operators, which may include Penn. GLPI also anticipates diversifying its portfolio over time, including by acquiring properties outside the gaming industry to lease to third parties.

Penn's plan to separate its real estate assets from its operating assets consists of the following key transactions:

- Reorganizing, through a series of internal corporate restructurings, such that:
  - Substantially all of Penn's owned real property at its casino operations will be held by GLPI; and
  - all of Penn's operations and other assets and liabilities will continue to be held by Penn;
- To govern their ongoing relationship, Penn and GLPI or their respective subsidiaries, as applicable, will enter into certain agreements on or prior to the Spin-Off. These agreements include: (i) a separation and distribution agreement, providing for certain organizational matters, the mechanics related to the Spin-Off as well as other ongoing obligations of Penn and GLPI, (ii) the Master Lease pursuant to which GLP Capital, L.P., as landlord, will lease to a subsidiary of Penn, as tenant, the assets related to the business of Penn, excluding Hollywood Casino Baton Rouge and Hollywood Casino Perryville (the "TRS Properties"), (iii) an agreement relating to tax matters, (iv) an agreement pursuant to which Penn will provide certain services to GLPI on a transitional basis and (v) an agreement relating to employee matters;
- For every share of Penn common stock and every 1/1,000th of a share of Penn Series C preferred stock that are owned by its shareholders on the record date, Penn will distribute one share of common stock of GLPI on the distribution date. Peter M. Carlino will exchange (i) shares of Penn common stock for shares of GLPI common stock prior to the Spin-Off and (ii) options to acquire Penn common stock for options to acquire GLPI common stock following the Spin-Off; and
- GLPI electing and qualifying to be taxed as a REIT for U.S. federal income tax purposes, which GLPI currently expects to occur commencing with its taxable year beginning on January 1, 2014.

With the exception of any earnings generated from the Company's taxable REIT subsidiaries, the Company generally will not be subject to U.S. federal income taxes on its taxable income to the extent that it annually distributes at least 90% of its taxable income to shareholders and maintains its intended qualification as a REIT.

Gaming and Leisure Properties, Inc.

Notes to the Consolidated Balance Sheets (Continued)

Note 2—Summary of Significant Accounting Policies

Basis of Presentation

The accompanying consolidated balance sheet of GLPI has been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP").

Use of Estimates

The preparation of the consolidated balance sheet in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts reported in the balance sheet and related notes. Actual results could differ from those estimates.

Summary of Significant Accounting Policies

Property and Equipment

Property and equipment are stated at historical cost. Maintenance and repairs that neither add materially to the value of the asset nor appreciably prolong its useful life are charged to expense as incurred. Gains or losses on the disposal of property and equipment are included in the determination of income.

Depreciation of property and equipment is recorded using the straight-line method over the following estimated useful lives:

Land improvements	5 to 15 years
Building and improvements	5 to 40 years
Furniture, fixtures, and equipment	3 to 31 years

Leasehold improvements are depreciated over the shorter of the estimated useful life of the improvement or the related lease term.

The estimated useful lives are determined based on the nature of the assets as well as the Company's current operating strategy.

The Company reviews the carrying value of its property and equipment for possible impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable based on undiscounted estimated future cash flows expected to result from its use and eventual disposition. The factors considered by the Company in performing this assessment include current operating results, trends and prospects, as well as the effect of obsolescence, demand, competition and other economic factors. In estimating expected future cash flows for determining whether an asset is impaired, assets are grouped at the individual property level. In assessing the recoverability of the carrying value of property and equipment, the Company must make assumptions regarding future cash flows and other factors. If these estimates or the related assumptions change in the future, the Company may be required to record an impairment loss for these assets.

Cash and Cash Equivalents

The Company considers all cash balances and highly liquid investments with original maturities of three months or less to be cash and cash equivalents.

Gaming and Leisure Properties, Inc.

Notes to the Consolidated Balance Sheets (Continued)

Note 3—Subsequent Events

Events subsequent to June 30, 2013 were evaluated through August 29, 2013, the date this consolidated balance sheet was available to be issued and no additional events were identified requiring further disclosure in this consolidated balance sheet.

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 31. Other Expenses of Issuance and Distribution

The following is a statement of the expenses estimated to be incurred by the Registrant in connection with the distribution of the securities registered under this Registration Statement:

Item	Amount
SEC Registration Fee	$ 366,143
Printing Fees and Expenses	$
NASDAQ Listing Fee	$
Legal Fees and Expenses	$
Accounting Fees and Expenses	$
Miscellaneous	$
Total	$

Item 32. Sales to Special Parties

On February 13, 2013, in connection with the initial capitalization of GLPI, we issued 1,000 shares of our common stock to CRC Holdings, Inc., a wholly-owned subsidiary of Penn for an aggregate purchase price of $10. CRC Holdings, Inc. will not hold these shares following the Spin-Off.

Item 33. Recent Sales of Unregistered Securities

On February 13, 2013, in connection with the initial capitalization of GLPI, we issued 1,000 shares of our common stock to CRC Holdings, Inc., a wholly-owned subsidiary of Penn for an aggregate purchase price of $10. CRC Holdings, Inc. will not hold these shares following the Spin-Off.

Item 34. Indemnification of Directors and Officers

Sections 1741 through 1750 of Subchapter D, Chapter 17, of the PBCL, contain provisions for mandatory and discretionary indemnification of a corporation's directors, officers and other personnel, and related matters. As described below, we intend to indemnify our directors, officers and other such personnel to the fullest extent permitted by the PBCL.

Our charter and bylaws require us to indemnify any person against all liability, loss and expense (including attorneys' fees, judgments, fines and amounts paid in settlement) actually and reasonably incurred by such person by reason of the fact that he is or was a director or officer of GLPI, or is or was serving at our request as a director or officer of another corporation or of a partnership, joint venture, trust or other enterprise or entity, including service with respect to an employee benefit plan, its participants or beneficiaries, to the full extent permitted by applicable law. Pennsylvania law permits us to provide similar indemnification to our employees and agents who are not directors or officers. The determination of whether an individual meets the applicable standard of conduct may be made by the disinterested directors, independent legal counsel or the shareholders. Pennsylvania law also permits indemnification in connection with a proceeding brought by us or in our right to procure a judgment in our favor. Insofar as indemnification for liabilities arising under the Securities Act of may be permitted to directors, officers, or persons controlling us pursuant to the foregoing provisions, we have been informed that in the opinion of the SEC such indemnification is against public policy as expressed in that Act and is therefore unenforceable.

We purchase and maintain insurance on behalf of any person who is or was a director or officer of GLPI or an employee or agent of GLPI, against any liability asserted against such person and incurred by him or her in any such capacity, or arising out of his or her status as such, whether or not we would have the power to indemnify him or her against that liability. Accordingly, we maintain directors' and officers' liability insurance to provide directors and officers with insurance coverage for losses, including those that arise from claims based on breaches of duty, negligence, error and other wrongful acts and for violations with respect to the Securities Act.

Item 35. Treatment of Proceeds from Stock Being Registered

Not applicable.

Item 36. Financial Statements and Exhibits

(a) Financial Statements: See Index to Financial Statements.

(b) Exhibits: See Exhibit Index.

Item 37. Undertakings

The undersigned Registrant hereby undertakes:

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-11 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Wyomissing, Commonwealth of Pennsylvania, on August 30, 2013.

GAMING AND LEISURE PROPERTIES, INC.

By: /s/ PETER M. CARLINO

Peter M. Carlino
Chairman of the Board and Chief Executive Officer

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
/s/ PETER M. CARLINO Peter M. Carlino	Chief Executive Officer and Director (Principal Executive Officer)	August 30, 2013
/s/ WILLIAM J. CLIFFORD William J. Clifford	Chief Financial Officer (Principal Financial and Accounting Officer)	August 30, 2013

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INDEX TO EXHIBITS

Exhibit	Description
2.1	Form of Separation and Distribution Agreement by and among Penn National Gaming, Inc. and Gaming and Leisure Properties, Inc.**
3.1	Form of Amended and Restated Certificate of Incorporation of Gaming and Leisure Properties, Inc.**
3.2	Form of Amended and Restated By-Laws of Gaming and Leisure Properties, Inc.**
5.1	Opinion of Pepper Hamilton LLP regarding the legality of the securities being issued*
8.1	Opinion of Wachtell, Lipton, Rosen & Katz regarding tax matters*
10.1	Form of Master Lease Agreement among GLP Capital, L.P. and Penn Tenant, LLC**
10.2	Form of Tax Matters Agreement among Penn National Gaming, Inc. and Gaming and Leisure Properties, Inc.*
10.3	Form of Transition Services Agreement among Penn National Gaming, Inc. and Gaming and Leisure Properties, Inc.**
10.4	Form of Employee Matters Agreement among Penn National Gaming, Inc. and Gaming and Leisure Properties, Inc.*
10.5	2013 Long Term Incentive Compensation Plan of Gaming and Leisure Properties, Inc.*
21.1	Subsidiaries of Gaming and Leisure Properties, Inc.*
23.1	Consent of Ernst & Young LLP**
23.2	Consent of Pepper Hamilton LLP (included in Exhibit 5.1)*
23.3	Consent of Wachtell, Lipton, Rosen & Katz (included in Exhibit 8.1)*
23.4	Consent of Duff & Phelps, LLC**
24.1	Power of Attorney (included in signature page)***
99.1	Consent of Wesley R. Edens to being named as a prospective director***
99.2	Consent of David A. Handler to being named as a prospective director***
99.3	Consent of E. Scott Urdang to being named as a prospective director**
99.4	Consent of Joseph W. Marshall, III to being named as a prospective director**

* To be filed by amendment

** Filed herewith

*** Previously filed

Exhibit 2.1

SEPARATION AND DISTRIBUTION AGREEMENT

BY AND BETWEEN

PENN NATIONAL GAMING, INC.

AND

GAMING AND LEISURE PROPERTIES, INC.

Dated [•], 2013

EXHIBITS

C	Form of Employee Matters Agreement
D	Form of Amended and Restated Articles of Incorporation
E	Form of Amended and Restated Bylaws

SCHEDULES

Schedule 1.1(a)	GLPI Contracts
Schedule 2.1(a)	Plan of Reorganization
Schedule 2.2(a)(iv)	GLPI Assets
Schedule 2.2(b)	Penn Assets
Schedule 2.3(a)	GLPI Liabilities
Schedule 6.1(a)	Further Assurances
Schedule 6.4	Allocation of Certain Costs and Expenses
Schedule 6.5(a)	Assumed Actions
Schedule 6.5(b)	Transferred Actions
Schedule 6.8	Licensed Intellectual Property, Licensed Marks and TRS Properties
Schedule 6.9	Legal Requirements

SEPARATION AND DISTRIBUTION AGREEMENT

This SEPARATION AND DISTRIBUTION AGREEMENT, dated as of [•], 2013 (this "Agreement"), is by and between Penn National Gaming, Inc., a Pennsylvania corporation ("Penn"), and Gaming and Leisure Properties, Inc., a Pennsylvania corporation ("GLPI").

W I T N E S S E T H:

WHEREAS, the board of directors of Penn has determined that it is in the best interests of Penn to create and distribute the stock of a new publicly traded company which shall operate the GLPI Business, and such distribution is motivated, in substantial part, by the purpose of facilitating strategic expansion opportunities for the property ownership and development business of Penn by providing GLPI with the ability to (i) pursue transactions with gaming operators that compete with Penn that would not pursue transactions with Penn, (ii) diversify into different businesses in which Penn, as a practical matter, could not diversify, (iii) pursue certain transactions that Penn otherwise would be disadvantaged by or precluded from pursuing due to regulatory constraints, and (iv) fund acquisitions with its equity on significantly more favorable terms than those that would be available to Penn;

WHEREAS, GLPI has been incorporated solely for these purposes and has not engaged in activities except in preparation for its corporate reorganization and the distribution of its stock;

WHEREAS, the board of directors of Penn and the board of directors of GLPI have approved the transfer by Penn and its Subsidiaries of the GLPI Assets to GLPI and its Subsidiaries in actual or constructive exchange for (i) the assumption by GLPI and certain of its Subsidiaries of the GLPI Liabilities, (ii) the issuance by GLPI to Penn or its Subsidiaries of shares of the common stock, par value one one-hundredth of one dollar ($0.01) per share, of GLPI (the "GLPI Common Stock"), and (iii) the distribution by GLPI, directly or indirectly, to Penn of the GLPI Cash Payment, all as more fully described in this Agreement and the other Transaction Documents (together with certain related transactions, the "Reorganization");

WHEREAS, the board of directors of Penn has further approved the distribution (the "Spin-Off") of all of the issued and outstanding shares of GLPI Common Stock to the holders of the issued and outstanding common shares, par value one one-hundredth of one dollar ($0.01) per share, of Penn (the "Penn Common Shares") and the holders of Series C Convertible Preferred Stock ("Series C") as of the close of business on the Record Date;

WHEREAS, Peter M. Carlino will receive additional shares of GLPI Common Stock in exchange for Penn Common Shares that he will transfer to Penn immediately prior to the Spin-Off (together with the Spin-Off, the "Distribution");

WHEREAS, GLPI has filed with the SEC the Form S-11, which sets forth disclosure concerning GLPI and the Distribution;

WHEREAS, in connection with the Distribution, Penn and GLPI have entered into the Financing Arrangements;

WHEREAS, for U.S. federal income tax purposes, certain aspects of the Reorganization and the Distribution, together with certain related transactions, are intended to qualify for tax-free treatment under Sections 355 and 368(a)(1)(D) of the Code;

WHEREAS, Penn has received a private letter ruling from the IRS to the effect that, among other things, (i) certain aspects of the Reorganization and the Distribution, together with certain related transactions, qualify as a transaction (a) that is described in Sections 355 and 368(a)(1)(D) of the Code, (b) in which the GLPI Common Stock distributed is "qualified property" under Section 361(c) of the Code and (c) in which the holders of Penn Common Shares recognize no income or gain for U.S. federal income tax purposes under Section 355 of the Code and (ii) certain other steps of the Plan of Reorganization qualify as transactions that are described in Sections 355(a) and 368(a)(1)(D) of the Code (the "Private Letter Ruling");

WHEREAS, this Agreement is intended to be, and is hereby adopted as, a "plan of reorganization" within the meaning of Treas. Reg. 1.368-2(g); and

WHEREAS, it is appropriate and desirable to set forth the principal corporate transactions required to effect the Reorganization and the Distribution and to set forth certain other agreements that will, following the Distribution, govern certain matters relating to the Reorganization and the Distribution and the relationship of Penn, GLPI and their respective Subsidiaries.

NOW, THEREFORE, in consideration of the premises and the representations, warranties, covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, the parties hereby agree as follows:

ARTICLE I

DEFINITIONS

1.1 Certain Definitions. For purposes of this Agreement, the following terms shall have the meanings specified in this Section 1.1:

"Action" means any demand, action, claim, dispute, suit, countersuit, arbitration, inquiry, subpoena, proceeding or investigation of any nature (whether criminal, civil, legislative, administrative, regulatory, prosecutorial or otherwise) by or before any federal, state, local, foreign or international Governmental Authority or any arbitration or mediation tribunal.

"Affiliate" (including, with a correlative meaning, "affiliated") means, when used with respect to a specified Person, a Person that directly or indirectly, through one (1) or more intermediaries, controls, is controlled by or is under common control with such specified Person. For the purpose of this definition and the definitions of "GLPI Group" and "Penn Group," "control" (including with correlative meanings, "controlled by" and "under common control with"), when used with respect to any specified Person shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities or other interests, by contract, agreement, obligation, indenture, instrument, lease, promise, arrangement, release, warranty,

commitment, undertaking or otherwise. It is expressly agreed that, from and after the Effective Time and for purposes of this Agreement and the other Transaction Documents, no member of the GLPI Group shall be deemed to be an Affiliate of any member of the Penn Group, and no member of the Penn Group shall be deemed to be an Affiliate of any member of the GLPI Group.

"Agreement" has the meaning set forth in the Recitals.

"Amended and Restated Articles of Incorporation" has the meaning set forth in Section 3.2(m).

"Amended and Restated Bylaws" has the meaning set forth in Section 3.2(m).

"Approvals or Notifications" means any consents, waivers, approvals, permits or authorizations to be obtained from, notices, registrations or reports to be submitted to, or other filings to be made with, any third Person, including any Governmental Authority.

"Assets" means, with respect to any Person, the assets, properties, claims and rights (including goodwill) of such Person, wherever located (including in the possession of vendors or other third Persons or elsewhere), of every kind, character and description, whether real, personal or mixed, tangible, intangible or contingent, in each case whether or not recorded or reflected or required to be recorded or reflected on the books and records or financial statements of such Person, including the following:

(a) all accounting and other books, records and files whether in paper, microfilm, microfiche, computer tape or disc, magnetic tape, electronic or any other form and including all architectural, structural, service manuals, engineering and mechanical plans, electrical, soil, wetlands, environmental, and similar reports, studies and audits in a Person's possession or control;

(b) all office, hotel, casino, barge, showroom, restaurant, bar, convention, meeting and other furniture, furnishings, fittings, appliances, equipment, equipment manuals, slot machines, gaming tables and gaming paraphernalia (including parts or inventories thereof), passenger/delivery vehicles, computer hardware and IT hardware systems, reservations terminals, software, point of sale equipment, two-way security radios and base station, machinery, spare parts, apparatus, appliances, draperies, art work, carpeting, keys, building materials, telephones and other communications equipment, televisions, maintenance equipment, tools, signs and signage, office supplies, engineering, maintenance and cleaning supplies and other supplies of all kinds, stationery and printing, linens (sheets, towels, blankets, napkins), uniforms, silverware, glassware, chinaware, pots, pans and utensils, and food, beverage, alcoholic beverage inventories and all other articles of tangible personal property;

(c) all interests in Real Property;

(d) (i) all interests in any capital stock or other equity interests of any Subsidiary or any other Person, (ii) all bonds, notes, debentures or other securities issued by any Subsidiary or any other Person, (iii) all loans, advances or other extensions of credit or capital

contributions to any Subsidiary or any other Person and (iv) all other investments in securities of any Person;

(e) all license agreements, leases of personal property, supplies, parts or services and other contracts, agreements or commitments;

(f) all deposits, letters of credit and performance and surety bonds;

(g) all written (including in electronic form) or oral technical information, data, specifications, research and development information, engineering drawings and specifications, operating and maintenance manuals, and materials and analyses prepared by consultants and other third Persons;

(h) all Intellectual Property and Technology;

(i) all Software;

(j) all cost information, sales data, customer lists, markers, supplier records, customer and supplier lists, customer and vendor data, correspondence and lists, product data and literature, artwork, design, formulations and specifications, bookings, contracts, reservations, advertising, marketing and promotional materials, telephone numbers, quality records and reports and other books, records, studies, surveys, reports, plans and documents;

(k) all prepaid expenses, trade accounts and other accounts and notes receivable;

(l) all rights under contracts or agreements, all claims or rights against any Person arising from the ownership of any Asset, all rights in connection with any bids or offers and all claims, choses in action or similar rights, whether accrued or contingent;

(m) all rights under insurance policies and all rights in the nature of insurance, indemnification or contribution;

(n) all licenses, permits, approvals and authorizations which have been issued by any Governmental Authority;

(o) all cash or cash equivalents, bank accounts, lock boxes and other deposit arrangements; and

(p) all interest rate, currency, commodity or other swap, collar, cap or other hedging or similar agreements or arrangements.

"Assumed Actions" has the meaning set forth in Section 6.5(a).

"Benefit Plan" has the meaning set forth in the Employee Matters Agreement.

"Code" means the Internal Revenue Code of 1986, as amended.

"CPR" means the International Institute for Conflict Prevention & Resolution.

"CPR Arbitration Rules" has the meaning set forth in Section 7.2(a).

"Disclosure Documents" means any registration statement (including the Form S-11) filed with the SEC by or on behalf of any party or any of its controlled Affiliates, and also includes any information statement, prospectus, offering memorandum, offering circular, periodic report or similar disclosure document, whether or not filed with the SEC or any other Governmental Authority, in each case which describes the Reorganization or the GLPI Group or primarily relates to the transactions contemplated hereby.

"Dispute" has the meaning set forth in Section 7.1(a).

"Distribution" has the meaning set forth in the Recitals.

"Distribution Agent" means [•].

"Distribution Date" means [•], or such other time as determined by Penn in accordance with Section 3.3(b).

"Effective Time" means the time at which the Distribution occurs on the Distribution Date, which shall be deemed to be 12:01 a.m., New York City Time, on the Distribution Date.

"Employee Matters Agreement" means the Employee Matters Agreement in substantially the form attached hereto as Exhibit C, to be entered into by and between Penn and GLPI on or prior to the Distribution Date.

"Environmental Law" means any Law relating to pollution, protection or restoration of or prevention of harm to the environment or natural resources, including the use, handling, transportation, treatment, storage, disposal, release or discharge of Hazardous Materials or the protection of or prevention of harm to human health and safety.

"Exchange Act" means the United States Securities Exchange Act of 1934, as amended, and the rules and regulations of the SEC thereunder, all as the same shall be in effect at the time that reference is made.

"Financing Arrangements" has the meaning set forth in Section 3.2(j).

"Force Majeure" means, with respect to a party, an event beyond the control of such party (or any Person acting on its behalf), which by its nature could not reasonably have been foreseen by such party (or such Person), or, if it could have reasonably been foreseen, was unavoidable, and includes acts of God, storms, floods, riots, fires, sabotage, civil commotion or civil unrest, interference by civil or military authorities, acts of war (declared or undeclared) or armed hostilities or other national or international calamity or one (1) or more acts of terrorism or failure of energy sources. Notwithstanding the foregoing, the receipt by a party of an unsolicited takeover offer or other acquisition proposal, even if unforeseen or unavoidable, and such party's response thereto shall not be deemed an event of Force Majeure.

"Form S-11" means the registration statement on Form S-11 filed by GLPI with the SEC to effect the registration of GLPI Common Stock pursuant to the Securities Act in connection with the Distribution, as such registration statement may be amended or supplemented from time to time prior to the Effective Time.

"GLPI" has the meaning set forth in the Recitals.

"GLPI Assets" has the meaning set forth in Section 2.2(a).

"GLPI Balance Sheet" has the meaning set forth in Section 3.1(c).

"GLPI Business" means the business of owning or leasing the GLPI Real Property and owning and operating the GLPI Subsidiaries, provided, for the avoidance of doubt, that the GLPI Business shall not include the business of operating any casinos, racetracks or other facilities located at the GLPI Real Property other than the TRS Properties.

"GLPI Cash Payment" has the meaning set forth in Section 3.2(j).

"GLPI Common Stock" has the meaning set forth in the Recitals.

"GLPI Confidential Information" has the meaning set forth in Section 6.2(a).

"GLPI Contracts" means any contract, agreement, arrangement, commitment or understanding listed or described on Schedule 1.1(a) (or any applicable licenses, leases, addenda and similar arrangements thereunder as described on Schedule 1.1(a)) and any other contract, agreement, arrangement, commitment or understanding, whether or not in writing, that relates primarily to the GLPI Business.

"GLPI Disqualifying Action" has the meaning set forth in the Tax Matters Agreement.

"GLPI Group" means GLPI, each Subsidiary of GLPI and each other Person that is controlled directly or indirectly by GLPI, in each case immediately after the Effective Time; provided, however, that no director, officer, employee, agent or other representative of any of the foregoing who is a natural person shall be deemed to be a member of the GLPI Group.

"GLPI Group Employees" has the meaning set forth in the Employee Matters Agreement.

"GLPI Indemnified Parties" has the meaning set forth in Section 5.3.

"GLPI Liabilities" has the meaning set forth in Section 2.3(a).

"GLPI Subsidiaries" means the entities intended to become Subsidiaries of GLPI in the Reorganization pursuant to the Plan of Reorganization.

"Governmental Authority" means any nation or government, any state, municipality or other political subdivision thereof, and any entity, body, agency, commission,

department, board, bureau, court, tribunal or other instrumentality, whether federal, state, local, domestic, foreign or multinational, exercising executive, legislative, judicial, regulatory, administrative or other similar functions of, or pertaining to, government and any executive official thereof.

"Group" means the Penn Group or the GLPI Group, as the context requires.

"Hazardous Materials" means any chemical, material, substance, waste, pollutant, emission, discharge, release or contaminant that could result in liability under, or that is prohibited, limited or regulated by or pursuant to, any Environmental Law, and any natural or artificial substance (whether solid, liquid or gas, noise, ion, vapor or electromagnetic) which could cause harm to human health or the environment, including petroleum, petroleum products and byproducts, asbestos and asbestos-containing materials, urea formaldehyde foam insulation, electronic, medical or infectious wastes, polychlorinated biphenyls, radon gas, radioactive substances, chlorofluorocarbons and all other ozone-depleting substances.

"Indemnified Party" has the meaning set forth in Section 5.6(a).

"Indemnifying Party" has the meaning set forth in Section 5.6(a).

"Indemnity Payment" has the meaning set forth in Section 5.6(a).

"Information" means information, whether or not patentable or copyrightable, in written, oral, electronic or other tangible or intangible forms, stored in any medium, including studies, reports, records, books, contracts, instruments, surveys, discoveries, ideas, concepts, know-how, techniques, designs, specifications, drawings, blueprints, diagrams, models, prototypes, samples, flow charts, data, computer data, disks, diskettes, tapes, computer programs or other software, marketing plans, customer names, communications by or to attorneys (including attorney-client privileged communications), memoranda and other materials prepared by attorneys or under their direction (including attorney work product), and other technical, financial, employee or business information or data.

"Insurance Proceeds" means those monies (i) received by an insured from an insurance carrier, (ii) paid by an insurance carrier on behalf of the insured or (iii) received (including by way of set off) from any third Person in the nature of insurance, contribution or indemnification in respect of any Liability; in any such case net of any applicable premium adjustments (including reserves and retrospectively rated premium adjustments) and net of any costs or expenses incurred in the collection thereof.

"Intellectual Property" means all of the following whether arising under the Laws of the United States or of any other foreign or multinational jurisdiction: (i) patents, patent applications (including patents issued thereon) and statutory invention registrations, including reissues, divisions, continuations, continuations in part, substitutions, renewals, extensions and reexaminations of any of the foregoing, and all rights in any of the foregoing provided by international treaties or conventions, (ii) trademarks, service marks, trade names, service names, trade dress, logos and other source or business identifiers, including all goodwill associated with any of the foregoing, and any and all common law rights in and to any of the foregoing, registrations and applications for registration of any of the foregoing, all rights in and to any of

the foregoing provided by international treaties or conventions, and all reissues, extensions and renewals of any of the foregoing, (iii) Internet domain names, (iv) copyrightable works, copyrights, moral rights, mask work rights, database rights and design rights, in each case, other than Software, whether or not registered, and all registrations and applications for registration of any of the foregoing, and all rights in and to any of the foregoing provided by international treaties or conventions, (v) confidential and proprietary information, including trade secrets, invention disclosures, processes and know-how, in each case, other than Software, and (vi) intellectual property rights arising from or in respect of any Technology.

"IRS" means the United States Internal Revenue Service.

"Law" means any national, supranational, federal, state, provincial, local or similar law (including common law), statute, code, order, ordinance, rule, regulation, treaty (including any income tax treaty), license, permit, authorization, approval, consent, decree, injunction, binding judicial or administrative interpretation or other requirement, in each case, enacted, promulgated, issued or entered by a Governmental Authority.

"Leased Property" has the meaning set forth in the Master Lease.

"Liabilities" means any and all debts, guarantees, liabilities, costs, expenses, interest and obligations, whether accrued or fixed, absolute or contingent, matured or unmatured, reserved or unreserved, or determined or determinable, including those arising under any Law, claim (including any third Person product liability claim), demand, Action, whether asserted or unasserted, or order, writ, judgment, injunction, decree, stipulation, determination or award entered by or with any Governmental Authority and those arising under any contract, agreement, obligation, indenture, instrument, lease, promise, arrangement, release, warranty, commitment or undertaking, or any fines, damages or equitable relief that is imposed, in each case, including all costs and expenses relating thereto.

"Licensed Intellectual Property" has the meaning set forth in Section 6.8(a).

"Licensed Marks" means any rights under the trade marks and service marks listed on Schedule 6.8 and the goodwill represented thereby.

"Master Lease" means the Master Lease Agreement to be entered into by Penn and GLPI prior to or as of the Effective Time.

"NASDAQ" means the NASDAQ Stock Market.

"Penn" has the meaning set forth in the Recitals.

"Penn Assets" has the meaning set forth in Section 2.2(b).

"Penn Business" means the businesses and operations conducted prior to the Effective Time by any member of the Penn Group that are not included in the GLPI Business.

"Penn Common Shares" has the meaning set forth in the Recitals.

"Penn Confidential Information" has the meaning set forth in Section 6.2(b).

"Penn Disqualifying Action" has the meaning set forth in the Tax Matters Agreement.

"Penn Employee Liabilities" means any and all Liabilities assigned to, or assumed or otherwise retained by, members of the Penn Group under the Employee Matters Agreement.

"Penn Group" means Penn, each Subsidiary of Penn and each other Person that is controlled directly or indirectly by Penn, in each case immediately after the Effective Time; provided, however, that no director, officer, employee, agent or other representative of any of the foregoing who is a natural person shall be deemed a member of the Penn Group.

"Penn Indemnified Parties" has the meaning set forth in Section 5.2.

"Penn Liabilities" has the meaning set forth in Section 2.3(b).

"Person" means any individual, corporation, partnership, firm, joint venture, association, joint-stock company, trust, unincorporated organization, limited liability company, Governmental Authority or other entity.

"Plan of Reorganization" has the meaning set forth in Section 2.1(a).

"Private Letter Ruling" has the meaning set forth in the Recitals.

"Prospectus" means the prospectus, which will be part of the Form S-11, to be sent to each holder of Penn common stock in connection with the Distribution.

"Real Property" means all interests in real property of whatever nature, whether as owner, mortgagee or holder of a Security Interest in real property, lessor, sublessor, lessee, sublessee or otherwise, and including all buildings or barges located thereon, and all associated parking areas, fixtures and all other improvements located on thereon, and including all rights, benefits, privileges, tenements, hereditaments, covenants, conditions, restrictions, easements and other appurtenances on such a real property or otherwise appertaining to or benefitting the real property and/or the improvements situated thereon, including all mineral rights, development rights, air and water rights, subsurface rights, vested rights entitling, or prospective rights which may entitle the owner of the real property to related easements, land use rights, air rights, viewshed rights, density credits, water, sewer, electrical or other utility service, credits and/or rebates, strips and gores and any land lying in the bed of any street, road or alley, open or proposed, adjoining the real property, and all easements, rights of way and other appurtenances used or connected with the beneficial use or enjoyment of the real property.

"Record Date" means [•].

"Reorganization" has the meaning set forth in the Recitals.

"Representatives" has the meaning set forth in Section 6.2(a).

"Required Approvals" has the meaning set forth in Section 2.5(a).

"SEC" means the United States Securities and Exchange Commission.

"Securities Act" means the United States Securities Act of 1933, as amended, and the rules and regulations of the SEC thereunder, all as the same shall be in effect at the time that reference is made.

"Security Interest" means any mortgage, security interest, pledge, lien, charge, claim, option, right to acquire, voting or other restriction, right-of-way, covenant, condition, easement, encroachment, restriction on transfer, or other encumbrance of any other nature.

"Series C" has the meaning set forth in the Recitals.

"Software" means any and all (i) computer programs, including any and all software implementation of algorithms, models and methodologies, whether in source code, object code, human readable form or other form, (ii) databases and compilations, including any and all data and collections of data, whether machine readable or otherwise, (iii) descriptions, flow charts and other work products used to design, plan, organize and develop any of the foregoing, screens, user interfaces, report formats, firmware, development tools, templates, menus, buttons and icons, and (iv) documentation, including user manuals and other training documentation, relating to any of the foregoing.

"Special Damages" has the meaning set forth in Section 5.10.

"Subsidiary" means, with respect to any Person, any corporation, limited liability company, joint venture or partnership of which such Person (i) beneficially owns, either directly or indirectly, more than fifty percent (50%) of (A) the total combined voting power of all classes of voting securities of such Person, (B) the total combined equity interests or (C) the capital or profit interests, in the case of a partnership, or (ii) otherwise has the power to vote, either directly or indirectly, sufficient securities to elect a majority of the board of directors or similar governing body.

"Tax" has the meaning set forth in the Tax Matters Agreement.

"Tax Attributes" has the meaning set forth in the Tax Matters Agreement.

"Tax Matters Agreement" means the Tax Matters Agreement, in substantially the form attached hereto as Exhibit B, to be entered into by and between Penn and GLPI on or prior to the Distribution Date.

"Tax Return" has the meaning set forth in the Tax Matters Agreement.

"Technology" means all technology, designs, formulae, algorithms, procedures, methods, discoveries, processes, techniques, ideas, know-how, research and development, technical data, tools, materials, specifications, processes, inventions (whether patentable or unpatentable and whether or not reduced to practice), apparatus, creations, improvements, works of authorship in any media, confidential, proprietary or non-public information, and other similar

materials, and all recordings, graphs, drawings, reports, analyses and other writings, and other tangible embodiments of the foregoing in any form whether or not listed herein, in each case, other than Software.

"Third Party Claim" has the meaning set forth in Section 5.7(a).

"TPA" has the meaning set forth in Section 6.3(b)(i).

"Transaction Documents" means this Agreement, the Master Lease, the Transition Services Agreement, the Tax Matters Agreement, the Employee Matters Agreement and the Transfer Documents.

"Transactions" means, collectively, (i) the Reorganization, (ii) the Distribution and (iii) all other transactions contemplated by this Agreement or any other Transaction Document.

"Transfer Documents" means the documents executed by Penn, GLPI or their applicable Affiliates or Subsidiaries in connection with the transactions contemplated by Section 2.1(b) and Section 2.4(b).

"Transferred Actions" has the meaning set forth in Section 6.5(b).

"Transition Services Agreement" means the Transition Services Agreement in substantially the form attached hereto as Exhibit A, to be entered into by and between Penn and GLPI on or prior to the Distribution Date.

"TRS Properties" means the properties set forth on Schedule 6.8.

ARTICLE II

THE REORGANIZATION

2.1 Transfer of Assets; Assumption of Liabilities.

(a) Prior to the Distribution, in accordance with the plan and structure set forth on Schedule 2.1(a) (such plan and structure being referred to herein as the "Plan of Reorganization"), which Plan of Reorganization Penn shall effectuate on or prior to the Distribution, and to the extent not previously effected pursuant to the steps of the Plan of Reorganization that have been completed prior to the date hereof:

(i) Penn shall, and shall cause its applicable Subsidiaries to, assign, transfer, convey and deliver to GLPI or certain Persons designated by GLPI who are or will become members of the GLPI Group, and GLPI or such Persons shall accept from Penn and its applicable Subsidiaries, all of Penn's and such Subsidiaries' respective direct or indirect right, title and interest in and to all GLPI Assets;

(ii) subject to Section 2.5(c), GLPI and certain Persons designated by GLPI who are or will become members of the GLPI Group shall accept, assume and agree

faithfully to perform, discharge and fulfill all the GLPI Liabilities in accordance with their respective terms. GLPI and such Persons shall be responsible for all GLPI Liabilities, regardless of when or where such GLPI Liabilities arose or arise, or whether the facts on which they are based occurred prior to or subsequent to the Distribution Date, regardless of where or against whom such GLPI Liabilities are asserted or determined (including any GLPI Liabilities arising out of claims made by Penn's or GLPI's respective directors, officers, employees, agents, Subsidiaries or Affiliates against any member of the Penn Group or the GLPI Group) or whether asserted or determined prior to the date hereof, and regardless of whether arising from or alleged to arise from negligence, recklessness, violation of Law, fraud or misrepresentation by any member of the Penn Group or the GLPI Group, or any of their respective directors, officers, employees, agents, Subsidiaries or Affiliates; and

(iii) GLPI shall make the GLPI Cash Payment.

(b) In furtherance of the assignment, transfer, conveyance and delivery of the GLPI Assets and the assumption of the GLPI Liabilities in accordance with Sections 2.1(a)(i) and 2.1(a)(ii), on the date that such GLPI Assets are assigned, transferred, conveyed or delivered or such GLPI Liabilities are assumed (i) Penn shall execute and deliver, and shall cause its Subsidiaries to execute and deliver, such bills of sale, quitclaim deeds, stock powers, certificates of title, assignments of contracts and other instruments of transfer, conveyance and assignment as and to the extent necessary to evidence the transfer, conveyance and assignment of all of Penn's and its Subsidiaries' (other than GLPI and its Subsidiaries) right, title and interest in and to the GLPI Assets to GLPI and its Subsidiaries, and (ii) GLPI shall execute and deliver, and shall cause its Subsidiaries to execute and deliver, such assumptions of contracts and other instruments of assumption as and to the extent necessary to evidence the valid and effective assumption of the GLPI Liabilities by GLPI and its Subsidiaries.

(c) If at any time or from time to time (whether prior to or after the Effective Time), any party hereto (or any member of such party's respective Group), shall receive or otherwise possess any Asset or Liability (including any Intellectual Property or Technology) that is allocated to any other Person pursuant to this Agreement or any other Transaction Document, such party shall, as applicable, promptly transfer or accept, or cause to be transferred or accepted, such Asset or Liability, as the case may be, to the Person entitled to such Asset or responsible for such Liability, as the case may be. Prior to any such transfer, the Person receiving, possessing or responsible for such Asset or Liability shall be deemed to be holding such Asset or Liability, as the case may be, in trust for any such other Person.

(d) GLPI hereby waives compliance by each and every member of the Penn Group with the requirements and provisions of any "bulk-sale" or "bulk-transfer" Laws of any jurisdiction that may otherwise be applicable with respect to the transfer or sale of any or all of the GLPI Assets to any member of the GLPI Group.

2.2 GLPI Assets.

(a) For purposes of this Agreement, "GLPI Assets" shall mean (without duplication):

(i) all Leased Property;

(ii) all issued and outstanding capital stock of, or other equity interests in, the GLPI Subsidiaries;

(iii) all GLPI Contracts;

(iv) the Assets listed or described on Schedule 2.2(a)(iv), the Assets reflected as assets of the GLPI Group on the GLPI Balance Sheet and all other Assets that are expressly provided by this Agreement or any other Transaction Document as Assets to be transferred to GLPI or any other member of the GLPI Group; and

(v) any and all Assets owned or held immediately prior to the Effective Time by Penn or any of its Subsidiaries that are used primarily in the GLPI Business (the intention of this clause (vii) is only to rectify any inadvertent omission of transfer or conveyance of any Assets that, had the parties given specific consideration to such Asset as of the date hereof, would have otherwise been classified as a GLPI Asset; no Asset shall be deemed to be a GLPI Asset solely as a result of this clause (v) if such Asset is within the category or type of Asset expressly covered by the terms of another Transaction Document unless the party claiming entitlement to such Asset can establish that the omission of the transfer or conveyance of such Asset was inadvertent, and no Asset shall be deemed a GLPI Asset solely as a result of this clause (v) unless a claim with respect thereto is made by GLPI on or prior to the second (2nd) anniversary of the Distribution Date).

Notwithstanding the foregoing, the GLPI Assets shall not in any event include any Assets governed by the Tax Matters Agreement.

(b) For the purposes of this Agreement, "Penn Assets" shall mean (without duplication), (i) any and all Assets of the Penn Group as of the Effective Time that are not expressly contemplated by this Agreement or any other Transaction Document to be GLPI Assets and (ii) those Assets listed or described on Schedule 2.2(b).

Notwithstanding the foregoing, the Penn Assets shall not in any event include any Assets governed by the Tax Matters Agreement.

2.3 GLPI Liabilities.

(a) For the purposes of this Agreement, "GLPI Liabilities" shall mean (without duplication):

(i) except as limited by any Transaction Document, including Section 32.4 of the Master Lease, all Liabilities to the extent relating to, arising out of or resulting from any GLPI Assets, whether arising before, at or after the Effective Time;

(ii) all Liabilities provided by this Agreement or any other Transaction Document to be assumed by GLPI;

(iii) all Liabilities reflected as liabilities or obligations of GLPI or its Subsidiaries in the GLPI Balance Sheet; and

(iv) those Liabilities set forth on Schedule 2.3(a);

provided, however, that GLPI Liabilities shall not include any Liabilities for Taxes that are governed by the Tax Matters Agreement.

(b) For the purposes of this Agreement, "Penn Liabilities" shall mean (without duplication) any and all Liabilities of Penn, GLPI and their respective Subsidiaries as of the Effective Time that are not expressly contemplated by this Agreement or any other Transaction Document to be GLPI Liabilities; provided, however, that Penn Liabilities shall not include any Liabilities for Taxes that are governed by the Tax Matters Agreement

2.4 Transfer of Assets and Assumption of Liabilities from and after the Effective Time.

(a) To the extent any Penn Asset is transferred or assigned to, or any Penn Liability is assumed by, a member of the GLPI Group at the Effective Time or is owned or held by a member of the GLPI Group after the Effective Time, and to the extent any GLPI Asset has not been transferred or assigned to, or any GLPI Liability has not been assumed by, a member of the GLPI Group at the Effective Time or is owned or held by a member of the Penn Group after the Effective Time, from and after the Effective Time:

(i) GLPI or Penn, as applicable, shall, and shall cause its applicable Subsidiaries to, promptly assign, transfer, convey and deliver to the other party or certain of its Subsidiaries designated by such party, and GLPI or Penn, or such Subsidiaries, as applicable, shall accept from Penn or GLPI and such applicable Subsidiaries, all of Penn's or GLPI's or such Subsidiaries' respective right, title and interest in and to such Penn or GLPI Assets; and

(ii) Penn or GLPI, as applicable, or certain Subsidiaries of Penn or GLPI designated by such party, shall promptly accept, assume and agree faithfully to perform, discharge and fulfill all such Liabilities of Penn or GLPI in accordance with their respective terms.

(b) In furtherance of the assignment, transfer, conveyance and delivery of Assets and the assumption of Liabilities set forth in this Section 2.4, and without any additional consideration therefor: (A) the applicable party shall execute and deliver, and shall cause its Subsidiaries to execute and deliver, such bills of sale, quitclaim deeds, stock powers, certificates of title, assignments of contracts and other instruments of transfer, conveyance and assignment as and to the extent necessary to evidence the transfer, conveyance and assignment of all of such party's and its Subsidiaries' right, title and interest in and to the applicable Assets to the other party and its Subsidiaries, and (B) the applicable party shall execute and deliver such assumptions of contracts and other instruments of assumption as and to the extent necessary to evidence the valid and effective assumption of the applicable Liabilities by such party.

2.5 Approvals and Notifications.

(a) To the extent that the transfer or assignment of any Asset, the assumption of any Liability, the Reorganization or the Distribution requires any Approvals or Notifications (the "Required Approvals"), the parties will use their commercially reasonable efforts to obtain or make such Approvals or Notifications as soon as reasonably practicable; provided, however, that, except to the extent expressly provided in any of the other Transaction Documents, neither Penn nor GLPI shall be obligated to contribute capital or pay any consideration in any form (including providing any letter of credit, guaranty or other financial accommodation) to any Person in order to obtain or make such Approvals or Notifications.

(b) If and to the extent that the valid, complete and perfected transfer or assignment of any Assets or assumption of any Liabilities would be a violation of applicable Law or require any Approvals or Notifications in connection with the Reorganization, or the Distribution, that has not been obtained or made by the Effective Time then, unless the parties hereto mutually shall otherwise determine, the transfer or assignment of such Assets or the assumption of such Liabilities, as the case may be, shall be automatically deemed deferred and any such purported transfer, assignment or assumption shall be null and void until such time as all legal impediments are removed or such Approvals or Notifications have been obtained or made; provided, however, that if such legal impediments are not removed, or such Approvals or Notifications are not obtained or made, in each case by the second (2nd) anniversary of the Distribution Date, then, unless the parties hereto mutually shall otherwise determine, all Assets and Liabilities that are held by any member of the Penn Group or the GLPI Group, as the case may be, will be retained by such party indefinitely, and the parties shall execute mutually acceptable documentation to such effect in accordance with applicable Law.

(c) If any transfer or assignment of any GLPI Asset or any assumption of any GLPI Liabilities intended to be transferred, assigned or assumed hereunder, as the case may be, is not consummated on or prior to the Distribution Date, whether as a result of the provisions of Section 2.5(b) or for any other reason, then, insofar as reasonably possible, the member of the Penn Group retaining such GLPI Asset or such GLPI Liability, as the case may be, shall thereafter hold such GLPI Asset or GLPI Liability, as the case may be, for the use and benefit of the member of the GLPI Group entitled thereto (at the expense of the member of the GLPI Group entitled thereto) until such GLPI Asset or GLPI Liability is transferred to a member of the GLPI Group or until such GLPI Asset or GLPI Liability is retained by the member of the Penn Group pursuant to Section 2.5(b), whichever is sooner. In addition, for such period, the member of the Penn Group retaining such GLPI Asset or such GLPI Liability shall, insofar as reasonably possible and to the extent permitted by applicable Law, treat such GLPI Asset or GLPI Liability in the ordinary course of business in accordance with past practice and take such other actions as may be reasonably requested by the member of the GLPI Group to whom such GLPI Asset is to be transferred or assigned, or which will assume such GLPI Liability, as the case may be, in order to place such member of the GLPI Group in a substantially similar position as if such GLPI Asset or GLPI Liability had been transferred, assigned or assumed as contemplated hereby and so that all the benefits and burdens relating to such GLPI Asset or GLPI Liability, as the case may be, including use, risk of loss, potential for gain, and dominion, control and command over such GLPI Asset or GLPI Liability, as the case may be, is to inure from and after the Effective Time to the GLPI Group.

(d) If and when the Approvals or Notifications, the absence of which caused the deferral of transfer or assignment of any GLPI Asset or the deferral of assumption of any GLPI Liability pursuant to Section 2.5(b), are obtained or made, and, if and when any other legal impediments for the transfer or assignment of any GLPI Asset or the assumption of any GLPI Liability have been removed, the transfer or assignment of the applicable GLPI Asset or the assumption of the applicable GLPI Liability, as the case may be, shall be effected in accordance with the terms of this Agreement and/or the applicable Transaction Document.

(e) Any member of the Penn Group retaining a GLPI Asset or GLPI Liability due to the deferral of the transfer or assignment of such GLPI Asset or the deferral of the assumption of such GLPI Liability, as the case may be, shall not be obligated, in connection with the foregoing and unless the parties have executed documentation providing for such asset or liability to be retained by such party pursuant to Section 2.5(b), to expend any money unless the necessary funds are advanced (or otherwise made available) by GLPI or the member of the GLPI Group entitled to the GLPI Asset or GLPI Liability, other than reasonable out-of-pocket expenses, attorneys' fees and recording or similar fees, all of which shall be promptly reimbursed by GLPI or the member of the GLPI Group entitled to such GLPI Asset or GLPI Liability.

2.6 Responsibility for GLPI Liabilities Retained by Penn. If Penn or GLPI is unable to obtain, or to cause to be obtained, any consent, substitution, approval, amendment or release required to transfer a GLPI Liability to a member or members of the GLPI Group, then until the second (2nd) anniversary of the Effective Time, the applicable member of the Penn Group shall continue to be bound by such agreement, lease, license or other obligation or Liability and, unless not permitted by the terms thereof or by Law, GLPI shall, as agent or subcontractor for such member of the Penn Group, as the case may be, pay, perform and discharge fully all the obligations or other Liabilities of such member of the Penn Group that constitute GLPI Liabilities, as the case may be, thereunder from and after the Effective Time. GLPI shall indemnify each Penn Indemnified Party, and hold each of them harmless, against any Liabilities arising in connection therewith; provided, that pursuant hereto GLPI shall have no obligation to indemnify any Penn Indemnified Party that has engaged in any knowing and intentional violation of Law, breach of contract, tort, fraud or misrepresentation in connection therewith. Penn shall cause each member of the Penn Group without further consideration, to pay and remit, or cause to be paid or remitted, to GLPI, promptly all money, rights and other consideration received by it or any member of the Penn Group in respect of such performance (unless any such consideration is an Penn Asset). If and when any such consent, substitution, approval, amendment or release shall be obtained or the obligations under such agreement, lease, license or other obligations or Liabilities shall otherwise become assignable or able to be novated, Penn shall promptly assign, or cause to be assigned, all its obligations and other Liabilities thereunder or any obligations of any member of the Penn Group to GLPI without payment of further consideration and GLPI shall, without the payment of any further consideration, assume such obligations in accordance with the terms of this Agreement and/or the applicable Transaction Document.

2.7 Disclaimer of Representations and Warranties. EACH OF PENN (ON BEHALF OF ITSELF AND EACH MEMBER OF THE PENN GROUP) AND GLPI (ON BEHALF OF ITSELF AND EACH MEMBER OF THE GLPI GROUP) UNDERSTANDS AND AGREES THAT, EXCEPT AS EXPRESSLY SET FORTH HEREIN OR IN ANY OTHER TRANSACTION DOCUMENT, NO PARTY TO THIS AGREEMENT, ANY OTHER

TRANSACTION DOCUMENT OR ANY OTHER AGREEMENT OR DOCUMENT CONTEMPLATED BY THIS AGREEMENT, OR OTHERWISE, IS REPRESENTING OR WARRANTING TO ANY OTHER PARTY HERETO OR THERETO IN ANY WAY AS TO THE ASSETS, BUSINESSES OR LIABILITIES TRANSFERRED OR ASSUMED AS CONTEMPLATED HEREBY OR THEREBY, AS TO ANY APPROVALS OR NOTIFICATIONS REQUIRED IN CONNECTION HEREWITH OR THEREWITH, AS TO THE VALUE OR FREEDOM FROM ANY SECURITY INTERESTS OF, OR ANY OTHER MATTER CONCERNING, ANY ASSETS OF SUCH PARTY, OR AS TO THE ABSENCE OF ANY DEFENSES OR RIGHT OF SETOFF OR FREEDOM FROM COUNTERCLAIM WITH RESPECT TO ANY ACTION OR OTHER ASSET, INCLUDING ANY ACCOUNTS RECEIVABLE, OF ANY PARTY, OR AS TO THE LEGAL SUFFICIENCY OF ANY ASSIGNMENT, DOCUMENT, CERTIFICATE OR INSTRUMENT DELIVERED HEREUNDER TO CONVEY TITLE TO ANY ASSET OR THING OF VALUE UPON THE EXECUTION, DELIVERY AND FILING HEREOF OR THEREOF. EXCEPT AS MAY EXPRESSLY BE SET FORTH IN THIS AGREEMENT OR IN ANY TRANSACTION DOCUMENT, ALL SUCH ASSETS ARE BEING TRANSFERRED ON AN "AS IS," "WHERE IS" BASIS (AND, IN THE CASE OF ANY REAL PROPERTY, BY MEANS OF A QUITCLAIM OR SIMILAR FORM DEED OR CONVEYANCE) AND THE RESPECTIVE TRANSFEREES SHALL BEAR THE ECONOMIC AND LEGAL RISKS THAT (I) ANY CONVEYANCE SHALL PROVE TO BE INSUFFICIENT TO VEST IN THE TRANSFEREE GOOD TITLE, FREE AND CLEAR OF ANY SECURITY INTEREST, AND (II) ANY NECESSARY APPROVALS OR NOTIFICATIONS ARE NOT OBTAINED OR MADE OR THAT ANY REQUIREMENTS OF LAWS OR JUDGMENTS ARE NOT COMPLIED WITH.

ARTICLE III

THE DISTRIBUTION

3.1 Actions on or Prior to the Distribution Date. Prior to the Distribution, the following shall occur:

(a) *Prospectus; Listing*. Penn shall make the Prospectus available to the holders of Penn common stock as of the Record Date. GLPI shall prepare, file with the SEC and use commercially reasonable efforts to cause to become effective the Form S-11 and amendments thereto and the Form S-8 and amendments thereto required to effect the transactions contemplated by this Agreement or any of the Transaction Documents. Penn and GLPI shall take all such actions as may be necessary or appropriate under the securities or "blue sky" Laws of states or other political subdivisions of the United States and shall use commercially reasonable efforts to comply with all applicable foreign securities Laws in connection with the transactions contemplated by this Agreement and the other Transaction Documents. GLPI shall prepare, file and pursue an application to permit listing of the GLPI Common Stock on the NASDAQ.

(b) *The Distribution Agent*. Penn shall enter into a distribution agent agreement with the Distribution Agent or otherwise provide instructions to the Distribution Agent regarding the Distribution.

(c) *GLPI Balance Sheet*. Penn shall prepare a pro forma combined balance sheet of GLPI and its Subsidiaries as of the Effective Time, or the latest time prior to the Effective Time that is reasonably practicable (the "GLPI Balance Sheet").

(d) *Efforts*. The parties agree to use commercially reasonable efforts to take, or cause to be taken, all actions, and to do, or cause to be done, all things reasonably necessary, proper or advisable to satisfy or cause to be satisfied each of the conditions set forth in Section 3.2.

3.2 Conditions Precedent to Distribution. In no event shall the Distribution occur unless each of the following conditions shall have been satisfied (or waived by Penn, in whole or in part, in its sole discretion):

(a) each of the other Transaction Documents shall have been duly executed and delivered by the parties thereto;

(b) the Reorganization shall have been completed in accordance with the Plan of Reorganization;

(c) (i) the Private Letter Ruling shall not have been revoked or modified in any material respect and (ii) Penn shall have received (A) an opinion of Wachtell, Lipton, Rosen & Katz substantially to the effect that, with respect to certain requirements for tax-free treatment under Section 355 of the Code on which the IRS will not rule, such requirements will be satisfied, (B) an opinion of KPMG LLP substantially to the effect that, with respect to certain requirements for tax-free treatment under Section 355 of the Code on which the IRS will not rule, such requirements will be satisfied, (C) an opinion of Wachtell, Lipton, Rosen & Katz, to the effect that GLPI will qualify to be taxed as a real estate investment trust under the Sections 856 through 859 of the Code following the Distribution, and (D) an opinion of KPMG LLP, to the effect that GLPI will qualify to be taxed as a real estate investment trust under the Sections 856 through 859 of the Code following the Distribution;

(d) the Form S-11 filed with the SEC shall have been declared effective by the SEC, no stop order suspending the effectiveness of the Form S-11 shall be in effect, no proceedings for such purpose shall be pending before or threatened by the SEC, and the Prospectus shall have been mailed to holders of Penn Common Shares as of the Record Date;

(e) prior to the Distribution Date, such Registration Statements on Form S-8 as are necessary and appropriate to register the equity awards of GLPI contemplated by the Form S-11 to be available for granting to directors and employees of GLPI and Penn shall have been filed with the SEC;

(f) all actions and filings necessary or appropriate under applicable federal, state or foreign securities or “blue sky” Laws and the rules and regulations thereunder shall have been taken and, where applicable, become effective or been accepted;

(g) the GLPI Common Stock to be delivered in the Distribution shall have been accepted for listing on NASDAQ, subject to compliance with applicable listing requirements;

(h) no order, injunction or decree issued by any court of competent jurisdiction or other legal restraint or prohibition preventing consummation of the Distribution or any of the transactions related thereto, including the Reorganization, shall be threatened, pending or in effect;

(i) any material consents and governmental authorizations to complete the Distribution, including all Required Approvals, shall have been obtained and be in full force and effect;

(j) in connection with the Reorganization, (i) GLPI shall have entered into the financing transactions described in the Form S-11 and contemplated to occur on or prior to the Distribution Date, and Penn shall have entered into the financing transactions to be entered into in connection with the Plan of Reorganization (the “Financing Arrangements”) and the respective financings thereunder shall have been consummated, (ii) GLPI shall have transferred to Penn no later than immediately prior to the Distribution, as contemplated by the Plan of Reorganization, the proceeds of GLPI debt issued to one or more banks (in an amount equal to [·] dollars) in exchange for Penn’s transfer of the GLPI Assets to GLPI pursuant to this Agreement (the “GLPI Cash Payment”) and (iii) the Financing Arrangements shall be in full force and effect immediately prior to the Distribution;

(k) on or prior to the Distribution, the persons specified in the Prospectus shall have been duly elected as members of GLPI’s board of directors;

(l) Penn and the other parties to Penn’s agreements with Peter M. Carlino, FIF V PFD LLC and Centerbridge Capital Partners, L.P. and certain of their respective affiliates, in each case as described in the Form S-11, shall have fulfilled all of their respective obligations under such agreements that are contemplated by such agreements to be fulfilled prior to the Distribution, and each such agreement shall be in full force and effect immediately prior to the Distribution;

(m) (i) Penn and GLPI shall each have taken all necessary action that may be required to provide for the adoption by GLPI of the Amended and Restated Articles of Incorporation of GLPI in substantially the form attached hereto as Exhibit [·] (the “Amended and Restated Articles of Incorporation”), and the Amended and Restated Bylaws of GLPI in substantially the form attached hereto as Exhibit [·] (the “Amended and Restated Bylaws”) and (ii) GLPI shall have filed the Amended and Restated Articles of Incorporation of GLPI with the Secretary of State of the Commonwealth of Pennsylvania;

(n) at or prior to the Effective Time, Penn and GLPI shall have taken all actions as may be necessary to approve the stock-based employee benefit plans of GLPI in order to satisfy the requirements of Rule 16b-3 under the Exchange Act and the applicable rules and regulations of the NASDAQ; and

(o) no other condition shall fail to be satisfied and no event or development shall have occurred or exist that, in the judgment of the board of directors of Penn, in its sole discretion, makes it inadvisable to effect the Reorganization, the Distribution or the other transactions contemplated hereby or in connection herewith.

Notwithstanding Section 3.1(c) or any other provision hereof, each of the foregoing conditions is for the sole benefit of Penn and shall not give rise to or create any duty on the part of Penn or its board of directors to waive or not to waive any such condition or to effect the Reorganization and the Distribution, or in any way limit Penn’s rights of termination set forth in this Agreement. Any determination made by Penn prior to the Distribution concerning the satisfaction or waiver of any or all of the conditions set forth in this Section 3.2 shall be conclusive and binding on the parties.

3.3 The Distribution.

(a) Subject to the terms and conditions set forth in this Agreement, including Section 3.3(b), (i) on or prior to the Distribution Date, Penn shall deliver to the Distribution Agent for the benefit of holders of record of Penn Common Shares and Series C on the Record Date book-entry transfer authorizations for such number of the issued and outstanding shares of GLPI Common Stock necessary to effect the Distribution, (ii) the Distribution shall be effective at the Effective Time and (iii) Penn shall instruct the Distribution Agent to distribute, on or as soon as practicable after the Effective Time, (A) to each holder of record of Penn Common Shares as of the Record Date, by means of a pro rata distribution, [one (1)] share of GLPI Common Stock for every one (1) Penn Common Share so held and (B) to each holder of record of Series C as of the Record Date, by means of a pro rata distribution, [one (1)] share of GLPI Common Stock for every 1/1,000th (one one-thousandth) of a share of Series C. Following the Distribution Date, GLPI agrees to provide all book-entry transfer authorizations for shares of GLPI Common Stock that Penn or the Distribution Agent shall require in order to effect the Distribution.

(b) NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THIS AGREEMENT, PENN SHALL, IN ITS SOLE AND ABSOLUTE DISCRETION, DETERMINE THE DISTRIBUTION DATE AND ALL TERMS OF THE DISTRIBUTION, INCLUDING THE FORM, STRUCTURE AND TERMS OF ANY TRANSACTIONS AND/OR OFFERINGS TO EFFECT THE DISTRIBUTION AND THE TIMING OF AND CONDITIONS TO THE CONSUMMATION THEREOF. IN ADDITION, PENN MAY AT ANY TIME AND FROM TIME TO TIME UNTIL THE COMPLETION OF THE DISTRIBUTION DECIDE TO ABANDON THE DISTRIBUTION OR MODIFY OR CHANGE THE TERMS OF THE DISTRIBUTION, INCLUDING BY ACCELERATING OR DELAYING THE TIMING OF THE CONSUMMATION OF ALL OR PART OF THE DISTRIBUTION.

(c) The Parties agree that this Agreement constitutes a "plan of reorganization" within the meaning of Treasury Regulation Section 1.368-2(g).

ARTICLE IV

ACCESS TO INFORMATION

4.1 Agreement for Exchange of Information. After the Effective Time (or such earlier time as the parties may agree) and until the seventh (7th) anniversary of the date of this Agreement, each of Penn and GLPI, on behalf of its respective Group, agrees to provide, or

cause to be provided, to the other Group, as soon as reasonably practicable after written request therefor, any Information in the possession or under the control of such respective Group which the requesting party reasonably needs; provided, however, that in the event that any party determines that any such provision of Information could be commercially detrimental, violate any Law or agreement, or waive any attorney-client privilege, the parties shall take all reasonable measures to permit the compliance with such obligations in a manner that avoids any such harm or consequence.

4.2 Ownership of Information. Any Information owned by one Group that is provided to a requesting party pursuant to Section 4.1 shall be deemed to remain the property of the providing party, except where such Information is an Asset of the requesting party pursuant to the provisions of this Agreement or any other Transaction Document. Unless specifically set forth herein, nothing contained in this Agreement shall be construed as granting or conferring rights of license or otherwise in any Information requested or provided pursuant to Section 4.1.

4.3 Compensation for Providing Information. The party requesting Information agrees to reimburse the other party for the reasonable out-of-pocket costs and expenses, if any of creating, gathering and copying such Information to the extent that such costs are incurred in connection with such other party's provision of Information in response to the requesting party.

4.4 Record Retention.

(a) To facilitate the possible exchange of Information pursuant to this Article IV and other provisions of this Agreement after the Effective Time, the parties agree to use their commercially reasonable efforts to retain all Information in their respective possession or control in accordance with the policies or ordinary course practices of Penn in effect on the Distribution Date (including any Information that is subject to a "Litigation Hold" issued by either party prior to the Distribution Date) or such other policies or practices as may be reasonably adopted by the appropriate party after the Effective Time.

(b) Except in accordance with its, or its applicable Subsidiaries', policies and ordinary course practices, no party will destroy, or permit any of its Subsidiaries to destroy, any Information that would, in accordance with such policies or ordinary course practices, be archived or otherwise filed in a centralized filing system by such party or its applicable Subsidiaries; in furtherance of the foregoing, no party will destroy, or permit any of its Subsidiaries to destroy, any Information required to be retained by applicable Law.

(c) In the event of either party's or any of its Subsidiaries' inadvertent failure to comply with its applicable document retention policies as required under this Section 4.4, such party shall be liable to the other party solely for the amount of any monetary fines or penalties imposed or levied against such other party by a Governmental Authority (which fines or penalties shall not include any Liabilities asserted in connection with the claims underlying the applicable Action, other than fines or penalties resulting from any claim of spoliation) as a result of such other party's inability to produce Information caused by such inadvertent failure and, notwithstanding Sections 5.2 and 5.3, shall not be liable to such other party for any other Liabilities.

4.5 Liability. No party shall have any liability to any other party in the event that any Information exchanged or provided pursuant to this Agreement which is an estimate or forecast, or which is based on an estimate or forecast, is found to be inaccurate in the absence of willful misconduct by the party providing such Information.

4.6 Other Agreements Providing for Exchange of Information.

(a) The rights and obligations granted under this Article IV are subject to any specific limitations, qualifications or additional provisions on the sharing, exchange, retention or confidential treatment of Information set forth in any other Transaction Document, including Section 23.1(c) of the Master Lease.

(b) Any party that receives, pursuant to a request for Information in accordance with this Article IV, Information that is not relevant to its request shall (i) either destroy such Information or return it to the providing party and (ii) deliver to the providing party a certificate certifying that such

Information was destroyed or returned, as the case may be, which certificate shall be signed by an officer of the requesting party holding the title of vice president or above.

(c) When any Information provided by one Group to the other (other than Information provided pursuant to Section 4.4) is no longer needed for the purposes contemplated by this Agreement or any other Transaction Document or is no longer required to be retained by applicable Law, the receiving party will promptly after request of the other party either return to the other party all Information in a tangible form (including all copies thereof and all notes, extracts or summaries based thereon) or certify to the other party that it has destroyed such Information (and such copies thereof and such notes, extracts or summaries based thereon).

4.7 Production of Witnesses; Records; Cooperation.

(a) After the Effective Time, except in the case of an adversarial Action by one party against another party, each party hereto shall use its commercially reasonable efforts to make available to each other party, upon written request, the former, current and future directors, officers, employees, other personnel and agents of the members of its respective Group as witnesses and any books, records or other documents within its control or which it otherwise has the ability to make available, to the extent that any such person (giving consideration to business demands of such directors, officers, employees, other personnel and agents) or books, records or other documents may reasonably be required in connection with any Action in which the requesting party may from time to time be involved, regardless of whether such Action is a matter with respect to which indemnification may be sought hereunder. The requesting party shall bear all reasonable out-of-pocket costs and expenses in connection therewith.

(b) If an Indemnifying Party chooses to defend or to seek to compromise or settle any Third Party Claim, the Indemnified Party shall use commercially reasonable efforts to make available to such Indemnifying Party, upon written request, the former, current and future directors, officers, employees, other personnel and agents of the members of its respective Group as witnesses and any books, records or other documents within its control or which it otherwise has the ability to make available, to the extent that any such persons (giving consideration to

business demands of such directors, officers, employees, other personnel and agents) or books, records or other documents may reasonably be required in connection with such defense, settlement or compromise, or the prosecution, evaluation or pursuit thereof, as the case may be, and shall otherwise cooperate in such defense, settlement or compromise, or such prosecution, evaluation or pursuit, as the case may be. The Indemnifying Party shall bear all reasonable out-of-pocket costs and expenses in connection therewith.

(c) For the avoidance of doubt, the provisions of this Section 4.7 are in furtherance of the provisions of Section 4.1 and shall not be deemed to in any way limit or otherwise modify the parties' rights and obligations under Section 4.1.

4.8 Privileged Matters.

(a) The parties recognize that legal and other professional services that have been and will be provided prior to the Effective Time have been and will be rendered for the collective benefit of each of the members of the Penn Group and the GLPI Group, and that each of the members of the Penn Group and the GLPI Group should be deemed to be the client with respect to such services for the purposes of asserting all privileges which may be asserted under applicable Law in connection therewith.

(b) The parties agree as follows:

(i) Penn shall be entitled, in perpetuity, to control the assertion or waiver of all privileges in connection with any privileged Information that relates solely to the Penn Business and not to the GLPI Business, whether or not the privileged Information is in the possession or under the control of any member of the Penn Group or any member of the GLPI Group. Penn shall also be entitled, in perpetuity, to control the assertion or waiver of all privileges in connection with any privileged Information that relates solely to any Penn Liabilities resulting from any Actions that are now pending or may be asserted in the future, whether or not the privileged Information is in the possession or under the control of any member of the Penn Group or any member of the GLPI Group; and

(ii) GLPI shall be entitled, in perpetuity, to control the assertion or waiver of all privileges in connection with any privileged Information that relates solely to the GLPI Business and not to the Penn Business, whether or not the privileged Information is in the possession or under the control of any member of the GLPI Group or any member of the Penn Group. GLPI shall also be entitled, in perpetuity, to control the assertion or waiver of all privileges in connection with any privileged Information that relates solely to any GLPI Liabilities resulting from any Actions that are now pending or may be asserted in the future, whether or not the privileged Information is in the possession or under the control of any member of the GLPI Group or any member of the Penn Group.

(c) Subject to the restrictions set forth in this Section 4.8, the parties agree that they shall have a shared privilege, each with equal right to assert or waive any such shared privilege, with respect to all privileges not allocated pursuant to Section 4.8(b) and all privileges relating to any Actions or other matters that involve both the Penn Group and the GLPI Group and in respect of which both parties have Liabilities under this Agreement, and that no such

shared privilege or immunity may be waived by either party without the consent of the other party.

(d) In the event of any Actions between Penn and GLPI, or any members of their respective Groups, either party may waive a privilege in which the other party or member of such other party's Group has a shared privilege, without obtaining consent pursuant to Section 4.8(c); provided, that such waiver of a shared privilege shall be effective only as to the use of Information with respect to the Action between the parties and/or the applicable members of their respective Groups, and shall not operate as a waiver of the shared privilege with respect to any third Person.

(e) If any dispute arises between Penn and GLPI, or any members of their respective Groups, regarding whether a privilege should be waived to protect or advance the interests of either the Penn Group or the GLPI Group, each party agrees that it shall (i) negotiate with the other party in good faith, (ii) endeavor to minimize any prejudice to the rights of the other party and (iii) not unreasonably withhold, condition or delay consent to any request for waiver by the other party. Further, each party specifically agrees that it will not withhold its consent to the waiver of a privilege for any purpose except to protect its own legitimate interests.

(f) In furtherance of the parties' agreement under this Section 4.8, Penn and GLPI shall, and shall cause applicable members of their respective Group to, maintain their respective separate and joint privileges, including by executing joint defense and common interest agreements where necessary or useful for this purpose.

ARTICLE V

RELEASE AND INDEMNIFICATION

5.1 Release of Pre-Distribution Claims.

(a) Except as provided in (i) Section 5.1(c) and (ii) any Transaction Document, effective as of the Effective Time, GLPI does hereby, for itself and each other member of the GLPI Group, their respective Affiliates, successors and assigns, and all Persons who at any time prior to the Effective Time have been directors, officers, agents or employees of any member of the GLPI Group (in each case, in their respective capacities as such), release and forever discharge Penn and the other members of the Penn Group, their respective Affiliates, successors and assigns, and all Persons who at any time prior to the Effective Time have been shareholders, directors, officers, agents or employees of any member of the Penn Group (in each case, in their respective capacities as such), and their respective heirs, executors, administrators, successors and assigns, from any and all Liabilities whatsoever, whether at Law or in equity (including any right of contribution), whether arising under any contract or agreement, by operation of Law or otherwise, existing or arising from any acts or events occurring or failing to occur or alleged to have occurred or to have failed to occur or any conditions existing or alleged to have existed on or before the Effective Time, including in connection with the transactions and all other activities to implement the Reorganization, the Distribution and any of the other transactions contemplated hereunder and under the other Transaction Documents.

(b) Except as provided in (i) Section 5.1(c) and (ii) any Transaction Document, effective as of the Effective Time, Penn does hereby, for itself and each other member of the Penn Group, their respective Affiliates, successors and assigns, and all Persons who at any time prior to the Effective Time have been shareholders, directors, officers, agents or employees of any member of the Penn Group (in each case, in their respective capacities as such), release and forever discharge GLPI, the other members of the GLPI Group, their respective Affiliates, successors and assigns, and all Persons who at any time prior to the Effective Time have been directors, officers, agents or employees of any member of the GLPI Group (in each case, in their respective capacities as such), and their respective heirs, executors, administrators, successors and assigns, from any and all Liabilities whatsoever, whether at Law or in equity (including any right of contribution), whether arising under any contract or agreement, by operation of Law or otherwise, existing or arising from any acts or events occurring or failing to occur or alleged to have occurred or to have failed to occur or any conditions existing or alleged to have existed on or before the Effective Time, including in connection with the transactions and all other activities to implement the Reorganization, the Distribution and any of the other transactions contemplated hereunder and under the other Transaction Documents.

(c) Nothing contained in Section 5.1(a) or Section 5.1(b) shall impair any right of any Person to enforce this Agreement or any other Transaction Document, in each case in accordance with its terms. In addition, nothing contained in Section 5.1(a) or Section 5.1(b) shall release any member of a Group from:

(i) any Liability, contingent or otherwise, assumed, transferred, assigned or allocated to the Group of which such Person is a member in accordance with, or any other Liability of any member of any Group under, this Agreement or any other Transaction Document; or

(ii) any Liability that the parties may have with respect to indemnification or contribution pursuant to this Agreement or any of the other Transaction Documents.

Further, nothing contained in Section 5.1(a) shall release Penn from indemnifying any director, officer or employee of GLPI who was or is a director, officer or employee of Penn or any of its Affiliates, to the extent such director, officer or employee is or becomes a named defendant in any Action with respect to which he or she was or is entitled to such indemnification pursuant to then existing obligations, it being understood that if the underlying obligation giving rise to such Action is a GLPI Liability, GLPI shall indemnify Penn for such Liability (including Penn's costs to indemnify the director, officer or employee) in accordance with the provisions set forth in this Article V.

(d) GLPI shall not make, and shall not permit any member of the GLPI Group to make, any claim or demand, or commence any Action asserting any claim or demand, including any claim of contribution or any indemnification, against Penn or any member of the Penn Group, or any other Person released pursuant to Section 5.1(a), with respect to any Liabilities released pursuant to Section 5.1(a). Penn shall not, and shall not permit any member of the Penn Group, to make any claim or demand, or commence any Action asserting any claim

or demand, including any claim of contribution or any indemnification against GLPI or any member of the GLPI Group, or any other Person released pursuant to Section 5.1(b), with respect to any Liabilities released pursuant to Section 5.1(b).

(e) It is the intent of each of Penn and GLPI, by virtue of the provisions of this Section 5.1, to provide for a full and complete release and discharge of all Liabilities existing or arising from all acts and events occurring or failing to occur or alleged to have occurred or to have failed to occur and all conditions existing or alleged to have existed on or before the Effective Time, between or among GLPI or any member of the GLPI Group and their respective directors, officers, agents or employees, on the one hand, and Penn or any member of the Penn Group and their respective directors, officers, agents or employees, on the other hand (including any contractual agreements or arrangements existing or alleged to exist between or among any such members on or before the Distribution Date), except as expressly set forth in Section 5.1(c).

5.2 General Indemnification by GLPI. Except as provided in Section 5.6, GLPI shall, and shall cause the other members of the GLPI Group to, indemnify, defend and hold harmless each member of the Penn Group and each of their respective directors, officers and employees, and each of the heirs, executors, successors and assigns of any of the foregoing (collectively, the "Penn Indemnified Parties"), from and against (i) any and all Liabilities of the Penn

Indemnified Parties relating to, arising out of or resulting from any GLPI Liability and (ii) except as provided in Section 5.1, any and all Liabilities of the Penn Indemnified Parties relating to, arising out of or resulting from GLPI's breach of this Agreement or any other Transaction Document other than the Master Lease.

5.3 General Indemnification by Penn. Except as provided in Section 5.6, Penn shall indemnify, defend and hold harmless each member of the GLPI Group and each of their respective directors, officers and employees, and each of the heirs, executors, successors and assigns of any of the foregoing (collectively, the "GLPI Indemnified Parties"), from and against (i) any and all Liabilities of the GLPI Indemnified Parties relating to, arising out of or resulting from any Penn Liability and (ii) except as provided in Section 5.1, any and all Liabilities of the GLPI Indemnified Parties relating to, arising out of or resulting from Penn's breach of this Agreement or any other Transaction Document other than the Master Lease.

5.4 Disclosure Indemnification. GLPI agrees to indemnify and hold harmless the Penn Indemnified Parties and each Person, if any, who controls any member of the Penn Group within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act from and against any and all Liabilities arising out of or based upon any untrue statement or alleged untrue statement of a material fact contained in the Form S-11 or any amendment thereof or any other Disclosure Document, or arising out of or based upon any omission or alleged omission to state a material fact required to be stated therein or necessary to make the statements therein not misleading.

5.5 Contribution. If the indemnification provided for in this Article V is unavailable to, or insufficient to hold harmless, an indemnified party under Section 5.4 hereof in respect of any Liabilities referred to therein, then each indemnifying party shall contribute to the amount paid or payable by such indemnified party as a result of such Liabilities (or actions in respect thereof) in such proportion as is appropriate to reflect the relative fault of the indemnifying party

and the indemnified party in connection with the actions which resulted in Liabilities as well as any other relevant equitable considerations. The relative fault of such indemnifying party and indemnified party shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or omission or alleged omission to state a material fact relates to information supplied by such indemnifying party or indemnified party, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. For the purposes of this Section 5.5, the information relating to Penn after the Effective Time set forth in the Form S-11 shall be the only "information supplied by" Penn and all other information shall be deemed "information supplied by" GLPI.

5.6 Indemnification Obligations Net of Insurance Proceeds and Other Amounts.

(a) Any Liability subject to indemnification or contribution pursuant to this Article V will be net of Insurance Proceeds that actually reduce the amount of the Liability or Loss, as applicable. Accordingly, the amount which any party (an "Indemnifying Party") is required to pay to any Person entitled to indemnification under this Article V (an "Indemnified Party") will be reduced by any Insurance Proceeds theretofore actually recovered by or on behalf of the Indemnified Party in respect of the related Liability, as applicable. If an Indemnified Party receives a payment (an "Indemnity Payment") required by this Agreement from an Indemnifying Party in respect of any Liability and subsequently receives Insurance Proceeds, then the Indemnified Party will pay to the Indemnifying Party an amount equal to such Insurance Proceeds but not exceeding the amount of the Indemnity Payment paid by the Indemnifying Party in respect of such Liability.

(b) An insurer who would otherwise be obligated to pay any claim shall not be relieved of the responsibility with respect thereto or, solely by virtue of the indemnification provisions hereof, have any subrogation rights with respect thereto. The Indemnified Party shall use its commercially reasonable efforts to seek to collect or recover any third-party Insurance Proceeds (other than Insurance Proceeds under an arrangement where future premiums are adjusted to reflect prior claims in excess of prior premiums) to which the Indemnified Party is entitled in connection with any Liability for which the Indemnified Party seeks indemnification pursuant to this Article V; provided, that the Indemnified Party's inability to collect or recover any such Insurance Proceeds shall not limit the Indemnifying Party's obligations hereunder.

(c) Any indemnity payment under this Article V shall be increased to take into account any inclusion in income of the Indemnified Party arising from the receipt of such indemnity payment and shall be decreased to take into account any reduction in income of the Indemnified Party arising from such indemnified Liability or Loss, as applicable. For purposes hereof, any inclusion or reduction shall be determined (i) using the highest marginal rates applicable to the Indemnified Party in effect at the time of the determination and (ii) assuming that the Indemnified Party will be liable for Taxes at such rate and has no Tax Attributes (as such term is defined in the Tax Matters Agreement) at the time of the determination.

5.7 Procedures for Indemnification of Third Party Claims.

(a) If an Indemnified Party receives written notice that a Person (including any Governmental Authority) that is not a member of the Penn Group or the GLPI Group has

asserted any claim or commenced any Action (collectively, a "Third Party Claim") that may implicate an Indemnifying Party's obligation to indemnify pursuant to Sections 5.2, 5.3 or 5.4, or any other Section of this Agreement or any other Transaction Document, the Indemnified Party shall provide the Indemnifying Party written notice thereof as promptly as practicable (and no later than twenty (20) days or sooner, if the nature of the Third Party Claim so requires) after becoming aware of the Third Party Claim. Such notice shall describe the Third Party Claim in reasonable detail and include copies of all notices and documents (including court papers) received by the Indemnified Party relating to the Third Party Claim. Notwithstanding the foregoing, the failure of an Indemnified Party to provide notice in accordance with this Section 5.7(a) shall not relieve an Indemnifying Party of its indemnification obligations under this Agreement, except to the extent to which the Indemnifying Party is actually prejudiced by the Indemnified Party's failure to provide notice in accordance with this Section 5.7(a).

(b) Subject to this Section 5.7(b) and Section 5.7(c), an Indemnifying Party may elect to control the defense of (and seek to settle or compromise), at its own expense and with its own counsel, any Third Party Claim. Within thirty (30) days after the receipt of notice from an Indemnified Party in accordance with Section 5.7(a) (or sooner, if the nature of the Third Party Claim so requires), the Indemnifying Party shall notify the Indemnified Party whether the Indemnifying Party will assume responsibility for defending the Third Party Claim and shall specify any reservations or exceptions to its defense. After receiving notice of an Indemnifying Party's election to assume the defense of a Third Party Claim, whether with or without any reservations or exceptions with respect to such defense, an Indemnified Party shall have the right to employ separate counsel and to participate in (but not control) the defense, compromise, or settlement thereof, but the Indemnified Party shall be responsible for the fees and expenses of its counsel and, in any event, shall cooperate with the Indemnifying Party in such defense and make available to the Indemnifying Party, at the Indemnifying Party's expense, all witnesses, information and materials in such

Indemnified Party's possession or under such Indemnified Party's control relating thereto as are reasonably required by the Indemnifying Party. If an Indemnifying Party has elected to assume the defense of a Third Party Claim, whether with or without any reservations or exceptions with respect to such defense, then such Indemnifying Party shall be solely liable for all fees and expenses incurred by it in connection with the defense of such Third Party Claim and shall not be entitled to seek any indemnification or reimbursement from the Indemnified Party for any such fees or expenses incurred during the course of its defense of such Third Party Claim, regardless of any subsequent decision by the Indemnifying Party to reject or otherwise abandon its assumption of such defense.

(c) Notwithstanding Section 5.7(b), if any Indemnified Party shall in good faith determine that there is an actual conflict of interest (whether legal, business or otherwise) if counsel for the Indemnifying Party represented both the Indemnified Party and Indemnifying Party, then the Indemnified Party shall have the right to employ separate counsel and to participate in (but not control) the defense, compromise, or settlement thereof, and the Indemnifying Party shall bear the reasonable fees and expenses of one (1) separate counsel for all Indemnified Parties.

(d) If an Indemnifying Party elects not to assume responsibility for defending a Third Party Claim, or fails to notify an Indemnified Party of its election within thirty (30) days after the receipt of notice from an Indemnified Party as provided in Section 5.7(b), the

Indemnified Party may defend the Third Party Claim at the cost and expense of the Indemnifying Party. If the Indemnified Party is conducting the defense against any such Third Party Claim, the Indemnifying Party shall cooperate with the Indemnified Party in such defense and make available to the Indemnified Party, at the Indemnifying Party's expense, all witnesses, information and materials in such Indemnifying Party's possession or under such Indemnifying Party's control relating thereto as are reasonably required by the Indemnified Party.

(e) Without the prior written consent of any Indemnifying Party, which consent shall not be unreasonably withheld, conditioned or delayed, no Indemnified Party may settle or compromise, or seek to settle or compromise, any Third Party Claim; provided, however, in the event that the Indemnifying Party elects not to assume responsibility for defending a Third Party Claim or fails to notify the Indemnified Party of its election within thirty (30) days after the receipt of notice from the Indemnified Party as provided in Section 5.7(b), the Indemnified Party shall have the right to settle or compromise such Third Party Claim in its sole discretion. Without the prior written consent of any Indemnified Party, which consent shall not be unreasonably withheld, conditioned or delayed, no Indemnifying Party shall consent to the entry of any judgment or enter into any settlement of any pending or threatened Third Party Claim for which the Indemnified Party is seeking or may seek indemnity pursuant to this Section 5.7 unless such judgment or settlement is solely for monetary damages, does not impose any expense or obligation on the Indemnified Party, does not involve any finding or determination of wrongdoing or violation of law by the Indemnified Party and provides for a full, unconditional and irrevocable release of that Indemnified Party from all liability in connection with the Third Party Claim.

5.8 Tax Procedures.

(a) With respect to any period in which GLPI has made or will make an election to be taxed as a real estate investment trust within the meaning of Section 856 of the Code (a "REIT"), notwithstanding any other provisions in this Agreement, any payments to be made by Penn to any member of the GLPI Group pursuant to Section 5.3 or 5.6 for any calendar year shall not exceed the sum of (i) the amount that it is determined will not be gross income of GLPI for purposes of the requirements of Sections 856(c)(2) and (3) of the Code for any period in which GLPI has made any election to be taxed as a REIT, with such determination to be set forth in an opinion of outside tax counsel selected by GLPI, which opinion shall be reasonably satisfactory to GLPI plus (ii) such additional amount that is estimated can be paid to GLPI in such taxable year without causing GLPI to fail to meet the requirements of Sections 856(c)(2) and (3) of the Code, determined (x) as if the payment of such amount did not constitute income described in Sections 856(c)(2)(A) through (I) and 856(c)(3)(A) through (I) of the Code ("Qualifying Income") and (y) by taking into account any other payments to GLPI during such taxable year that do not constitute Qualifying Income, which determination shall be (A) made by independent tax accountants to GLPI, and (B) submitted to and approved by GLPI's outside tax counsel, and (iii) in the event that GLPI receives a ruling from the IRS to the effect that GLPI's receipt of the additional amount otherwise to be paid under this Agreement either would constitute Qualifying Income or would be excluded from gross income of GLPI for purposes of Sections 856(c)(2) and (3) of the Code (the "Specified REIT Requirements"), the aggregate payments otherwise required to be made pursuant to Section 5.3 or 5.6 (determined without regard to this Section 5.8(a)) less the amount otherwise previously paid under clauses (i) and (ii) above.

(b) Penn shall place the full amount of any payments otherwise to be made by Penn pursuant to Section 5.3 or 5.6 in a mutually agreed escrow account upon mutually acceptable terms (which shall provide that (i) the amount in the escrow account shall be treated as the property of Penn, unless it is released from such escrow account to any GLPI Indemnified Party, (ii) all income earned upon the amount in the escrow account shall be treated as the property of Penn and reported, as and to the extent required by applicable Law, by the escrow agent to the IRS, or any other taxing authority, on IRS Form 1099 or 1042S (or other appropriate form) as income earned by Penn whether or not said income has been distributed during such taxable year and (iii) any portion thereof shall not be released to any GLPI Indemnified Party unless and until Penn receives any of the following: (A) a letter from GLPI's independent tax accountants indicating the amount that it is estimated can be paid at that time to the GLPI Indemnified Parties without causing GLPI to fail to meet the Specified REIT Requirements for the taxable year in which the payment would be made, which determination shall be made by such independent tax accountants or (B) an opinion of outside tax counsel selected by GLPI, such opinion to be reasonably satisfactory to GLPI, to the effect that, based upon a change in applicable Law after the date on which payment was first deferred hereunder, receipt of the additional amount otherwise to be paid pursuant to Section 5.3 or 5.6 either would be excluded from gross income of GLPI for purposes of the Specified REIT Requirements or would constitute Qualifying Income, in either of which events Penn shall pay to the applicable GLPI Indemnified Parties the lesser of the unpaid amounts due pursuant to Section 5.3 or 5.6 (determined without regard to this Section 5.8) or the maximum amount stated in the letter referred to in clause (iii)(A) above.

(c) Any amount held in escrow pursuant to Section 5.8(b) for five years shall be released from such escrow to be used as determined by Penn in its sole and absolute discretion.

(d) GLPI shall bear all costs and expenses with respect to the escrow.

(e) Penn shall cooperate in good faith to amend this Section 5.8 at the reasonable request of GLPI in order to (i) maximize the portion of such payment that may be distributed to GLPI hereunder without causing GLPI to fail to meet the requirements of Sections 856(c)(2) and (3) of the Code, (ii) improve GLPI's chances of securing a favorable ruling described in this Section 5.8, or (iii) assist GLPI in obtaining a favorable opinion from its outside tax counsel or determination from its tax accountants as described in this Section 5.8. GLPI shall reimburse Penn for all reasonable costs and expenses of such cooperation.

5.9 Additional Matters.

(a) Indemnification or contribution payments in respect of any Liabilities for which an Indemnified Party is entitled to indemnification or contribution under this Article V shall be paid by the Indemnifying Party to the Indemnified Party as such Liabilities are incurred upon demand by the Indemnified Party, including reasonably satisfactory documentation setting forth the basis for the amount of such indemnification or contribution payment, including documentation with respect to calculations made and consideration of any Insurance Proceeds that actually reduce the amount of such Liabilities. The indemnity and contribution agreements contained in this Article V shall remain operative and in full force and effect, regardless of (i) any investigation made by or on behalf of any Indemnified Party, (ii) the knowledge by the Indemnified Party of Liabilities for which it might be entitled to indemnification or contribution hereunder and (iii) any termination of this Agreement.

(b) Any claim for indemnification under this Agreement which does not result from a Third Party Claim shall be asserted by written notice given by the Indemnified Party to the applicable Indemnifying Party. Such Indemnifying Party shall have a period of thirty (30) days after the receipt of such notice within which to respond thereto. If such Indemnifying Party does not respond within such thirty (30)-day period, such Indemnifying Party shall be deemed to have refused to accept responsibility to make payment. If such Indemnifying Party does not respond within such thirty (30)-day period or rejects such claim in whole or in part, such Indemnified Party shall be free to pursue such remedies as may be available to such party as contemplated by this Agreement and the other Transaction Documents without prejudice to its continuing rights to pursue indemnification or contribution hereunder.

(c) If payment is made by or on behalf of any Indemnifying Party to any Indemnified Party in connection with any Third Party Claim, such Indemnifying Party shall be subrogated to and shall stand in the place of such Indemnified Party as to any events or circumstances in respect of which such Indemnified Party may have any right, defense or claim relating to such Third Party Claim against any claimant or plaintiff asserting such Third Party Claim or against any other Person. Such Indemnified Party shall cooperate with such Indemnifying Party in a reasonable manner, and at the cost and expense of such Indemnifying Party, in prosecuting any subrogated right, defense or claim.

(d) In an Action in which the Indemnifying Party is not a named defendant, if either the Indemnified Party or Indemnifying Party shall so request, the parties shall endeavor to substitute the Indemnifying Party for the named defendant if they conclude that substitution is desirable and practical. If such substitution or addition cannot be achieved for any reason or is not requested, the named defendant shall allow the Indemnifying Party to manage the Action as set forth in this section, and the Indemnifying Party shall fully indemnify the named defendant against all costs of defending the Action (including court costs, sanctions imposed by a court, attorneys' fees, experts fees and all other external expenses), the costs of any judgment or settlement, and the cost of any interest or penalties relating to any judgment or settlement.

(e) For all Tax purposes other than for purposes of Section 355(g) of the Code, Penn and GLPI agree to treat (i) any payment required by this Agreement (other than payments with respect to interest accruing after the Effective Time) as either a contribution by Penn to GLPI or a distribution by GLPI to Penn, as the case may be, occurring immediately prior to the Effective Time or as a payment of an assumed or retained Liability, and (ii) any payment of interest as taxable or deductible, as the case may be, to the party entitled under this Agreement to retain such payment or required under this Agreement to make such payment, in either case except as otherwise required by applicable Law.

5.10 Remedies Cumulative; Limitations of Liability. The rights provided in this Article V shall be cumulative and, subject to the provisions of Article VII, shall not preclude assertion by any Indemnified Party of any other rights or the seeking of any and all other remedies against any Indemnifying Party. Notwithstanding the foregoing, neither GLPI or its Affiliates, on the one hand, nor Penn or its Affiliates, on the other hand, shall be liable to the other for any special, indirect, punitive, exemplary, remote, speculative or similar damages in excess of compensatory damages (collectively, "Special Damages") of the other arising in connection with the Transactions (provided, that any such liability with respect to a Third Party Claim shall be considered direct damages).

5.11 Survival of Indemnities. The rights and obligations of each of Penn and GLPI and their respective Indemnified Parties under this Article V shall survive the sale or other transfer by any party of any Assets or businesses or the assignment by it of any Liabilities.

ARTICLE VI

OTHER AGREEMENTS

6.1 Further Assurances.

(a) In addition to the actions specifically provided for elsewhere in this Agreement, each of the parties hereto will cooperate with each other and use (and will cause their respective Subsidiaries and Affiliates to use) commercially reasonable efforts, prior to, on and after the Distribution Date, to take, or to cause to be taken, all actions, including the actions listed on Schedule 6.1(a), and to do, or to cause to be done, all things reasonably necessary on its part under applicable Law or contractual obligations to consummate and make effective the transactions contemplated by this Agreement and the other Transaction Documents.

(b) Without limiting the foregoing, prior to, on and after the Distribution Date, each party hereto shall cooperate with the other parties, and without any further consideration, but at the expense of the requesting party from and after the Effective Time, to execute and deliver, or use its commercially reasonable efforts to cause to be executed and delivered, all instruments, including instruments of conveyance, assignment and transfer, and to obtain or make any Approvals or Notifications from or with any Governmental Authority or any other Person under any permit, license, agreement, indenture or other instrument, and to take all such other actions as such party may reasonably be requested to take by any other party hereto from time to time, consistent with the terms of this Agreement and the other Transaction Documents, in order to effectuate the provisions and purposes of this Agreement and the other Transaction Documents and the transfers of the GLPI Assets and the assignment and assumption of the GLPI Liabilities and the other transactions contemplated hereby and thereby. Without limiting the foregoing, each party will, at the reasonable request, cost and expense of any other party, take such other actions as may be reasonably necessary to vest in such other party good and marketable title to the Assets allocated to such party under this Agreement or any of the other Transaction Documents, free and clear of any Security Interest except as contemplated by any of the Financing Arrangements or any Transaction Document.

(c) At or prior to the Effective Time, Penn and GLPI in their respective capacities as direct and indirect shareholders of their respective Subsidiaries, shall each ratify any actions that are reasonably necessary or desirable to be taken by GLPI or any other Subsidiary of Penn or GLPI, as the case may be, to effectuate the transactions contemplated by this Agreement.

6.2 Confidentiality.

(a) From and after the Effective Time, subject to Section 6.2(c) and except as contemplated by or otherwise provided in this Agreement or any other Transaction Document, Penn shall not, and shall cause its Affiliates and officers, directors, employees, and other agents and representatives, including attorneys, agents, customers, suppliers, contractors, consultants and other representatives of any Person providing financing (collectively, "Representatives"), not to, directly or indirectly, disclose, reveal, divulge or communicate to any Person other than Representatives of such party or of its Affiliates who reasonably need to know such information

in providing services to any member of the Penn Group, any GLPI Confidential Information. If any disclosures are made to any member of the Penn Group in connection with any services provided to a member of the GLPI Group under this Agreement or any other Transaction Document, then the GLPI Confidential Information so disclosed shall be used only as required in connection with the receipt of such services. Penn shall use the same degree of care to prevent and restrain the unauthorized use or disclosure of the GLPI Confidential Information by any of its Representatives as it currently uses for its own confidential information of a like nature, but in no event less than a reasonable standard of care. For purposes of this Section 6.2(a), any Information, material or documents relating to the GLPI Business currently or formerly conducted, or proposed to be conducted, by any member of the GLPI Group furnished to, or in possession of, Penn, irrespective of the form of communication, and all notes, analyses, compilations, forecasts, data, translations, studies, memoranda or other documents prepared by Penn or its officers, directors and Affiliates, that contain or otherwise reflect such information, material or documents is hereinafter referred to as "GLPI Confidential Information." GLPI Confidential Information does not include, and there shall be no obligation hereunder with respect to, information that (i) is or becomes generally available to the public, other than as a result of a disclosure by Penn not otherwise permissible hereunder, (ii) Penn can demonstrate was or became available to Penn from a source other than GLPI or its Affiliates or (iii) is developed independently by Penn without reference to the GLPI Confidential Information; provided, however, that, in the case of clause (ii), the source of such information was not known by Penn to be bound by a confidentiality agreement with, or other contractual, legal or fiduciary obligation of confidentiality to, GLPI or any member of the GLPI Group with respect to such information.

(b) From and after the Effective Time, subject to Section 6.2(c) and except as contemplated by this Agreement or any other Transaction Document, GLPI shall not, and shall cause its Affiliates and their respective Representatives, not to, directly or indirectly, disclose, reveal, divulge or communicate to any Person other than Representatives of such party or of its Affiliates who reasonably need to know such information in providing services to GLPI or any member of the GLPI Group, any Penn Confidential Information. If any disclosures are made to any member of the GLPI Group in connection with any services provided to a member of the GLPI Group under this Agreement or any other Transaction Document, then the Penn Confidential Information so disclosed shall be used only as required in connection with the receipt of such services. The GLPI Group shall use the same degree of care to prevent and restrain the unauthorized use or disclosure of the Penn Confidential Information by any of their Representatives as they use for their own confidential information of a like nature, but in no event less than a reasonable standard of care. For purposes of this Section 6.2(b), any Information, material or documents relating to the businesses currently or formerly conducted, or proposed to be conducted, by Penn or any of its Affiliates (other than any member of the GLPI Group) furnished to, or in possession of, any member of the GLPI Group, irrespective of the form of communication, and all notes, analyses, compilations, forecasts, data, translations, studies, memoranda or other documents prepared by GLPI, any member of the GLPI Group or their respective officers, directors and Affiliates, that contain or otherwise reflect such information, material or documents is hereinafter referred to as "Penn Confidential Information." Penn Confidential Information does not include, and there shall be no obligation hereunder with respect to, information that (i) is or becomes generally available to the public, other than as a result of a disclosure by any member of the GLPI Group not otherwise permissible hereunder,

(ii) GLPI can demonstrate was or became available to GLPI from a source other than Penn and its respective Affiliates or (iii) is developed independently by such member of the GLPI Group without reference to the Penn Confidential Information; provided, however, that, in the case of clause (ii), the source of such information was not known by GLPI to be bound by a confidentiality agreement with, or other contractual, legal or fiduciary obligation of confidentiality to, Penn or its Affiliates with respect to such information.

(c) If Penn or its Affiliates, on the one hand, or GLPI or its Affiliates, on the other hand, are requested or required (by oral question, interrogatories, requests for information or documents, subpoena, civil investigative demand or similar process) by any Governmental Authority or pursuant to applicable Law to disclose or provide any GLPI Confidential Information or Penn Confidential Information (other than with respect to any such information furnished pursuant to the provisions of Article IV of this Agreement), as applicable, the Person receiving such request or demand shall use commercially reasonable efforts to provide the other party with written notice of such request or demand as promptly as practicable under the circumstances so that such other party shall have an opportunity to seek an appropriate protective order. The party receiving such request or demand agrees to take, and cause its representatives to take, at the requesting party's expense, all other reasonable steps necessary to obtain confidential treatment by the recipient. Subject to the foregoing, the party that received such request or demand may thereafter disclose or provide any GLPI Confidential Information or Penn Confidential Information, as the case may be, to the extent required by such Law (as so advised by counsel) or by lawful process or such Governmental Authority.

(d) Each of Penn and GLPI acknowledges that it and the other members of its Group may have in their possession confidential or proprietary information of third Persons that was received under confidentiality or non-disclosure agreements with such third Person prior to the Distribution Date. Penn and GLPI each agrees that it will hold, and will cause the other members of its Group and their respective Representatives to hold, in strict confidence the confidential and proprietary information of third Persons to which it or any other member of its respective Group has access, in accordance with the terms of any agreements entered into prior to the Distribution Date between or among one (1) or more members of the applicable party's Group and such third Persons to the extent disclosed to such party.

6.3 Insurance Matters.

(a) GLPI acknowledges and agrees, on its own behalf and on behalf of each of the GLPI Subsidiaries, that, from and after the Effective Time, neither GLPI nor any of the GLPI Subsidiaries shall have any rights to or under any of Penn's or the Penn Subsidiaries' insurance policies, other than any insurance policies acquired prior to the Effective Time directly by and in the name of a member of GLPI or any of the GLPI Subsidiaries or as expressly provided in this Section 6.3 or in the Employee Matters Agreement.

(b) Notwithstanding Section 6.3(a), from the Effective Time through December 31, 2013, the TRS Properties shall continue to be covered by Penn's or a Penn Subsidiary's existing property insurance policies, it being understood that GLPI shall promptly reimburse Penn or such Penn Subsidiary for any premiums or other costs associated with such coverage. In addition from and after the Effective Time, with respect to any Liability incurred by GLPI or any of the GLPI Subsidiaries prior to the Effective Time (or, solely with respect to any property insurance policies relating to the TRS Properties prior to December 31, 2013), Penn shall provide GLPI with access to, and GLPI may make claims under insurance policies purchased by Penn if and to the extent that the terms of such policies provide such coverage to GLPI or the GLPI Subsidiaries, and subject to the terms and conditions of such

insurance policies, including any limits on coverage or scope, any deductibles or self-insured retentions and other fees and expenses, and subject to the following additional conditions:

(i) GLPI shall report claims under such policies directly to the applicable insurance company or its Third-Party Administrator ("TPA") as applicable, as promptly as practicable, and shall provide a copy of all such claim reports to the Corporate Risk Management Department of Penn, and if Penn disagrees with any matter covered in such claims reports, Penn may notify the applicable insurance company, and shall provide a copy of such communication to GLPI;

(ii) GLPI shall exclusively bear and be responsible for (and Penn shall have no obligation to repay or reimburse GLPI or any of the GLPI Subsidiaries for) and pay the applicable insurers or TPA as required under the applicable insurance policies and TPA agreements for any and all costs as a result of having access to, or making claims under, any insurance provided pursuant to this Section 6.3(b), including any deductibles and self-insured retentions associated with such claims, retrospective, retroactive or prospective premium adjustments associated with the applicable insurance policies, catastrophic coverage charges, overhead, claim handling and administrative costs, Taxes, surcharges, state assessments, reinsurance costs, other related costs and claim payments, relating to all open, closed, re-opened claims covered by the applicable policies, whether such claims are made by GLPI, its employees or third Parties, and GLPI shall indemnify, hold harmless and reimburse Penn and the Penn Subsidiaries for any deductibles and self-insured retentions incurred by Penn or the Penn Subsidiaries to the extent resulting from any access to, any claims made by GLPI or any of the GLPI Subsidiaries under, any insurance provided pursuant to this Section 6.3(b), including any indemnity payments, settlements, judgments, legal fees and allocated claims expenses and claim handling fees, whether such claims are made by GLPI, any GLPI Subsidiary, their respective employees or third Parties;

(iii) GLPI shall exclusively bear (and Penn shall have no obligation to repay or reimburse GLPI or any of the GLPI Subsidiaries for) and shall be liable for all uninsured, uncovered, unavailable or uncollectible amounts of all such claims made by GLPI or any of the GLPI Subsidiaries under the policies as provided for in this Section 6.3(b); and

(iv) Neither GLPI nor any GLPI Subsidiary, in connection with making a claim under any insurance policy of Penn or any Penn Subsidiary pursuant to this Section 6.3(b), shall take any action that would be reasonably likely to: (A) have an adverse impact on the then-current relationship between Penn or any Penn Subsidiary, on the one hand, and the applicable insurance company, on the other hand or (B) otherwise compromise, jeopardize or interfere with the rights of Penn or any Penn Subsidiary under the applicable insurance policy.

At all times, the Parties shall, and shall cause their respective Subsidiaries to, cooperate with reasonable requests for information by the other Party or the insurance companies regarding any such insurance policy claim.

(c) Any payments, costs and adjustments required pursuant to Section 6.3(b) shall be billed by Penn, on behalf of itself and the Penn Subsidiaries, to GLPI on a monthly basis and GLPI, on behalf of itself and the GLPI Subsidiaries, shall pay such payments, costs and adjustments to Penn within sixty (60) days from receipt of invoice. If Penn incurs costs to enforce GLPI's obligations under this Section 6.3, GLPI agrees to indemnify Penn for such enforcement costs, including reasonable attorneys' fees.

(d) At the Effective Time, GLPI shall have in effect all insurance programs required to comply with GLPI's statutory and contractual obligations and such other insurance policies as reasonably necessary or customary for companies operating a business similar to the GLPI Business. Such insurance programs include general liability, commercial auto liability, workers' compensation, employers liability, product liability, employment practices liability, employee dishonesty/crime, directors' and officers' liability and fiduciary liability. GLPI shall obtain a property insurance program on or prior to December 31, 2013, and, notwithstanding Section 6.3(a), between the Effective Date and December 31, 2013, the property insurance of Penn shall provide coverage (determined in the sole discretion of Penn) for GLPI and the GLPI Subsidiaries.

(e) Neither Penn nor any of the Penn Subsidiaries shall have any obligation to secure extended reporting for any claims under any of Penn's or the Penn Subsidiaries' claims-made or occurrence-reported liability policies for any acts or omissions by GLPI or any GLPI Subsidiary incurred prior to the Effective Time.

(f) This Agreement shall not be considered as an attempted assignment of any policy of insurance or as a contract of insurance and shall not be construed to waive any right or remedy of either Penn or any Penn Subsidiary in respect of any of the Penn insurance policies and programs or any other contract or policy of insurance.

6.4 Allocation of Costs and Expenses. Penn and GLPI shall be responsible for the costs and expenses set forth on Schedule 6.4 according the allocation provided therein.

6.5 Litigation; Cooperation.

(a) As of the Effective Time, GLPI shall assume and thereafter, except as provided in Article V, be responsible for the administration of all Liabilities that may result from the Assumed Actions and all fees and costs relating to the defense of the Assumed Actions, including attorneys' fees and costs incurred after the Effective Time. "Assumed Actions" means those Actions (in which any member of the Penn Group or any Affiliate of a member of the Penn Group is a defendant or the party against whom the claim or investigation is directed) primarily relating to the GLPI Business, including the Actions listed on Schedule 6.5(a).

(b) Penn shall transfer the Transferred Actions to GLPI, and GLPI shall receive and have the benefit of all of the proceeds of such Transferred Actions. "Transferred Actions" means those Actions (in which any member of the Penn Group or any Affiliate of a member of the Penn Group is a plaintiff or claimant) primarily relating to the GLPI Business, including the Actions listed on Schedule 6.5(b).

(c) (i) Penn agrees that at all times from and after the Effective Time if a Third Party Claim relating primarily to the Penn Business is commenced naming both Penn and GLPI as defendants thereto, then Penn shall use its commercially reasonable efforts to cause GLPI to be removed from such Third Party Claim; provided, that, if Penn is unable to cause GLPI to be removed from such Third Party Claim, Penn and GLPI shall cooperate and consult to the extent necessary or advisable with respect to such Third Party Claim.

(ii) GLPI agrees that at all times from and after the Effective Time if a Third Party Claim relating primarily to the GLPI Business is commenced naming both Penn and GLPI as defendants thereto, then GLPI shall use its commercially reasonable efforts to cause Penn to be removed from such Third Party Claim; provided, that, if GLPI is unable to cause Penn to be removed from such Third Party Claim, Penn and GLPI shall cooperate and consult to the extent necessary or advisable with respect to such Third Party Claim.

(iii) Penn and GLPI agree that at all times from and after the Effective Time if a Third Party Claim which does not relate primarily to the GLPI Business or the Penn Business is commenced naming both Penn (or any member of the Penn Group) and GLPI (or any member of the GLPI Group) as defendants thereto, then Penn and GLPI shall cooperate fully with each other, maintain a joint defense (in a manner that would preserve for both parties and their respective Affiliates any attorney-client privilege, joint defense or other privilege with respect thereto) and consult each other to the extent necessary or advisable with respect to such Third Party Claim.

6.6 Tax Matters. Penn and GLPI shall enter into the Tax Matters Agreement on or prior to the Distribution Date. To the extent that any representations, warranties, covenants or agreements between the parties with respect to Taxes or other Tax matters are set forth in the Tax Matters Agreement, such Taxes and other Tax matters shall be governed exclusively by the Tax Matters Agreement and not by this Agreement.

6.7 Employment Matters. Penn and GLPI shall enter into the Employee Matters Agreement on or prior to the Distribution Date. To the extent that any representations, warranties, covenants or agreements between the parties with respect to employment matters are set forth in the Employee Matters Agreement, such employment matters shall be governed exclusively by the Employee Matters Agreement and not by this Agreement. Penn and GLPI hereby agree to use commercially reasonable efforts to implement the alternate procedure described in Section 5 of Revenue Procedure 2004-53.

6.8 Intellectual Property Matters.

(a) Penn hereby grants to GLPI a perpetual, non-exclusive, royalty-free license to use the Intellectual Property that is set forth on Schedule 6.8 (the "Licensed Intellectual Property") solely in connection with the ownership, management, development, operation of and promotion of the TRS Properties, including the offering or sale by GLPI of products bearing the Licensed Marks.

(b) GLPI shall have the right to sublicense the Licensed Intellectual Property to any member of the GLPI Group (solely for so long as such entity remains a member of the

GLPI Group), provided, however, that any sublicense granted hereunder shall contain provisions whereby the sublicensee agrees to assume, observe and perform all of the obligations of GLPI and be bound by all of the restrictions under this Agreement applicable to the use of the Licensed Intellectual Property.

(c)

(i) GLPI recognizes and acknowledges the exclusive right, title and interest of Penn in and to the ownership of the Licensed Intellectual Property, including the Licensed Marks. GLPI agrees to assign and hereby assigns any and all rights in the Licensed Intellectual Property (including any and all rights in the Licensed Marks) it might acquire during the Term to Penn and agrees to execute and undertake during the Term and after termination hereof all documents and all actions reasonably necessary to effect the clarification or perfection of ownership of all Licensed Intellectual Property in and to Penn and to allow Penn to apply for registrations of the Licensed Intellectual Property and to maintain any registrations issued thereon.

(ii) All rights in and to the Licensed Intellectual Property not specifically granted to GLPI herein are expressly reserved by Penn. GLPI neither has nor under any circumstances shall be deemed to have any ownership, right, title or interest in or to any Licensed Intellectual Property.

(iii) All goodwill associated with or identified by the Licensed Intellectual Property shall inure directly and exclusively to the benefit of, and is the sole property of Penn and all use (whether authorized or unauthorized) of any other indicia of source, mark, logo or slogan by GLPI in the course of promoting or marketing the Licensed Intellectual Property shall likewise inure directly and exclusively to the benefit and shall be the sole property of Penn.

(iv) During the Term and thereafter, GLPI shall not: (A) challenge the validity of Penn's ownership of, or right to license, the Licensed Intellectual Property or any registration, or application for registration thereof; (B) represent in any manner that it has any title or right to the ownership, registration or use of the Licensed Intellectual Property except as set forth in this Agreement; (C) challenge the right of Penn to grant the licenses granted herein; or (D) interfere in any manner with nor attempt to prohibit the use or registration by Penn of any Licensed Intellectual Property.

(v) GLPI acknowledges that certain of the Licensed Intellectual Property may have been and may potentially be misappropriated by third Persons. Penn provides neither any guarantee nor assurance that Penn will be able to cause cessation of such misappropriation nor any assurance that such third Persons may fail in an ability to claim superiority of rights with respect to the subject Licensed Intellectual Property.

(vi) Nothing contained in this Agreement shall be construed to confer upon GLPI any right or license to have any of the Licensed Intellectual Property registered in the name of GLPI, any member of the GLPI Group or any third Person or to vest in GLPI, any member of the GLPI Group or any third Person any right, title or interest in and to the Licensed

Intellectual Property. GLPI shall not, directly or indirectly, register or cause to be registered in any country or governmental subdivision any trademark, trade name, service mark, trade dress, Internet domain name, other universal resource locator, patent, mask work or copyright consisting of, embodied in, relating to, arising out of or similar to any of the Licensed Intellectual Property. GLPI shall not knowingly damage, do any act or fail to do any act, which could be reasonably anticipated to damage, dilute, or materially modify any of the Licensed Intellectual Property or knowingly permit a third Person to do so.

(vii) GLPI shall immediately notify Penn in writing of any infringement, misappropriation, dilution or other claim of right, title, or interest (or any suspected activity with respect to any of the foregoing) with respect to any of the Licensed Intellectual Property of which GLPI knows or otherwise becomes aware.

(viii) (A) GLPI shall use the Licensed Marks without any accompanying words or symbols of any nature (save as required by the provisions hereof) unless first approved in writing by Penn and GLPI shall not modify the Licensed Marks or conjoin the Licensed Marks with any other name, service mark, trade name or trademark whatsoever, unless otherwise approved by Penn, in Penn's reasonable discretion, in writing; (B) Penn agrees to include on all uses of the Licensed Intellectual Property all notices and legends reasonably requested by Penn.

(ix) GLPI shall neither file any application for registration or other recognition of any name incorporating or embodying in any manner the Licensed Marks, or variant thereof, as a fictitious business name nor use the Licensed Marks, or any variant thereof, as part of its formal entity name (including any corporate, partnership, limited-liability company, limited-liability partnership, limited partnership or any other formal entity name) or permit any member of the GLPI Group or any third Person to do so, unless Penn grants such use of the Licensed Marks, in its reasonable discretion.

(d)

(i) GLPI agrees to use the Licensed Intellectual Property in good faith and in a dignified manner, in a manner consistent with Penn's high standards of, and reputation for quality, in a manner consistent with the standards of quality of the TRS Properties immediately prior to the Effective Time, and in accordance with generally accepted trademark practice wherever the Licensed Marks are used. GLPI agrees to use commercially reasonable efforts to protect the Licensed Intellectual Property and the goodwill associated therewith.

(ii) GLPI covenants that the nature and quality of the products and services provided at the TRS Properties and all promotional, advertising or other material relating to the any such products and services, and all representations of the Licensed Intellectual Property, shall be of good quality comparable to the quality of similar goods and services presently sold or provided by the TRS Properties immediately prior to the Effective Date and shall conform to any applicable brand rules of Penn in effect as of the Effective Time. With respect to any additional services or products that may be provided by the TRS Properties, GLPI agrees that the nature and quality of such products and services shall be equal to and

commensurate with that of existing products and services offered by the TRS Properties immediately prior to the Effective Time.

(iii) GLPI covenants that no promotional, advertising or other material that utilizes any of the Licensed Intellectual Property (including the "Hollywood" name or logo) shall display such Licensed Intellectual Property without also prominently indicating the full name of the applicable property (i.e., "Hollywood Casino Baton Rouge" or "Hollywood Casino Perryville").

(iv) In furtherance of the provisions of Section 8.9, GLPI covenants that it shall not assign or otherwise transfer any interest in the Licensed Intellectual Property to any third party without Penn's prior written consent. For purposes of this paragraph, it shall be deemed a transfer if any person other than GLPI acquires at least 25% of the voting control of GLPI, or of any GLPI Subsidiary that directly or indirectly owns one or more TRS Properties. Penn agrees that, in the event of a change of control or sale of all or substantially all of the assets of GLPI or of any GLPI Subsidiary that directly or indirectly owns one or more of the TRS Properties, for no additional consideration Penn will grant a license to use the Licensed Intellectual Property for a term of one year from the date of such change in control or transfer on the same terms as are applicable to GLPI pursuant to this Section 6.8 to such GLPI Subsidiary or the acquiror, as applicable, at such Person's election.

(v) Solely for the purposes of ensuring compliance with this Section 6.8, Penn's duly authorized representatives shall have the right to inspect the quality of the products and services provided at the TRS Properties, and GLPI shall permit, subject to applicable Law, such representatives of Penn to have reasonable access to all areas of the TRS Properties for such inspection purposes during regular business hours and on reasonable notice and in a manner that will cause minimal disruption to GLPI's business.

6.9 Compliance with Legal Requirements. After the Effective Time, GLPI covenants and agrees that it will comply in all material respects with all legal requirements and regulations applicable to it that have been enacted by a Governmental Authority as a condition to or otherwise in connection with the Distribution, including those set forth on Schedule 6.9.

ARTICLE VII

DISPUTE RESOLUTION

7.1 General Provisions.

(a) Any dispute, controversy or claim arising out of or relating to this Agreement or the other Transaction Documents (other than the Master Lease), or the validity, interpretation, breach or termination thereof (a "Dispute"), shall be resolved in accordance with the procedures set forth in this Article VII, which shall be the sole and exclusive procedures for the resolution of any such Dispute unless otherwise specified in the applicable Transaction Document or in this Article VII below.

(b) Commencing with a request contemplated by Section 7.2 set forth below, all communications between the parties or their representatives in connection with the attempted resolution of any Dispute shall be deemed to have been delivered in furtherance of a Dispute settlement and shall be exempt from discovery and production, and shall not be admissible into evidence for any reason (whether as an admission or otherwise), in any arbitral or other proceeding for the resolution of any Dispute.

(c) THE PARTIES EXPRESSLY WAIVE AND FOREGO ANY RIGHT TO (I) SPECIAL DAMAGES, AS DEFINED HEREIN (PROVIDED, THAT LIABILITY FOR ANY SUCH SPECIAL DAMAGES, AS DEFINED HEREIN, WITH RESPECT TO ANY THIRD PARTY CLAIM SHALL BE CONSIDERED DIRECT DAMAGES) AND (II) TRIAL BY JURY.

(d) The specific procedures set forth in this Article VII below, including the time limits referenced therein, may be modified by agreement of both of the parties in writing.

(e) All applicable statutes of limitations and defenses based upon the passage of time shall be tolled while the procedures specified in this Article VII are pending. The parties will take any necessary or appropriate action required to effectuate such tolling.

7.2 Arbitration.

(a) In the event of any Dispute, either party may (i) pursuant to its rights under Section 8.11, submit a request for interim injunctive relief to the arbitral tribunal appointed pursuant to Section 7.2(b) (provided, that, if the tribunal shall not have been constituted, either party may seek interim relief either before a special arbitrator, as provided for in Rule 14 of the CPR Arbitration Rules, or before any court of competent jurisdiction) if, in the reasonable opinion of such party, such interim injunctive relief is necessary to preserve its rights pending resolution of the Dispute, and (ii) submit such Dispute to be finally resolved by binding arbitration, in each case, pursuant to the CPR Rules for Non-Administered Arbitration as then in effect (the “CPR Arbitration Rules”).

(b) The neutral organization for purposes of the CPR Arbitration Rules will be the CPR. The arbitral tribunal will be composed of one arbitrator to be mutually agreed by the parties or, if the parties are unable to agree on an arbitrator, the arbitrator will be appointed by CPR from a list of eight (8) proposed neutrals submitted by the CPR each of whom shall have at least ten (10) years’ experience in arbitrating commercial disputes. Each party may strike no more than three (3) neutrals from the list submitted by CPR.

(c) Arbitration will take place in Wyomissing, Pennsylvania. Along with the arbitrator appointed, the parties will agree to a mutually convenient date and time to conduct the arbitration, but in no event will the hearing(s) be scheduled less than six (6) months from submission of the Dispute to arbitration unless the parties agree otherwise in writing; provided, that, if injunctive or other interim relief contemplated by Section 7.2(d) below is requested, the hearing(s) will be expedited in accordance with any order entered by the court, tribunal or special arbitrator adjudicating that request.

(d) The arbitral tribunal will have the right to award, on an interim basis, or include in the final award, any relief which it deems proper in the circumstances, including money damages (with interest on unpaid amounts from the due date), injunctive relief (including

specific performance) and attorneys’ fees and costs; provided, that the arbitral tribunal will not award any relief not specifically requested by the parties and, in any event, will not award Special Damages. Upon constitution of the arbitral tribunal following any grant of interim relief by a special arbitrator or court pursuant to Sections 7.2(a) and 8.11, the tribunal may affirm or disaffirm that relief, and the parties will seek modification or rescission of the order entered by the special arbitrator or court as necessary to accord with the tribunal’s decision.

(e) The parties agree to be bound by the provisions of Rule 13 of the Federal Rules of Civil Procedure with respect to compulsory counterclaims (as the same may be amended from time to time); provided, that any such compulsory counterclaim shall be filed within thirty (30) days of the filing of the original claim.

(f) So long as either party has a timely claim to assert, the agreement to arbitrate Disputes set forth in this Section 7.2 will continue in full force and effect subsequent to, and notwithstanding the completion, expiration or termination of, this Agreement.

(g) A party obtaining an order of interim injunctive relief may enter judgment upon such award in any court of competent jurisdiction. The final award in an arbitration pursuant to this Article VII shall be conclusive and binding upon the parties, and a party obtaining a final award may enter judgment upon such award in any court of competent jurisdiction.

(h) It is the intent of the parties that the agreement to arbitrate Disputes set forth in this Section 7.2 shall be interpreted and applied broadly such that all reasonable doubts as to arbitrability of a Dispute shall be decided in favor of arbitration.

(i) If a Dispute includes both arbitrable and nonarbitrable claims, counterclaims or defenses, the parties shall arbitrate all such arbitrable claims, counterclaims or defenses and shall concurrently litigate, subject to and in accordance with Section 8.2, all such nonarbitrable claims, counterclaims or defenses.

(j) The parties agree that any Dispute submitted to arbitration shall be governed by, and construed and interpreted in accordance with, Section 8.2 and, except as otherwise provided in this Article VII or mutually agreed to in writing by the parties, the Federal Arbitration Act, 9 U.S.C. §§ 1 et seq., shall govern any arbitration between the parties pursuant to this Section 7.2.

(k) Each party shall bear (i) its own fees, costs and expenses and shall bear an equal share of the expenses of the arbitration, including the fees, costs and expenses of the arbitrator; provided, in the case of any Disputes relating to the parties’ rights and obligations with respect to indemnification under Article V, the substantially prevailing party shall be entitled to reimbursement by the other party of its reasonable out-of-pocket fees and expenses (including attorneys’ fees) incurred in connection with the arbitration.

ARTICLE VIII

MISCELLANEOUS

8.1 Corporate Power. Penn represents on behalf of itself and on behalf of other members of the Penn Group, and GLPI represents on behalf of itself and on behalf of other members of the GLPI Group, as follows:

(a) each such Person has the requisite corporate power and authority and has taken all corporate action necessary in order to execute, deliver and perform each of this Agreement and each other Transaction Document to which it is a party and to consummate the transactions contemplated hereby and thereby; and

(b) this Agreement and each Transaction Document to which it is a party has been duly executed and delivered by it and constitutes a valid and binding agreement of it enforceable in accordance with the terms thereof.

8.2 Governing Law; Jurisdiction. This Agreement and, unless expressly provided therein, each other Transaction Document, shall be governed by and construed and interpreted in accordance with the Laws of the Commonwealth of Pennsylvania irrespective of the choice of Laws principles of the Commonwealth of Pennsylvania. In addition, with respect to this Agreement (other than arbitrable Disputes governed by Section 7.2) and, unless expressly provided therein, each other Transaction Document, Penn and GLPI agree that any legal action or proceeding shall be brought or determined exclusively in a state or federal court located within the County of Berks in the Commonwealth of Pennsylvania.

8.3 Survival of Covenants. Except as expressly set forth in any other Transaction Document, the covenants and other agreements contained in this Agreement and each other Transaction Document, and liability for the breach of any obligations contained herein or therein, shall survive each of the Reorganization and the Distribution and shall remain in full force and effect.

8.4 Force Majeure. No party hereto (or any Person acting on its behalf) shall have any liability or responsibility for failure to fulfill any obligation (other than a payment obligation) under this Agreement or, unless otherwise expressly provided therein, any other Transaction Document, so long as and to the extent to which the fulfillment of such obligation is prevented, frustrated, hindered or delayed as a consequence of circumstances of Force Majeure. A party claiming the benefit of this provision shall, as soon as reasonably practicable after the occurrence of any such event, (i) notify the other parties of the nature and extent of any such Force Majeure condition and (ii) use due diligence to remove any such causes and resume performance under this Agreement as soon as feasible.

8.5 Notices. All notices, requests, claims, demands and other communications under this Agreement and, to the extent applicable and unless otherwise provided therein, under each of the other Transaction Documents shall be in writing and shall be given or made (and shall be deemed to have been duly given or made upon receipt) by delivery in person, by overnight courier service, by facsimile or electronic transmission with receipt confirmed (followed by delivery of an original via overnight courier service) or by registered or certified mail (postage prepaid, return receipt requested) to the respective parties at the following addresses (or at such other address for a party as shall be specified in a notice given in accordance with this Section 8.5):

If to Penn, to:

Penn National Gaming, Inc.
825 Berkshire Boulevard, Suite 200
Wyomissing, Pennsylvania 19610
Attention: Chief Executive Officer
Facsimile: (610) 373-4966

with a copy to:

Ballard Spahr LLP
1735 Market Street, 51st Floor
Philadelphia, Pennsylvania 19103
Attention: Justin P. Klein, Esq.
Facsimile: (215) 864-9166

if to GLPI:

Gaming and Leisure Properties, Inc.
825 Berkshire Boulevard, Suite 400
Wyomissing, Pennsylvania 19610
Attention: Chief Executive Officer
Facsimile: [·]

with a copy to:

Pepper Hamilton LLP
300 Two Logan Square
Eighteenth and Arch Streets
Philadelphia, Pennsylvania 19103
Attention: Barry M. Abelson, Esq.
Facsimile: (215) 981-4750

8.6 Termination. Notwithstanding any provision to the contrary, this Agreement may be terminated and the Distribution abandoned at any time prior to the Effective Time by and in the sole discretion of Penn without the prior approval of any Person, including GLPI. In the event of such termination, this Agreement shall become void and no party, or any of its officers and directors shall have any liability to any Person by reason of this Agreement. After the Effective Time, this Agreement may not be terminated except by an agreement in writing signed by each of the parties to this Agreement.

8.7 Severability. If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced under any Law or as a matter of public policy, all other conditions and provisions of this Agreement shall remain in full force and effect. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties to this Agreement shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated by this Agreement be consummated as originally contemplated to the greatest extent possible.

8.8 Entire Agreement. Except as otherwise expressly provided in this Agreement, this Agreement (including the Schedules and Exhibits hereto) constitutes the entire agreement of the parties hereto with respect to the subject matter of this Agreement and supersedes all prior agreements and undertakings, both written and oral, between or on behalf of the parties hereto with respect to the subject matter of this Agreement.

8.9 Assignment; No Third-Party Beneficiaries. This Agreement shall not be assigned by either party without the prior written consent of the other party hereto. Except as provided in Article V with respect to Indemnified Parties, this Agreement is for the sole benefit of the parties to this Agreement and members of their respective Group and their permitted successors and assigns and nothing in this Agreement, express or implied, is intended to or shall confer upon any other Person any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

8.10 Public Announcements. From and after the Effective Time, Penn and GLPI agree that they shall make no public statement that would be inconsistent with any of the representations or assumptions underlying the Private Letter Ruling or that would otherwise in any manner compromise or undermine the tax treatment of any of the Transactions without the prior written consent of the other, except as may be required by applicable Law, court process or by obligations pursuant to any listing agreement with any national securities exchange or national securities quotation system.

8.11 Specific Performance. Subject to the provisions of Article VII, in the event of any actual or threatened default in, or breach of, any of the terms, conditions and provisions of this Agreement or any other Transaction Document, the party or parties who are or are to be thereby aggrieved shall have the right to specific performance and injunctive or other equitable relief (on an interim or permanent basis) of its rights under this Agreement or such Transaction Document, in addition to any and all other rights and remedies at law or in equity, and all such rights and remedies shall be cumulative. The parties agree that the remedies at law for any breach or threatened breach, including monetary damages, may be inadequate compensation for any loss and that any defense in any action for specific performance that a remedy at law would be adequate is waived. Any requirements for the securing or posting of any bond with such remedy are waived by each of the parties to this Agreement.

8.12 Amendment. No provision of this Agreement may be amended or modified except by a written instrument signed by all the parties to this Agreement. No waiver by any party of any provision of this Agreement shall be effective unless explicitly set forth in writing and executed by the party so waiving. The waiver by any party of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any other subsequent breach.

8.13 Rules of Construction. Interpretation of this Agreement shall be governed by the following rules of construction: (i) words in the singular shall be held to include the plural and

vice versa and words of one gender shall be held to include the other gender as the context requires, (ii) references to the terms Article, Section, paragraph, clause, Exhibit and Schedule are references to the Articles, Sections, paragraphs, clauses, Exhibits and Schedules of this Agreement unless otherwise specified, (iii) the terms “hereof,” “herein,” “hereby,” “hereto,” and derivative or similar words refer to this entire Agreement, including the Schedules and Exhibits hereto, (iv) references to “$” shall mean U.S. dollars, (v) the word “including” and words of similar import when used in this Agreement shall mean “including without limitation,” unless otherwise specified, (vi) the word “or” shall not be exclusive, (vii) references to “written” or “in writing” include in electronic form, (viii) unless the context requires otherwise, references to “party” shall mean Penn or GLPI, as appropriate, and references to “parties” shall mean Penn and GLPI, (ix) provisions shall apply, when appropriate, to successive events and transactions, (x) the table of contents and headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement, (xi) Penn and GLPI have each participated in the negotiation and drafting of this Agreement and if an ambiguity or question of interpretation should arise, this Agreement shall be construed as if drafted jointly by the parties hereto and no presumption or burden of proof shall arise favoring or burdening either party by virtue of the authorship of any of the provisions in this Agreement or any interim drafts of this Agreement, and (xii) a reference to any Person includes such Person’s successors and permitted assigns.

8.14 Counterparts. This Agreement may be executed in one (1) or more counterparts, and by the different parties to each such agreement in separate counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Agreement by facsimile or portable document format (PDF) shall be as effective as delivery of a manually executed counterpart of any such Agreement.

[*The remainder of this page is intentionally left blank.*]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed on the date first written above by their respective duly authorized officers.

PENN NATIONAL GAMING, INC.

By: ______________________________
Name:
Title:

GAMING AND LEISURE PROPERTIES, INC.

By: ______________________________
Name:
Title:

Signature Page to Separation and Distribution Agreement

AMENDED AND RESTATED
ARTICLES OF INCORPORATION
OF
GAMING AND LEISURE PROPERTIES, INC.

In compliance with the requirements of the Pennsylvania Business Corporation Law of 1988, as amended, 15 Pa.C.S. § 1911 et. seq. (relating to amendment of articles of incorporation), the Corporation hereby desires to amend and restate its Articles of Incorporation (these "Articles") in their entirety as follows:

ARTICLE I
NAME

The name of the corporation is Gaming and Leisure Properties, Inc. (the "Corporation").

ARTICLE II
ADDRESS OF REGISTERED OFFICE

Pursuant to 15 Pa.C.S. §109 (relating to name of commercial registered office provider in lieu of registered address), the registered office of the Corporation in this Commonwealth is 825 Berkshire Boulevard, Suite 400, Wyomissing, Pennsylvania 19610.

ARTICLE III
PURPOSE AND POWER

The Corporation is incorporated under the provisions of the Business Corporation Law of 1988, as amended (15 Pa.C.S. §§ 1101 et. seq.) (the "Business Corporation Law"). The purpose of the Corporation is to have unlimited power to engage in, and do any lawful act concerning, any or all lawful business (including, without limitation or obligation, engaging in business as a real estate investment trust under the Internal Revenue Code of 1986, as amended, or any successor statute (the "Code")) for which corporations may be incorporated under the provisions of the Business Corporation Law. For purposes of these Articles, "REIT" means a real estate investment trust under Sections 856 through 860 of the Code.

ARTICLE IV
TERM

The term for which the Corporation is to exist is perpetual.

ARTICLE V
AUTHORIZED SHARES

Section 5.1. Total Number of Shares. The total number of shares which the Corporation has authority to issue is Five Hundred Fifty Million (550,000,000) shares, consisting of:

(a) Five Hundred Million (500,000,000) shares of common stock with a par value of $.01 per share (the "Common Stock"); and

(b) Fifty Million (50,000,000) shares of preferred stock with a par value of $.01 per share (the "Preferred Stock").

The Preferred Stock and the Common Stock shall have the rights, preferences and limitations set forth below.

The Corporation shall be entitled to treat the Person in whose name any share of its stock is registered as the owner thereof for all purposes and shall not be bound to recognize any equitable or other claim to, or interest in, such share on the part of any other Person, whether or not the Corporation has notice thereof, except as expressly provided by applicable law.

Section 5.2. Preferred Stock. The Preferred Stock may be issued from time to time in one or more series with such distinctive designations as may be stated in the resolution or resolutions providing for the issue of such stock adopted, from time to time, by the Board of Directors of the Corporation (the "Board"). The resolution or resolutions providing for the issue of shares of a particular series shall fix, subject to applicable laws and the provisions hereof, the designation, rights, preferences and limitations of the shares of each such series. The authority of the Board with respect to each series of Preferred Stock shall include, but not be limited to, determination of the following:

(a) the designation of the series, which may be by distinguishing number, letter or title;

(b) the number of shares constituting such series, including the authority to increase or decrease such number (but not below the number of shares thereof then outstanding);

(c) the dividend rate of the shares of such series, whether the dividends shall be cumulative and, if so, the date from which they shall be cumulative, and the relative rights of priority, if any, of payment of dividends on shares of such series;

(d) the dates at which dividends, if any, shall be payable;

(e) the right, if any, of the Corporation to redeem shares of such series and the terms and conditions of such redemption;

(f) the rights of the shares in case of a voluntary or involuntary liquidation, dissolution or winding up of the Corporation, and the relative rights of priority, if any, of payment of shares of such series;

(g) the voting power, if any, of such series and the terms and conditions under which such voting power may be exercised;

(h) the obligation, if any, of the Corporation to retire shares of such series pursuant to a retirement or sinking fund or funds of a similar nature or otherwise and the terms and conditions of such obligations;

(i) the terms and conditions, if any, upon which shares of such series shall be convertible into or exchangeable for shares of stock of any other class or classes, including the price or prices or the rate or rates of conversion or exchange and the terms of adjustment, if any;

(j) restrictions on the issuance of shares of the same series or of any other class or series; and

(k) any other rights, preferences or limitations of the shares of such series.

Section 5.3. Common Stock.

(a) *Dividends*. Except as otherwise provided by the Business Corporation Law or these Articles, and subject to the powers, rights, privileges, preferences and priorities of holders of any series of Preferred Stock, as provided herein, the holders of Common Stock shall share ratably in all dividends payable in cash, stock or otherwise and other distributions, whether in respect of liquidation or dissolutions (voluntary or involuntary) or otherwise, at such times and in such amounts as the Board in its sole discretion may determine.

(b) *Conversion Rights*. The Common Stock shall not be convertible into, or exchangeable for, shares of any other class or classes or of any other series of the same class of the Corporation's capital stock.

(c) *Preemptive Rights.* No holder of Common Stock shall have any preemptive, subscription, redemption, conversion or sinking fund rights with respect to the Common Stock, or any instruments convertible (directly or indirectly) into stock of the Corporation whether now or hereafter authorized.

(d) *Voting Rights*. Except as otherwise provided by the Business Corporation Law or these Articles and subject to the rights of holders of any series of Preferred Stock, all of the voting power of the shareholders of the Corporation shall be vested in the holders of the Common Stock, and each holder of Common Stock shall have one vote for each share held. No Holder of Common Stock shall be entitled to the right of cumulative voting.

Section 5.4. Uncertificated Shares. Any or all classes and series of shares, or any part thereof, may be represented by certificates or may be uncertificated shares, at the

election of the Corporation, provided, however, that any shares represented by a certificate that are issued and outstanding shall continue to be represented thereby until the certificate is surrendered to the Corporation. The rights and obligations of the holders of shares represented by certificates and the rights and obligations of the holders of uncertificated shares of the same class and series shall be identical.

ARTICLE VI
BOARD OF DIRECTORS

Section 6.1. Classified Board. The affairs of the corporation shall be managed and conducted by a Board of Directors. The directors of the Corporation ("Directors"), other than those who may be elected by the holders of any class or series of stock having a preference over the Common Stock as to dividends or upon liquidation, shall be classified, with respect to the time for which they severally hold office, into three classes, as nearly equal in number as possible, as shall be provided in the manner specified in the By-Laws of the Corporation.

Section 6.2. Amendment. This Article VI shall not be amended, altered or repealed without the affirmative vote of the holders of at least seventy-five percent (75%) of the voting power of all shares of the Corporation entitled to vote generally in the election of Directors voting together as a single class.

ARTICLE VII
INDEMNIFICATION

The Corporation shall indemnify to the fullest extent permitted by applicable law, as it exists or may hereafter be amended or modified from time to time (but, in the case of any such amendment or modification, only to the extent that such amendment or modification permits the Corporation to provide greater indemnification rights than said law permitted the Corporation to provide prior to such amendment or modification), any Person against all liability, loss and expense (including attorneys' fees, judgments, fines, penalties and amounts paid in settlement) actually and reasonably incurred by such Person by reason of the fact that such Person is or was a Director or officer of the Corporation, or is or was serving at the request of the Corporation as a director or officer of another corporation or of a partnership, joint venture, trust or other enterprise or entity, whether or not for profit, whether domestic or foreign, including service with respect to an employee benefit plan, its participants or beneficiaries. The Corporation may take such steps as may be deemed appropriate by the Board of Directors, including purchasing and maintaining insurance, entering into contracts (including, without limitation, contracts of indemnification between the Corporation and its Directors, officers or employees), creating a trust fund, granting security interests or using other means (including, without limitation, a letter of credit) to ensure the payment of such amount as may be necessary to effect such indemnification. This Article VII shall not be amended, altered or repealed without the affirmative vote of the holders of at least seventy-five percent (75%) of the voting power of all shares of the Corporation entitled to vote generally in the election of Directors voting together as a single class. Any amendment to, alteration or repeal of this Article VII which has the effect of limiting the authority of the Corporation to indemnify Persons under this Article VII shall operate prospectively only and shall not limit in any way any indemnification provided or to be provided pursuant to this Article VII with respect to any action taken, or failure to act, occurring prior thereto.

ARTICLE VIII
LIMITATION ON LIABILITY OF DIRECTORS

To the fullest extent that laws of the Commonwealth of Pennsylvania, as in effect from time to time, permit elimination or limitation of the liability of Directors, no Director of the Corporation shall be personally liable for monetary damages as such for any action taken, or any failure to take any action, as a Director. If the laws of the Commonwealth of Pennsylvania hereafter are amended to further eliminate or limit the liability of a Director, then a Director of the Corporation, in addition to the circumstances in which a director is not personally liable as set forth in the preceding sentence, shall not be liable to the fullest extent permitted by the amended laws of the Commonwealth of Pennsylvania. The provisions of this Article VIII shall be deemed to be a contract with each Director of the Corporation who serves as such at any time while such provisions are in effect, and each such Director shall be deemed to be serving as such in reliance on the provisions of this Article VIII. This Article VIII shall not be amended, altered or repealed without the affirmative vote of the holders of at least seventy-five percent (75%) of the voting power of all shares of the Corporation entitled to vote generally in the election of Directors voting together as a single class. Any amendment to, alteration or repeal of this Article VIII which has the effect of increasing Director liability shall operate prospectively only and shall not have any effect with respect to any action taken, or any failure to act, by a Director prior thereto.

ARTICLE IX
REIT QUALIFICATION; OWNERSHIP AND TRANSFER RESTRICTIONS

Section 9.1. Definitions. For the purposes of these Articles, the following terms shall have the following meanings:

Aggregate Stock Ownership Limit. The term "Aggregate Stock Ownership Limit" shall mean not more than [ ]%(1) (in value or in number, whichever is more restrictive) of the aggregate of the outstanding shares of Capital Stock, subject to the Board's power under Section 9.2(h) hereof to increase or decrease such percentage. The value and number of the outstanding shares of Capital Stock shall be determined by the Board, which determination shall be conclusive for all purposes hereof. For the purposes of determining the percentage ownership of Capital Stock by any Person, shares of Capital Stock that may be acquired upon conversion, exchange or exercise of any securities of the Corporation Beneficially Owned or Constructively Owned by such Person, but not Capital Stock issuable with respect to the conversion, exchange or exercise of securities for the Corporation held by other Persons shall be deemed to be outstanding prior to conversion, exchange or exercise.

Beneficial Ownership. The term "Beneficial Ownership" shall mean ownership of Capital Stock by a Person, whether the interest in the shares of Capital Stock is held directly

(1) Percentage to be determined after confirming post-split ownership percentages of ≥10% holders.

or indirectly (including by a nominee), and shall include interests that would be treated as owned through the application of Section 544 of the Code, as modified by Sections 856(h)(1)(B) and 856(h)(3) of the Code. The terms "Beneficial Owner," "Beneficially Owns" and "Beneficially Owned" shall have the correlative meanings.

Business Day. The term "Business Day" shall mean any day, other than a Saturday or Sunday, that is neither a legal holiday nor a day on which banking institutions in Philadelphia, Pennsylvania are authorized or required by law, regulation or executive order to close.

Capital Stock. The term "Capital Stock" shall mean all classes or series of stock of the Corporation, including, without limitation, Common Stock and Preferred Stock.

Charitable Beneficiary. The term "Charitable Beneficiary" shall mean one or more beneficiaries of the Trust as determined pursuant to Section 9.3(f), provided that each such organization must be described in Section 501(c)(3) of the Code and contributions to each such organization must be eligible for deduction under each of Sections 170(b)(1)(A), 2055 and 2522 of the Code.

Common Stock Ownership Limit. The term "Common Stock Ownership Limit" shall mean not more than [ ]%(2) of the aggregate of the outstanding shares of Common Stock, subject to the Board's power under Section 9.2(h) hereof to increase or decrease such percentage. The number of the outstanding shares of Common Stock of the Corporation shall be determined by the Board, which determination shall be conclusive for all purposes hereof. For purposes of determining the percentage ownership of Common Stock by any Person, shares of Common Stock that may be acquired upon conversion, exchange or exercise of any securities of the Corporation Beneficially Owned or Constructively Owned by such Person, but not Common Stock issuable with respect to the conversion, exchange or exercise of securities for the Corporation held by other Persons, shall be deemed to be outstanding prior to conversion, exchange or exercise.

Constructive Ownership. The term "Constructive Ownership" shall mean ownership of Capital Stock by a Person, whether the interest in the shares of Capital Stock is held directly or indirectly (including by a nominee), and shall include interests that would be treated as owned actually or constructively through the application of Section 318(a) of the Code, as modified by Section 856(d)(5) of the Code. The terms "Constructive Owner," "Constructively Owns" and "Constructively Owned" shall have correlative meanings.

Excepted Holder. The term "Excepted Holder" shall mean a Person for whom an Excepted Holder Limit is created by these Articles or by the Board pursuant to Section 9.2(g).

Excepted Holder Limit. The term "Excepted Holder Limit" shall mean, provided that the affected Excepted Holder agrees to comply with the requirements established by these Articles or by the Board pursuant to Section 9.2(g) and subject to adjustment pursuant to Section 9.2(h), the percentage limit established for an Excepted Holder by the Board pursuant to Section

(2) Percentage to be determined after confirming post-split ownership percentages of ≥10% holders.

9.2(g), provided, however, that the Excepted Holder Limit for an Excepted Holder shall be 9.9% in number of shares or value (whichever is more restrictive) unless, from the REIT Election Date until the Restriction Termination Date, such Excepted Holder does not Constructively Own an interest in Tenant of the Corporation (or a Tenant of any entity owned or controlled by the Corporation) that would cause the Corporation to Constructively Own more than a 9.9% interest (as set forth in Section 856(d)(2)(B) of the Code) in such Tenant. The value, voting power and number of the outstanding shares of Capital Stock shall be determined by the Board, which determination shall be conclusive for all purposes hereof.

Initial Date. The term "Initial Date" shall mean the date upon which the Amended and Restated Articles of Incorporation containing this Article IX are filed with the Pennsylvania Secretary of State.

Market Price. The term "Market Price" on any date shall mean, with respect to any class or series of outstanding shares of Capital Stock, the Closing Price for such Capital Stock on such date. The "Closing Price" on any date shall mean the last reported sale price for such Capital Stock, regular way, or, in case no such sale takes place on such day, the average of the closing bid and asked prices, regular way, for such Capital Stock, in either case as reported in the principal consolidated transaction reporting system with respect to securities listed or admitted to trading on Nasdaq or, if such Capital Stock is not listed or admitted to trading on Nasdaq, as reported on the principal consolidated transaction reporting system with respect to securities listed on the principal national securities exchange on which such Capital Stock is listed or admitted to trading or, if such Capital Stock is not listed or admitted to trading on any national securities exchange, the last quoted price, or, if not so quoted, the average of the high bid and low asked prices in the over-the-counter market, as reported by the principal automated quotation system that may then be in use or, if such Capital Stock is not quoted in any automated quotation system, the average of the closing bid and asked prices as furnished by a professional market maker making a market in such Capital Stock selected by the Board or, in the event that no trading price is available for such Capital Stock, the fair market value of the Capital Stock, as determined by the Board, which determination shall be conclusive for all purposes hereof.

Nasdaq. The term "Nasdaq" shall mean The NASDAQ Stock Market, Inc.

Person. The term "Person" shall mean an individual, corporation, partnership, limited liability company, estate, trust (including a trust qualified under Section 401(a) or 501(c)(17) of the Code), a portion of a trust permanently set aside for or to be used exclusively for the purposes described in Section 642(c) of the Code, association, private foundation within the meaning of Section 509(a) of the Code, joint stock company or other entity or any government or agency or political subdivision thereof and also includes a group as that term is used for purposes of Section 13(d)(3) of the Securities Exchange Act of 1934, as amended, and a group to which an Excepted Holder Limit applies.

Prohibited Owner. The term "Prohibited Owner" shall mean, with respect to any purported Transfer (or other event), any Person who, but for the provisions of Section 9.2(a), would Beneficially Own or Constructively Own shares of Capital Stock in violation of the provisions of Section 9.2(a)(i). The term "Prohibited Owner" shall also mean, with regard to any

purposed Transfer, if appropriate in the context, any Person who would have been the record owner of the shares of Capital Stock that the Prohibited Owner would have so owned.

REIT Election Date. The term "REIT Election Date" shall mean January 1, 2014 or such other date on which the Corporation elects to be taxed as a REIT under the Code.

Restriction Termination Date. The term "Restriction Termination Date" shall mean the first day after the Initial Date on which the Corporation determines pursuant to Section 9.7 of these Articles that it is no longer in the best interests of the Corporation to attempt to, or continue to, qualify as a REIT or that compliance with the restrictions and limitations on Beneficial Ownership, Constructive Ownership and Transfers of shares of Capital Stock set forth herein are no longer required in order for the Corporation to qualify as a REIT.

Tenant. The term "Tenant" shall mean any Person that leases (or subleases) real property from the Corporation.

Transfer. The term "Transfer" shall mean any issuance, sale, transfer, gift, assignment, devise or other disposition, as well as any other event that causes any Person to acquire Beneficial Ownership or Constructive Ownership, or any agreement to take any such actions or cause any such events, of Capital Stock or the right to vote or receive dividends on Capital Stock, including (a) the granting or exercise of any option (or any disposition of any option) with respect to Capital Stock, (b) entering into any agreement for the sale, transfer or other disposition of Capital Stock, (c) any sale, transfer, assignment or other disposition of any securities or rights convertible into or exchangeable for Capital Stock or any interest in Capital Stock or any exercise of any such conversion or exchange right and (d) Transfers of interests in other entities that result in changes in the Beneficial Ownership or Constructive Ownership of Capital Stock; in each case, whether voluntary or involuntary, whether owned of record, Constructively Owned or Beneficially Owned and whether by operation of law or otherwise. The terms "Transferring" and "Transferred" shall have the correlative meanings.

Trust. The term "Trust" shall mean any trust provided for in Section 9.3(a).

Trustee. The term "Trustee" shall mean the Person unaffiliated with the Corporation and a Prohibited Owner, that is appointed by the Corporation to serve as trustee of the Trust.

Unsuitable Person. The term "Unsuitable Person" shall have the meaning given in Section 10.1.

Section 9.2. Capital Stock.

(a) Ownership Limitations. During the period commencing on the Initial Date and ending on the Restriction Termination Date:

(i) Basic Restrictions.

(A) (1) No Person, other than an Excepted Holder, shall Beneficially Own or Constructively Own either shares of Capital Stock in excess of the

Aggregate Stock Ownership Limit or shares of Common Stock in excess of the Common Stock Ownership Limit and (2) no Excepted Holder shall Beneficially Own or Constructively Own shares of Capital Stock in excess of the Excepted Holder Limit for such Excepted Holder.

(B) No Person shall Beneficially Own or Constructively Own shares of Capital Stock to the extent that such Beneficial Ownership or Constructive Ownership of Capital Stock would result in the Corporation being "closely held" within the meaning of Section 856(h) of the Code (without regard to whether the ownership interest is held during the last half of a taxable year), or otherwise failing to qualify as a REIT.

(C) No Person shall Constructively Own shares of Capital Stock to the extent that such Constructive Ownership would cause any income of the Corporation that would otherwise qualify as "rents from real property" for purposes of Section 856(d) of the Code to fail to qualify as such.

(D) No Person shall Transfer any shares of Capital Stock if, as a result of the Transfer, the Capital Stock would be Beneficially Owned (determined without reference to the rules of attribution under Section 544 of the Code) by fewer than one hundred (100) Persons).

(ii) Transfer in Trust. If any Transfer of shares of Capital Stock or any other event occurs which, if effective, would result in any Person Beneficially Owning or Constructively Owning shares of Capital Stock in violation of Section 9.2(a)(i),

(A) then that number of shares of Capital Stock the Beneficial Ownership or Constructive Ownership of which otherwise would cause such Person to violate Section 9.2(a)(i) (rounded up to the nearest whole share) shall be automatically transferred to a Trust for the benefit of a Charitable Beneficiary, as described in Section 9.3, effective as of the close of business on the Business Day prior to the date of such Transfer, and such Person shall acquire no rights in such shares of Capital Stock; or

(B) if the transfer to the Trust described in clause (A) of this sentence would not be effective for any reason to prevent the violation of Section 9.2(a)(i), then the Transfer of that number of shares of Capital Stock that otherwise would cause any Person to violate Section 9.2(a)(i) shall be void ab initio, and the intended transferee shall acquire no rights in such shares of Capital Stock.

(C) In determining which shares of Capital Stock are to be transferred to a Trust in accordance with this Section 9.2(a)(ii) and Section 9.3 hereof, shares shall be so transferred to a Trust in such manner that minimizes the aggregate value of the shares that are transferred to the Trust (except to the extent otherwise provided in Section 9.2(f)).

(D) To the extent that, upon a transfer of shares of Capital Stock pursuant to this Section 9.2(a)(ii), a violation of Section 9.2(a)(i) would nonetheless be continuing, (for example where the ownership of shares of Capital Stock by a single Trust would result in the Capital Stock being beneficially owned (determined under the principles of Section 856(a)(5) of the Code) by fewer than one hundred (100) Persons), the shares of Capital Stock shall be transferred to that number of Trusts, each having a distinct Trustee and a Charitable

Beneficiary or Beneficiaries that are distinct from those of each other Trust, such that there is no violation of Section 9.2(a)(i).

(b) Remedies for Breach. If the Board or any duly authorized committee thereof (or other designees if permitted by the Business Corporation Law) shall at any time determine, which determination shall be conclusive for all purposes hereof, that a Transfer or other event has taken place that results in a violation of Section 9.2(a)(i) or that a Person intends to acquire or has attempted to acquire Beneficial Ownership or Constructive Ownership of any shares of Capital Stock in violation of Section 9.2(a)(i) (whether or not such violation is intended), the Board or a committee thereof (or other designees if permitted by the Business Corporation Law) shall take such action as it deems advisable to refuse to give effect to or to prevent such Transfer or other event, including, without limitation, causing the Corporation to redeem shares of Capital Stock, refusing to give effect to such Transfer on the books of the Corporation or instituting proceedings to enjoin such Transfer or other event; provided, however, that any Transfer or attempted Transfer or other event in violation of Section 9.2(a)(i) shall automatically result in the transfer to the Trust described above and, where applicable, such Transfer (or other event) shall be void ab initio as provided above irrespective of any action (or non-action) by the Board or a committee thereof.

(c) Notice of Restricted Transfer. Any Person who acquires or attempts or intends to acquire Beneficial Ownership or Constructive Ownership of shares of Capital Stock that will or may violate Section 9.2(a)(i) or any Person who would have owned shares of Capital Stock that resulted in a transfer to the Trust pursuant to the provisions of Section 9.2(a)(ii) shall immediately give written notice to the Corporation of such event, or in the case of such a proposed or attempted transaction, give at least fifteen (15) days prior written notice, and shall provide to the Corporation such other information as the Corporation may request in order to determine the effect, if any, of such Transfer on the Corporation's qualification (or, if prior to the REIT Election Date, expected qualification) as a REIT.

(d) Owners Required to Provide Information. From the Initial Date until the Restriction Termination Date:

(i) every Person who is a Beneficial Owner or Constructive Owner of more than five percent (5%) (or such lower percentage as required by the Code or the Treasury Regulations promulgated thereunder) in number or value of the outstanding shares (whichever is more restrictive) of Capital Stock, within thirty (30) days after initially reaching such ownership threshold and within thirty (30) days after the end of each taxable year, shall give written notice to the Corporation stating the name and address of such owner, the number of shares of Capital Stock and other shares of the Capital Stock Beneficially Owned or Constructively Owned and a description of the manner in which such shares are held. Each such Person shall provide to the Corporation such additional information as the Corporation may request in order to determine the effect, if any, of such Beneficial Ownership on the Corporation's qualification (or, if prior to the REIT Election Date, expected qualification) as a REIT and to ensure compliance with the Aggregate Stock Ownership Limit and the Common Stock Ownership Limit; and

(ii) each Person who is a Beneficial Owner or Constructive Owner of Capital Stock and each Person (including the shareholder of record) who is holding Capital Stock for a Beneficial Owner or Constructive Owner shall provide to the Corporation such information as the Corporation may request in order to determine the Corporation's qualification (or, if prior to the REIT Election Date, expected qualification) as a REIT and to comply with requirements of any taxing authority or governmental authority or to determine such compliance and to ensure compliance with the Aggregate Stock Ownership Limit and the Common Stock Ownership Limit.

(e) Remedies Not Limited. Subject to Section 9.7 of these Articles, nothing contained in this Section 9.2 shall limit the authority of the Board to take such other action as it deems necessary or advisable to protect the Corporation and the interests of its shareholders in preserving the Corporation’s qualification (or, if prior to the REIT Election Date, expected qualification) as a REIT.

(f) Ambiguity. In the case of an ambiguity in the application of any of the provisions of this Section 9.2, Section 9.3 or any definition contained in Section 9.1, the Board shall have the power to determine the application of the provisions of this Section 9.2 or Section 9.3 or any such definition with respect to any situation based on the facts known to it. In the event Section 9.2 or Section 9.3 requires an action by the Board and these Articles fail to provide specific guidance with respect to such action, the Board shall have the power to determine the action to be taken so long as such action is not contrary to the provisions of Section 9.1, Section 9.2, and Section 9.3. Absent a decision to the contrary by the Board (which the Board may make in its sole and absolute discretion), if a Person would have (but for the remedies set forth in Section 9.2(a)) acquired Beneficial Ownership or Constructive Ownership of Capital Stock in violation of Section 9.2(a), such remedies (as applicable) shall apply first to the shares of Capital Stock that, but for such remedies, would have been actually owned by such Person, and second to shares of Capital Stock which, but for such remedies, would have been Beneficially Owned or Constructively Owned (but not actually owned) by such Person, pro rata among the Persons who actually own such shares of Capital Stock based upon the relative number of the shares of Capital Stock held by each such Person.

(g) Exceptions.

(i) Subject to Section 9.2(a), the Board, in its sole discretion, may exempt (prospectively or retroactively) a Person from the Aggregate Stock Ownership Limit, the Common Stock Ownership Limit, or both such limits and may establish or increase an Excepted Holder Limit for such Person if:

(A) the Board obtains such representations and undertakings from such Person as are reasonably necessary to ascertain that no individual’s Beneficial Ownership or Constructive Ownership of such shares of Capital Stock will violate Section 9.2(a)(i)(B) or (C);

(B) such Person does not and agrees that it will not own, actually or Constructively, an interest in a Tenant of the Corporation (or a Tenant of any entity owned or controlled by the Corporation) that would cause the Corporation to own, actually

or Constructively, more than a 9.9% interest (as set forth in Section 856(d)(2)(B) of the Code) in such Tenant and the Board obtains such representations and undertakings from such Person as are reasonably necessary to ascertain this fact (except to the extent that the Board in its sole discretion determines that the amount of rent derived from such Tenant is sufficiently small that the receipt of rent from such Tenant would not adversely affect the Corporation’s ability to qualify as a REIT); and

(C) such Person agrees that any violation or attempted violation of such representations or undertakings (or other action which is contrary to the restrictions contained in Section 9.2(a) through Section 9.2(f)) will result in such shares of Capital Stock being automatically transferred to a Trust in accordance with Section 9.2(a)(ii) and Section 9.3.

(ii) Prior to granting any exception pursuant to Section 9.2(g)(i), the Board may require a ruling from the Internal Revenue Service, or an opinion of counsel, in either case in form and substance satisfactory to the Board in its sole discretion, as it may deem necessary or advisable in order to determine or ensure the Corporation’s qualification as a REIT. Notwithstanding the receipt of any ruling or opinion, the Board may impose such conditions or restrictions as it deems appropriate in connection with granting such exception.

(iii) Subject to Section 9.2(a)(i)(B), an underwriter or placement agent that participates in a public offering or a private placement of Capital Stock (or securities convertible into or exchangeable for Capital Stock) may Beneficially Own or Constructively Own shares of Capital Stock (or securities convertible into or exchangeable for Capital Stock) in excess of the Aggregate Stock Ownership Limit, the Common Stock Ownership Limit, or both such limits, but only to the extent necessary to facilitate such public offering or private placement.

(iv) The Board may only reduce the Excepted Holder Limit for an Excepted Holder: (A) with the written consent of such Excepted Holder at any time, or (B) pursuant to the terms and conditions of the agreements and undertakings entered into with such Excepted Holder in connection with the establishment of the Excepted Holder Limit for that Excepted Holder. No Excepted Holder Limit shall be reduced to a percentage that is less than the Aggregate Stock Ownership Limit or the Common Stock Ownership Limit, as the case may be. In the event that the shares of Capital Stock Beneficially Owned or Constructively Owned by the Excepted Holder decrease to equal to or less than the Aggregate Stock Ownership Limit, or the shares of Common Stock Beneficially Owned or Constructively Owned by the Excepted Holder decrease to equal to or less than the Common Stock Ownership Limit, then in either such case, the Board may deem such Person no longer to be an Excepted Holder, after which such Person’s Excepted Holder Limit shall no longer apply.

(h) Change in Aggregate Stock Ownership Limit and Common Stock Ownership Limit. The Board may from time to time increase or decrease the Aggregate Stock Ownership Limit and Common Stock Ownership Limit; provided, however, that a decreased Aggregate Stock Ownership Limit or Common Stock Ownership Limit will not be effective for any Person whose percentage ownership of Capital Stock or Common Stock, as the case may be, is in excess of such decreased Aggregate Stock Ownership Limit or Common Stock Ownership

Limit until such time as such Person’s percentage of Capital Stock or Common Stock, as the case may be, equals or falls below the decreased Aggregate Stock Ownership Limit or Common Stock Ownership, but until such time as such Person’s percentage of Capital Stock or Common Stock, as the case may be, falls below such decreased Aggregate Stock Ownership Limit or Common Stock Ownership Limit, any further acquisition of Capital Stock or Common Stock will be in violation of the Aggregate Stock Ownership Limit or Common Stock Ownership Limit and, provided further, that the new Aggregate Stock Ownership Limit or Common Stock Ownership Limit would not allow five or fewer individuals (as defined in Section 542(a)(2) of the Code and taking into account all Excepted Holders) to Beneficially Own more than 49.9% in value of the outstanding Capital Stock. If the Board of Directors changes the Common Stock Ownership Limit and/or Aggregate Stock Ownership Limit, it will (i) notify each shareholder of record of any such change, and (ii) publicly announce any such change, in each case at least 10 days prior to the effective date of such change.

(i) Legend. Each certificate for shares of Capital Stock shall bear a legend summarizing the provisions of this Article IX. Instead of such legend, the certificate may state that the Corporation will furnish a full statement about certain restrictions on transferability to a shareholder on request and without charge.

Section 9.3. Transfer of Capital Stock in Trust.

(a) Ownership in Trust. Upon any purported Transfer or other event described in Section 9.2(a)(i), or upon the determination of the Board pursuant to Section 10.7(a), in either case that would result in a transfer of shares of Capital Stock to a Trust, such shares of Capital Stock shall be deemed to have been transferred to the Trustee as trustee of a Trust for the exclusive benefit of one or more Charitable Beneficiaries. Such transfer to the Trustee shall be deemed to be effective as of the close of business on the Business Day prior to the purported Transfer or other event that results in the transfer to the Trust pursuant to Section 9.2(a)(ii) or in the case of a determination by the Board pursuant to Section 10.7(a), the date of such determination. The Trustee shall be appointed by the Corporation and shall be a Person unaffiliated with the Corporation and any Prohibited Owner or Unsuitable Person, as the case may be. Each Charitable Beneficiary shall be designated by the Corporation as provided in Section 9.3(f).

(b) Status of Shares Held by the Trustee. Shares of Capital Stock held by the Trustee shall continue to be issued and outstanding shares of Capital Stock of the Corporation. The Prohibited Owner or Unsuitable Person (as applicable) shall have no rights in the shares of Capital Stock held by the Trustee. The Prohibited Owner or Unsuitable Person (as applicable) shall not benefit economically from ownership of any shares held in trust by the Trustee, shall have no rights to dividends or other distributions and shall not possess any rights to vote or other rights attributable to the shares held in the Trust.

(c) Dividend and Voting Rights. The Trustee shall have all voting rights and rights to dividends or other distributions with respect to shares of Capital Stock held in the Trust, which rights shall be exercised for the exclusive benefit of the Charitable Beneficiary. Any dividend or other distribution paid to a Prohibited Owner or Unsuitable Person (as applicable) prior to the discovery by the Corporation that the shares of Capital Stock have been

transferred to the Trustee shall be paid with respect to such shares of Capital Stock by the Prohibited Owner or Unsuitable Person (as applicable) to the Trustee upon demand and any dividend or other distribution authorized but unpaid shall be paid when due to the Trustee. Any dividend or distribution so paid to the Trustee shall be held in trust for the Charitable Beneficiary. The Prohibited Owner or Unsuitable Person (as applicable) shall have no voting rights with respect to shares held in the Trust and, subject to the Business Corporation Law, effective as of the date that the shares of Capital Stock have been transferred to the Trustee, the Trustee shall have the authority (at the Trustee’s sole discretion) (i) to rescind as void any vote cast by a Prohibited Owner or Unsuitable Person (as applicable) prior to the discovery by the Corporation that the shares of Capital Stock have been transferred to the Trustee and (ii) to recast such vote in accordance with the desires of the Trustee acting for the benefit of the Charitable Beneficiary; provided, however, that if the Corporation has already taken irreversible corporate action, then the Trustee shall not have the authority to rescind and recast such vote. Notwithstanding the provisions of this Article IX, until the Corporation has received notification that shares of Capital Stock have been transferred into a Trust, the Corporation shall be entitled to rely on its share transfer and other shareholder records for purposes of preparing lists of shareholders entitled to vote at meetings, determining the validity and authority of proxies and otherwise conducting votes of shareholders.

(d) Sale of Shares by Trustee. Within twenty (20) days of receiving notice from the Corporation that shares of Capital Stock have been transferred to the Trust, the Trustee of the Trust shall sell the shares held in the Trust to a Person, designated by the Trustee: (A) whose ownership of the shares will not violate the ownership limitations set forth in Section 9.2(a)(i); and (B) who is not an Unsuitable Person. Upon such sale, the interest of the Charitable Beneficiary in the shares sold shall terminate and the Trustee shall, as provided in this Section 9.3(d), distribute the net proceeds of the sale to the Charitable Beneficiary and the Prohibited Owner (in the case of a transfer to the Trust pursuant to Section 9.2(a)(ii)) or the Unsuitable Person (in the case of a transfer to the Trust pursuant to Section 10.7(a)). A Prohibited Owner shall receive the lesser of (i) the Market Price of the shares on the day of the event causing the shares to be held in the Trust, and (ii) the price per share received by the Trustee (net of any commissions and other expenses of sale) from the sale or other disposition of the shares held in the Trust. An Unsuitable Person shall receive the lesser of (i) the Redemption Price, and (ii) the price per share received by the Trustee (net of any commissions and other expenses of sale) from the sale or other disposition of the shares held in the Trust, minus the Discount. The Trustee may reduce the amount payable to the Prohibited Owner or Unsuitable Person (as the case may be) by the amount of dividends and distributions paid to the Prohibited Owner or Unsuitable Person (as the case may be) and owed by the Prohibited Owner or Unsuitable Person to the Trustee pursuant to Section 9.3(c) of this Article IX. Any net sales proceeds in excess of the amount payable to the Prohibited Owner or Unsuitable Person (as the case may be) shall be immediately paid to the Charitable Beneficiary. If, prior to the discovery by the Corporation that shares of Capital Stock have been transferred to the Trustee, such shares are sold by a Prohibited Owner or Unsuitable Person (as the case may be), then (A) such shares shall be deemed to have been sold on behalf of the Trust and (B) to the extent that the Prohibited Owner or Unsuitable Person received an amount for such shares that exceeds the amount that such Prohibited Owner or Unsuitable Person was entitled to receive pursuant to this Section 9.3(d), such excess shall be paid to the Trustee upon demand.

(e) Purchase Right in Stock Transferred to the Trustee. Shares of Capital Stock transferred to the Trustee shall be deemed to have been offered for sale to the Corporation, or its designee, at a price per share equal to: (i) in the case of a Prohibited Owner, the lesser of (A) the Market Price of the shares on the day of the event causing the shares to be held in the Trust or (B) the Market Price on the date the Corporation, or its designee, accepts such offer; and (ii) in the case of an Unsuitable Person, the lesser of (A) the Redemption Price or (B) the Market Price on the date the Corporation, or its designee, accepts such offer, minus the Discount. The Corporation may reduce the amount payable to the Prohibited Owner or Unsuitable Person (as applicable) by the amount of dividends and distributions paid to the Prohibited Owner or Unsuitable Person (as applicable) and owed to the Trustee pursuant to Section 9.3(c) of this Article IX. The Corporation may pay the amount of such reduction to the Trustee for the benefit of the Charitable Beneficiary. The Corporation shall have the right to accept such offer unless and until the Trustee has sold the shares held in the Trust pursuant to Section 9.3(d). Upon such a sale to the Corporation, the interest of the Charitable Beneficiary in the shares sold shall terminate and the Trustee shall distribute the net proceeds of the sale to the Prohibited Owner or Unsuitable Person (as the case may be), and any dividends or other distributions held by the Trustee shall be paid to the Charitable Beneficiary. The Corporation may pay for any shares purchased pursuant to this paragraph (e) in any combination of cash and/or promissory note as determined by the Board of Directors, provided, that in the event the Corporation elects to pay for any shares with a promissory note, such promissory note shall contain such terms and conditions as the Board of Directors determines necessary or advisable, including without limitation, subordination provisions, to comply with any law or regulation then applicable to the Corporation or any affiliate of the Corporation or to prevent a default under, breach of, event of default under or acceleration of any loan, promissory note, mortgage, indenture, line of credit, or other debt or financing agreement of the Corporation or any affiliate of the Corporation. Subject to the foregoing, the principal amount of the promissory note together with any unpaid interest shall be due and payable no later than the tenth anniversary of delivery of the note and interest on the unpaid principal thereof shall be payable annually in arrears at the rate of two 2% per annum.

(f) Designation of Charitable Beneficiaries. By written notice to the Trustee, the Corporation shall designate one or more nonprofit organizations to be the Charitable Beneficiary of the interest in the Trust such that (i) the shares of Capital Stock held in the Trust would not violate the restrictions set forth in Section 9.2(a)(i) in the hands of such Charitable Beneficiary and (ii) each such organization must be described in Section 501(c)(3) of the Code and contributions to each such organization must be eligible for deduction under each of Sections 170(b)(1)(A), 2055 and 2522 of the Code.

Section 9.4. Nasdaq Transactions. Nothing in this Article IX shall preclude the settlement of any transaction entered into through the facilities of Nasdaq or any other national securities exchange or automated inter-dealer quotation system. The fact that the settlement of any transaction occurs shall not negate the effect of any other provision of this Article IX and any transferee in such a transaction shall be subject to all of the provisions and limitations set forth in this Article IX.

Section 9.5. Enforcement. The Corporation is authorized specifically to seek equitable relief, including injunctive relief, to enforce the provisions of this Article IX.

Section 9.6. Non-Waiver. No delay or failure on the part of the Corporation or the Board in exercising any right hereunder shall operate as a waiver of any right of the Corporation or the Board, as the case may be, except to the extent specifically waived in writing.

Section 9.7. REIT Qualification. If the Corporation elects to qualify for federal income tax treatment as a REIT, the Board may, in its sole and absolute discretion, take such lawful actions as it deems necessary or appropriate to preserve the qualification of the Corporation as a REIT; however, if the Board determines that it is no longer in the best interests of the Corporation to continue to be qualified as a REIT, the Board may revoke or otherwise terminate the Corporation's REIT election pursuant to Section 856(g) of the Code. The Board also may determine that compliance with any restriction or limitation on stock ownership and transfers set forth in this Article IX hereof is no longer required for REIT qualification.

Section 9.8. Severability. If any provision of this Article IX or any application of any such provision is determined to be invalid by any federal or state court having jurisdiction over the issues, the validity of the remaining provisions shall not be affected and other applications of such provisions shall be affected only to the extent necessary to comply with the determination of such court.

ARTICLE X
GAMING AND REGULATORY MATTERS

Section 10.1. Definitions. For purposes of these Articles, the following terms shall have the meanings specified below:

Affiliate. The term "Affiliate" (and derivatives of such term) shall have the meaning ascribed to such term under Rule 12b-2 promulgated by the SEC under the Exchange Act.

Affiliated Company. The term "Affiliated Company" shall mean any partnership, corporation, limited liability company, trust or other entity directly or indirectly Affiliated or under common Ownership or Control with the Corporation including, without limitation, any subsidiary, holding company or intermediary company (as those or similar terms are defined under the Gaming Laws of any applicable Gaming Jurisdictions), in each case that is registered or licensed under applicable Gaming Laws.

Control. The term "Control" (and derivatives of such term) (i) with respect to any Person, shall have the meaning ascribed to such term under Rule 12b-2 promulgated by the SEC under the Exchange Act, (ii) with respect to any Interest, shall mean the possession, directly or indirectly, of the power to direct, whether by agreement, contract, agency or otherwise, the voting rights or disposition of such Interest, and (iii) as applicable, the meaning ascribed to the term "control" (and derivatives of such term) under the Gaming Laws of any applicable Gaming Jurisdictions.

Discount. The term "Discount" shall mean such percentage (up to 100%) as the Board may determine in its sole and absolute discretion, taking into account such equitable and other factors as it deems appropriate. With respect to any amount, the Discount shall mean the Discount percentage of such amount.

Exchange Act. The term "Exchange Act" shall mean the Securities Exchange Act of 1934, as amended from time to time.

Gaming or Gaming Activities. The terms "Gaming" or "Gaming Activities" shall mean the conduct of gaming and gambling activities, race books and sports pools, or the use of gaming devices, equipment and supplies in the operation of a casino, pari-mutuel facility, card club, website, mobile application or other enterprise, including, without limitation, slot machines, gaming tables, cards, dice, gaming chips, player tracking systems, cashless wagering systems, mobile gaming systems, inter-casino linked systems and related and associated equipment, supplies and systems.

Gaming Authorities. The term "Gaming Authorities" shall mean all international, national, foreign, domestic, federal, state, provincial, regional, local, tribal, municipal and other regulatory and licensing bodies, instrumentalities, departments, commissions, authorities, boards, officials, tribunals and agencies with authority over or responsibility for the regulation of Gaming within any Gaming Jurisdiction.

Gaming Jurisdictions. "Gaming Jurisdictions" shall mean all jurisdictions, domestic and foreign, and their political subdivisions, in which Gaming Activities are or may be lawfully conducted, including, without limitation, all Gaming Jurisdictions in which the Corporation or any of the Affiliated Companies currently conducts or may in the future conduct Gaming Activities.

Gaming Laws. The term "Gaming Laws" shall mean all laws, statutes and ordinances pursuant to which any Gaming Authority possesses regulatory, permit and licensing authority over the conduct of Gaming Activities, or the Ownership or Control of an Interest in an entity which conducts Gaming Activities, in any Gaming Jurisdiction, all orders, decrees, rules and regulations promulgated thereunder, all written and unwritten policies of the Gaming Authorities and all written and unwritten interpretations by the Gaming Authorities of such laws, statutes, ordinances, orders, decrees, rules, regulations and policies.

Gaming Licenses. The term "Gaming Licenses" shall mean all licenses, permits, approvals, orders, authorizations, registrations, findings of suitability, franchises, exemptions, waivers, concessions and entitlements issued by any Gaming Authority necessary for or relating to the conduct of Gaming Activities by any Person or the Ownership or Control by any Person of an Interest in an entity that conducts or may in the future conduct Gaming Activities.

Interest. The term "Interest" shall mean the stock or other securities of an entity or any other interest or financial or other stake therein, including, without limitation, the Securities.

Own or Ownership. The terms "Own" or "Ownership" (and derivatives of such terms) shall mean (i) ownership of record, (ii) "beneficial ownership" as defined in Rule 13d-3 or Rule 16a-1(a)(2) promulgated by the SEC under the Exchange Act, and (iii) as applicable, the meaning ascribed to the terms "own" or "ownership" (and derivatives of such terms) under the Gaming Laws of any applicable Gaming Jurisdictions.

Redemption Date. The term "Redemption Date" shall mean the date set forth in the Redemption Notice by which the Securities Owned or Controlled by an Unsuitable Person or an Affiliate of an Unsuitable Person are to be redeemed by the Corporation or any of its Affiliated Companies, which redemption date shall be determined in the sole and absolute discretion of the Board of Directors of the Corporation but which shall in no event be fewer than 45 calendar days following the date of the Redemption Notice, unless (i) otherwise required by a Gaming Authority or pursuant to any applicable Gaming Laws, (ii) prior to the expiration of such 45-day period, the Unsuitable Person shall have sold (or otherwise fully transferred or otherwise disposed of its Ownership of) its Securities to a Person that is not an Unsuitable Person (in which case, such Redemption Notice will only apply to those Securities that have not been sold or otherwise disposed of) by the selling Unsuitable Person (and, commencing as of the date of such sale, the purchaser or recipient of such Securities shall have all of the rights of a Person that is not an Unsuitable Person), or (iii) the cash or other Redemption Price necessary to effect the redemption shall have been deposited in trust for the benefit of the Unsuitable Person or its Affiliate and shall be subject to immediate withdrawal by such Unsuitable Person or its Affiliate upon (x) surrender of the certificate(s) evidencing the Securities to be redeemed accompanied by a duly executed stock power or assignment or (y) if the Securities are uncertificated, upon the delivery of a duly executed assignment or other instrument of transfer.

Redemption Notice. The term "Redemption Notice" shall mean that notice of redemption delivered by the Corporation pursuant to this Article to an Unsuitable Person or an Affiliate of an Unsuitable Person if a Gaming Authority so requires the Corporation, or if the Board of Directors deems it necessary or advisable, to redeem such Unsuitable Person's or his, her or its Affiliate's Securities. Each Redemption Notice shall set forth (i) the Redemption Date, (ii) the number and type of Securities to be redeemed, (iii) the Redemption Price and the manner of payment therefor, (iv) the place where any certificates for such Securities shall be surrendered for payment, and (v) any other requirements of surrender of the certificates, including how such certificates are to be endorsed, if at all.

Redemption Price. The term "Redemption Price" shall mean the price to be paid by the Corporation for the Securities to be redeemed pursuant to this Article, which shall be that price (if any) required to be paid by the Gaming Authority making the finding of unsuitability, or if such Gaming Authority does not require a certain price to be paid (including if the finding of unsuitability is made by the Board of Directors alone), the lesser of (i) the Market Price (as defined in Section 9.1) on the date of the Redemption Notice, minus the Discount, (ii) the Market Price on the Redemption Date, minus the Discount, or (iii) the actual amount paid by the Beneficial Owner or Constructive Owner in the acquisition of Beneficial Ownership or Constructive Ownership of such Securities, minus the Discount. The Corporation may pay the Redemption Price in any combination of cash and/or promissory note as required by the applicable Gaming Authority and, if not so required (including if the finding of unsuitability is made by the Board of Directors alone), as determined by the Board of Directors, provided, that in the event the Corporation elects to pay all or any portion of the Redemption Price with a promissory note, such promissory note shall contain such terms and conditions as the Board of Directors determines necessary or advisable, including without limitation, subordination provisions, to comply with any law or regulation then applicable to the Corporation or any affiliate of the Corporation or to prevent a default under, breach of, event of default under or acceleration of any loan, promissory note, mortgage, indenture, line of credit, or other debt or

financing agreement of the Corporation or any affiliate of the Corporation or otherwise. Subject to the foregoing, the principal amount of the promissory note together with any unpaid interest shall be due and payable no later than the tenth anniversary of delivery of the note and interest on the unpaid principal thereof shall be payable annually in arrears at the rate of two 2% per annum.

SEC. The term "SEC" shall mean the U.S. Securities and Exchange Commission.

Securities. The term "Securities" shall mean the capital stock of the Corporation and the capital stock, member's interests or membership interests, partnership interests or other equity securities of any Affiliated Company.

Unsuitable Person. The term "Unsuitable Person" shall mean a Person who (i) fails or refuses to file an application, or has withdrawn or requested the withdrawal of a pending application, to be found suitable by any Gaming Authority or for any Gaming License, (ii) is denied or disqualified from eligibility for any Gaming License by any Gaming Authority, (iii) is determined by a Gaming Authority to be unsuitable or disqualified to Own or Control any Securities, (iv) is determined by a Gaming Authority to be unsuitable to be Affiliated, associated or involved with a Person engaged in Gaming Activities in any Gaming Jurisdiction, (v) causes any Gaming License of the Corporation or any Affiliated Company to be lost, rejected, rescinded, suspended, revoked or not renewed by any Gaming Authority, or causes the Corporation or any Affiliated Company to be threatened by any Gaming Authority with the loss, rejection, rescission, suspension, revocation or non-renewal of any Gaming License (in each of (ii) through (v) above, regardless of whether such denial, disqualification or determination by a Gaming Authority is final and/or non-appealable), or (vi) is deemed likely, in the sole and absolute discretion of the Board of Directors, to (A) preclude or materially delay, impede, impair, threaten or jeopardize any Gaming License held by the Corporation or any Affiliated Company or the Corporation's or any Affiliated Company's application for, right to the use of, entitlement to, or ability to obtain or retain, any Gaming License, (B) cause or otherwise result in, the disapproval, cancellation, termination, material adverse modification or non-renewal of any material contract to which the Corporation or any Affiliated Company is a party, or (C) cause or otherwise result in the imposition of any materially burdensome or unacceptable terms or conditions on any Gaming License of the Corporation or any Affiliated Company.

Section 10.2. Compliance with Gaming Laws. All Securities shall be held subject to the restrictions and requirements of all applicable Gaming Laws. All Persons Owning or Controlling Securities shall comply with all applicable Gaming Laws, including any provisions of such Gaming Laws that require such Person to file applications for Gaming Licenses with, and provide information to, the applicable Gaming Authorities. Any Transfer of Securities may be subject to the prior approval of the Gaming Authorities and/or the Corporation or the applicable Affiliated Company, and any purported Transfer thereof in violation of such requirements shall be void ab initio.

Section 10.3. Ownership Restrictions. Any Person who Owns or Controls five percent (5%) or more of any class or series of the Corporation's Securities shall promptly notify the Corporation, stating the name and address of such owner, the number of shares of Capital Stock and other shares of the Capital Stock Beneficially Owned and a description of the manner in which such shares are held. In addition, any Person who Owns or Controls any shares of any

class or series of the Corporation's Securities shall, to the extent reasonably requested by the Corporation in order to comply with applicable Gaming Law or for the Corporation to determine whether the Person is an Unsuitable Person:

(a) provide to the Gaming Authorities in each Gaming Jurisdiction in which the Corporation or any subsidiary thereof either conducts Gaming or has a pending application for a Gaming License all information regarding such Person as may be requested or required by such Gaming Authorities; and

(b) respond to written or oral questions or inquiries from any such Gaming Authorities or the Corporation. Any Person who Owns or Controls any shares of any class or series of the Corporation's Securities, by virtue of such Ownership or Control, consents to the performance of any personal background investigation that may be required by any Gaming Authorities or that may otherwise be deemed advisable by the Corporation.

Section 10.4. Finding of Unsuitability.

(a) The Securities Owned or Controlled by an Unsuitable Person or an Affiliate of an Unsuitable Person shall be redeemable by the Corporation or the applicable Affiliated Company, out of funds legally available therefor, as directed by a Gaming Authority and, if not so directed, as and to the extent deemed necessary or advisable by the Board of Directors, in which event the Corporation shall deliver a Redemption Notice to the Unsuitable Person or its Affiliate and shall redeem or purchase or cause one or more Affiliated Companies to purchase the Securities on the Redemption Date and for the Redemption Price set forth in the Redemption Notice. From and after the Redemption Date, such Securities shall no longer be deemed to be outstanding, such Unsuitable Person or Affiliate of such Unsuitable Person shall cease to be a shareholder, member, partner or owner, as applicable, of the Corporation and/or Affiliated Company with respect to such Securities, and all rights of such Unsuitable Person or Affiliate of such Unsuitable Person in such Securities, other than the right to receive the Redemption Price, shall cease. In accordance with the requirements of the Redemption Notice, such Unsuitable Person or its Affiliate shall surrender the certificate(s), if any, representing the Securities to be so redeemed.

(b) Commencing on the date that a Gaming Authority serves notice of a determination of unsuitability or disqualification of a holder of Securities, or the Board of Directors otherwise determines that a Person is an Unsuitable Person, and until the Securities Owned or Controlled by such Person are Owned or Controlled by a Person who is not an Unsuitable Person, it shall be unlawful for such Unsuitable Person or any of its Affiliates to and such Unsuitable Person and its Affiliates shall not: (i) receive any dividend, payment, distribution or interest with regard to the Securities, (ii) exercise, directly or indirectly or through any proxy, trustee, or nominee, any voting or other right conferred by such Securities, and such Securities shall not for any purposes be included in the Securities of the Corporation or the applicable Affiliated Company entitled to vote, (iii) receive any remuneration that may be due to such Person, accruing after the date of such notice of determination of unsuitability or disqualification by a Gaming Authority, in any form from the Corporation or any Affiliated Company for services rendered or otherwise, or (iv) be or continue as a manager, officer, partner or Director of the Corporation or any Affiliated Company.

Section 10.5. Indemnification. Any Unsuitable Person and any Affiliate of an Unsuitable Person shall indemnify and hold harmless the Corporation and its Affiliated Companies for any and all losses, costs, and expenses, including attorneys' costs, fees and expenses, incurred by the Corporation and its Affiliated Companies as a result of, or arising out of, such Unsuitable Person's Ownership or Control of Securities, failure or refusal to comply with the provisions of this Article, or failure to divest himself, herself or itself of any Securities when and in the specific manner required by the Gaming Authorities or this Article.

Section 10.6. Injunctive Relief. The Corporation shall be entitled to injunctive or other equitable relief in any court of competent jurisdiction to enforce the provisions of this Article and each Person who Owns or Controls Securities shall be deemed to have consented to injunctive or other equitable relief and acknowledged, by virtue of such Ownership or Control, that the failure to comply with this Article will expose the Corporation and the Affiliated Companies to irreparable injury for which there is no adequate remedy at law and that the Corporation and the Affiliated Companies shall be entitled to injunctive or other equitable relief to enforce the provisions of this Article.

Section 10.7. Non-Exclusivity of Rights. The right of the Corporation or any Affiliated Company to redeem Securities pursuant to this Article shall not be exclusive of any other rights the Corporation or any Affiliated Company may have or hereafter acquire under any agreement, provision of the bylaws of the Corporation or such Affiliated Company or otherwise. To the extent permitted under applicable Gaming Laws, the Corporation shall have the right, exercisable in the sole discretion of the Board of Directors, either

(a) to cause all Securities Owned or Controlled by an Unsuitable Person or an Affiliate of an Unsuitable Person to be deemed to be transferred to a Trust in accordance with Section 9.3, by providing notice thereof to the Unsuitable Person or its Affiliate; or

(b) to propose that the parties, immediately upon the delivery of the Redemption Notice, enter into an agreement or other arrangement, including, without limitation, a divestiture trust or divestiture plan, which will reduce or terminate an Unsuitable Person's Ownership or Control of all or a portion of its Securities.

Section 10.8. Further Actions. Nothing contained in this Article shall limit the authority of the Board of Directors to take such other action, to the extent permitted by law, as it deems necessary or advisable to protect the Corporation or the Affiliated Companies from the denial or loss or threatened denial or loss of any Gaming License of the Corporation or any of its Affiliated Companies. Without limiting the generality of the foregoing, the Board of Directors may conform any provisions of this Article to the extent necessary to make such provisions consistent with Gaming Laws, without the need for shareholder approval, except to the extent that shareholder approval is specifically required by the Business Corporation Law. In addition, the Board of Directors may, to the extent permitted by law, from time to time establish, modify, amend or rescind bylaws, regulations, and procedures of the Corporation not inconsistent with the express provisions of this Article for the purpose of determining whether any Person is an Unsuitable Person and for the orderly application, administration and implementation of the provisions of this Article. Such procedures and regulations shall be kept on file with the

Secretary of the Corporation, the secretary of each of the Affiliated Companies and with the transfer agent, if any, of the Corporation and/or any Affiliated Companies, and shall be made available for inspection and, upon reasonable request, mailed to any record holder of Securities.

Section 10.9. Authority of the Board of Directors. The Board of Directors shall have exclusive authority and power to administer this Article and to exercise all rights and powers specifically granted to the Board of Directors or the Corporation, or as may be necessary or advisable in the administration of this Article. All such actions which are done or made by the Board of Directors shall be final, conclusive and binding on the Corporation and all other Persons; provided, that the Board of Directors may delegate all or any portion of its duties and powers under this Article to a committee of the Board of Directors as it deems necessary or advisable.

Section 10.10. Severability. If any provision of this Article or the application of any such provision to any Person or under any circumstance shall be held invalid, illegal, or unenforceable in any respect by a court of competent jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision of this Article.

Section 10.11. Termination and Waivers. Except as may be required by any applicable Gaming Law or Gaming Authority, the Board of Directors may waive any of the rights of the Corporation or any restrictions contained in this Article in any instance in which and to the extent the Board of Directors determines that a waiver would be in the best interests of the Corporation. Except as required by a Gaming Authority, nothing in this Article shall be deemed or construed to require the Corporation to repurchase any Securities Owned or Controlled by an Unsuitable Person or an Affiliate of an Unsuitable Person.

Section 10.12. Legend. The restrictions set forth in this Article shall be noted conspicuously on any certificate evidencing the Securities in accordance with the requirements of the Business Corporation Law and any applicable Gaming Laws, substantially as follows:

> "The Securities represented by this certificate are subject to restrictions on Transfer and ownership for the purpose, among others, of the Corporation's maintenance of its qualification as a real estate investment trust under the Internal Revenue Code of 1986, as amended from time to time. No Person may (i) Beneficially Own or Constructively Own shares of Common Stock or other Capital Stock in excess of % (or such other percentage as may be determined by the Board of Directors as provided in the Corporation's Charter) of the outstanding Common Stock or Capital Stock of the Corporation, as the case may be (ii) Transfer shares of Capital Stock, if, as the result of the Transfer, the Capital Stock would be Beneficially Owned or Constructively Owned by fewer than one hundred (100) Persons, (iii) Beneficially Own or Constructively Own shares of Common Stock, Preferred Stock or other Securities which would result in the Corporation being "closely held" under Section 856(h) of the Code, or (iv) Constructively Own shares of Capital Stock to the extent that such Constructive Ownership would cause any income of the Corporation that would otherwise qualify as "rents from real property" for purposes of Section 856(d) of the Code to fail to qualify as such. If the restrictions on Transfer are violated, the Transfer

> shall be void *ab initio* and, if the restrictions on Transfer or ownership are violated, any or all of the shares of stock represented hereby shall be transferred to the Trustee to be held in trust for the benefit of one or more Charitable Beneficiaries. In addition, any Person who attempts to Beneficially Own or Constructively Own shares of Common Stock or other Capital Stock in excess of the above limitation must immediately give written notice to the Corporation of such event. All capitalized terms in this legend have the meanings defined in the Corporation's charter, a copy of which, including the restrictions on Transfer and ownership, will be sent without charge to each stockholder who so requests, within five business days after receipt of a written request therefor."

ARTICLE XI
SEVERABILITY

Section 11.1. Severability. Whenever possible, each provision of these Articles will be interpreted in such manner as to be effective and valid under applicable law. However, if any provision of these Articles is held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability will not affect any other provision, and these Articles will be reformed, construed and enforced as though the invalid, illegal or unenforceable provision had never been herein contained.

ARTICLE XII
AMENDMENTS

Section 12.1. Amendments. Subject to Section 6.2, Article VII or Article VIII, these Articles may be amended in the manner prescribed at the time by statute, and all rights conferred upon shareholders and Directors herein are granted subject to this reservation. Any amendment to these Articles may be adopted by approval of the Board, without the need for shareholder approval, to the extent contemplated by Section 10.8.

IN TESTIMONY WHEREOF, the undersigned officers of this Corporation have executed and sealed these Amended and Restated Articles of Incorporation this day of , 2013.

GAMING AND LEISURE PROPERTIES, INC.

By: ____________________
Name: Peter M. Carlino
Title: President, Secretary and Treasurer

AMENDED AND RESTATED BYLAWS
OF
GAMING AND LEISURE PROPERTIES, INC.
(a Pennsylvania corporation)

Effective as of [·], 2013

ARTICLE I

Offices

Section 1.01. Registered Office. The registered office of Gaming and Leisure Properties, Inc. (the "Corporation") in the Commonwealth of Pennsylvania shall be 825 Berkshire Boulevard, Suite 400, Wyomissing, Pennsylvania 19610, until otherwise established by an amendment to the Articles of Incorporation (as amended, the "Articles") or by the board of directors and a record of such change is filed with the Department of State in the manner provided by law.

Section 1.02. Other Offices. The Corporation may also have offices at such other places within or without the Commonwealth of Pennsylvania as the board of directors may from time to time appoint or the business of the Corporation may require.

ARTICLE II

Notice — Waivers — Meetings Generally

Section 2.01. Manner of Giving Notice.

(a) General Rule. Whenever written notice is required to be given to any person under the provisions of the Pennsylvania Business Corporation Law of 1988 (as amended from time to time, the "Business Corporation Law") or by the Articles or these Bylaws, it may be given to the person: (i) by personal delivery, (ii) by facsimile number, e-mail or other electronic communication to his or her facsimile number or address for e-mail or other electronic communication supplied by him or her to the Corporation for the purpose of notice, or (iii) by sending a copy thereof by first class or express mail, postage prepaid, or by telegram (with messenger service specified) or courier service, charges prepaid, to the address of the person appearing on the books of the Corporation or, in the case of notice to be given to a director, to the address supplied by the director to the Corporation for the purpose of notice. If the notice is sent by mail, telegraph or courier service, it shall be deemed to have been given to the person entitled thereto when deposited in the United States mail or with a telegraph office or courier service for delivery to that person. Notice given by facsimile transmission, e-mail or other electronic communication shall be deemed to have been given to the person entitled thereto when sent. A notice of meeting shall specify the place, day and hour of the meeting and any other information required by any other provision of the Business Corporation Law, the Articles or these Bylaws.

(b) Adjourned Shareholder Meetings. When a meeting of shareholders is adjourned, it shall not be necessary to give any notice of the adjourned meeting or of the business to be transacted at an adjourned meeting, other than by announcement at the meeting at which the adjournment is taken, unless the board fixes a new record date for the adjourned meeting, in which event the notice shall be given in accordance with this section.

Section 2.02. Notice of Meetings of Board of Directors. Notice of a regular meeting of the board of directors need not be given. Notice of every special meeting of the board of directors shall be given to each director at least 24 hours (in the case of notice by telephone, facsimile transmission, e-mail or other electronic communication) or 48 hours (in the case of notice by telegraph, courier service or express mail) or five days (in the case of notice by first class mail) before the time at which the meeting is to be held. Every such notice shall state the time and place of the meeting. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the board need be specified in a notice of a meeting.

Section 2.03. Notice of Meetings of Shareholders. Written notice of every meeting of the shareholders shall be given by, or at the direction of, the secretary or other authorized person to each shareholder of record entitled to vote at the meeting (and, to the extent required by the Business Corporation Law, to each shareholder of record not entitled to vote at the meeting) at least (a) ten days prior to the day named for a meeting called to consider a fundamental change under Chapter 19 of the Business Corporation Law or (b) five days prior to the day named for the meeting in any other case. If the secretary neglects or refuses to give notice of a meeting, the person or persons calling the meeting may do so. In the case of a special meeting of shareholders, the notice shall specify the general nature of the business to be transacted.

Section 2.04. Use of Conference Telephone and Similar Equipment.

(a) Any director may participate in meetings of the board of directors by conference telephone, similar communications equipment or other electronic communications technology in a fashion pursuant to which the directors have the opportunity to read or hear the proceedings substantially concurrently with their occurrence, vote on matters submitted to the directors and pose questions to the participants in the meeting. Directors so participating will be deemed present at the meeting.

(b) If so provided in the notice of the meeting or by the presiding officer, shareholders may participate in any shareholders' meeting by conference telephone, similar communications equipment or other electronic means, including, without limitation, the Internet. Shareholders so participating will be deemed present at the meeting.

ARTICLE III

Shareholders

Section 3.01. Place of Meeting. All meetings of the shareholders of the Corporation shall be held at the registered office of the Corporation or at such other place within or without the Commonwealth of Pennsylvania as may be designated by the board of directors in the notice of a meeting, or, if so designated by the board of directors, by means of the Internet or other electronic communications technology in a fashion pursuant to which the shareholders have the opportunity to read or hear the proceedings substantially concurrently with their occurrence, vote on matters submitted to the shareholders and pose questions to the directors of the Corporation.

Section 3.02. Annual Meeting.

(a) The board of directors may fix and designate the date and time of the annual meeting of the shareholders, and at said meeting the shareholders then entitled to vote shall elect directors and shall transact such other business as may properly be brought before the meeting as set forth in Section 3.02(b) below.

(b) No business may be transacted at an annual meeting of the shareholders, other than business that is either:

(1) specified in the notice of meeting (or any supplement thereto) given by or at the direction of the board of directors (or any duly authorized committee thereof);

(2) otherwise properly brought before the annual meeting by or at the direction of the board of directors (or any duly authorized committee thereof); or

(3) otherwise properly brought before the annual meeting by any shareholder of the Corporation who (A) is a shareholder of record on the date of the giving of the notice of such meeting and on the record date for the determination of shareholders entitled to vote at such annual meeting and (B) complies with the substantive and procedural requirements set forth in Article VII below.

Section 3.03. Special Meetings. Special meetings of the shareholders may be called at any time by the chairman of the board of directors or by a majority of the directors then in office.

Section 3.04. Quorum and Adjournment.

(a) General Rule. A meeting of shareholders of the Corporation duly called shall not be organized for the transaction of business unless a quorum is present. The presence, in person, by proxy or by means of electronic technology, including, without limitation, the Internet, of shareholders entitled to cast at least a majority of the votes that all shareholders are entitled to cast on a particular matter to be acted upon at the meeting shall constitute a quorum for the purposes of consideration and action on the matter. Shares of the Corporation owned, directly or indirectly, by it and controlled, directly or indirectly, by the board of directors of this Corporation, as such, shall not be counted in determining the total number of outstanding shares for quorum purposes at any given time.

(b) Withdrawal of a Quorum. The shareholders present at a duly organized meeting can continue to do business until adjournment notwithstanding the withdrawal of enough shareholders to leave less than a quorum.

(c) Adjournments Generally. Any regular or special meeting of the shareholders, including one at which directors are to be elected, which cannot be organized because a quorum has not attended, may be adjourned for such period and to such place as the presiding officer of the meeting or a majority of the shareholders present and entitled to vote shall direct.

Section 3.05. Action by Shareholders. Except as otherwise provided in the Business Corporation Law, the Articles or these Bylaws, whenever any corporate action is to be taken by vote of the shareholders of the Corporation, it shall be authorized by a majority of the votes cast at a duly organized meeting of shareholders by the holders of shares entitled to vote thereon. The shareholders of the Corporation may act only at a duly organized meeting.

Section 3.06. Voting Rights of Shareholders. Except as otherwise provided in the Articles or by law, the holders of Common Stock shall have the exclusive voting power, and every holder of Common Stock shall be entitled to one vote for every share of Common Stock standing in the name of the shareholder on the books of the Corporation.

Section 3.07. Voting and Other Action by Proxy.

(a) General Rule.

(1) Every shareholder entitled to vote at a meeting of shareholders may authorize another person to act for the shareholder by proxy.

(2) The presence of, or vote or other action at a meeting of shareholders by a proxy of a shareholder entitled to vote shall constitute the presence of, or vote or action by the shareholder.

(3) Where a shareholder entitled to vote has named two or more proxies and such proxies are present, the Corporation shall, unless otherwise expressly provided in the proxy, accept as the vote of all shares represented thereby the vote cast by a majority of them and, if a majority of the proxies cannot agree whether the shares represented shall be voted or upon the manner of voting the shares, the voting of the shares shall be divided equally among those persons.

(b) Minimum Requirements. Every proxy shall be executed or authenticated by a shareholder in writing or by the duly authorized attorney-in-fact of the shareholder and filed with or transmitted to the secretary of the Corporation or his or her designated agent.

A shareholder or his or her duly authorized attorney-in-fact may execute or authenticate a writing or transmit an electronic message authorizing another person to act for him or her by proxy. A telegram, telex, e-mail, Internet communication or other means of electronic transmission from a shareholder or attorney-in-fact, or a photographic, facsimile or similar reproduction of a writing executed by a shareholder or attorney-in-fact may be treated as properly executed or authenticated for purposes of this subsection and shall be so treated if it sets forth or utilizes a confidential and unique identification number or other mark furnished by the Corporation to the shareholder for the purposes of a particular meeting or transaction.

A proxy, unless coupled with an interest, shall be revocable at will, notwithstanding any other agreement or any provision in the proxy to the contrary, but the revocation of a proxy shall not be effective until notice thereof has been given to the secretary of the Corporation or its designated agent in writing or by electronic transmission. An unrevoked proxy shall not be valid after three years from the date of its execution, authentication or transmission unless a longer time is expressly provided therein. A proxy shall not be revoked by the death or incapacity of the maker unless,

before the vote is counted or the authority is exercised, written notice of the death or incapacity is given to the secretary of the Corporation or its designated agent.

(c) Expenses. The Corporation shall pay the reasonable expenses of solicitation of votes or proxies of shareholders by or on behalf of the board of directors or its nominees for election to the board, including solicitation by professional proxy solicitors and otherwise.

Section 3.08. Voting by Fiduciaries and Pledgees. Shares of the Corporation standing in the name of a trustee or other fiduciary and shares held by an assignee for the benefit of creditors or by a receiver may be voted by the trustee, fiduciary, assignee or receiver. A shareholder whose shares are entitled to vote and that have been pledged shall be entitled to vote the shares until the shares have been transferred into the name of the pledgee, or a nominee of the pledgee, but nothing in this Section shall affect the validity of a proxy given to a pledgee or nominee.

Section 3.09. Voting by Joint Holders of Shares.

(a) General Rule. Where shares of the Corporation that are entitled to vote are held jointly or as tenants in common by two or more persons, as fiduciaries or otherwise:

(1) if only one or more of such persons is present in person or by proxy, all of the shares standing in the names of such persons shall be deemed to be represented for the purpose of determining a quorum and the Corporation shall accept as the vote of all the shares the vote cast by a joint owner or a majority of them; and

(2) if the persons are equally divided upon whether the shares held by them shall be voted or upon the manner of voting the shares, the voting of the shares shall be divided equally among the persons without prejudice to the rights of the joint owners or the beneficial owners thereof among themselves.

(b) Exception. If there has been filed with the secretary of the Corporation a copy, certified by an attorney at law to be correct, of the relevant portions of the agreement under which the shares are held or the instrument by which the trust or estate was created or the order of court appointing them or of an order of court directing the voting of the shares, the persons specified as having such voting power in the document latest in date of operative effect so filed, and only those persons, shall be entitled to vote the shares but only in accordance therewith.

Section 3.10. Voting by Entities.

(a) Voting by Shareholders that are Entities. Any corporation, limited liability company, partnership or other entity that is a holder of shares entitled to vote may vote such shares at meetings of shareholders of this Corporation by any of its officers or agents, or by proxy appointed by any officer or agent, unless some other person, by resolution of the governing body of the entity in question or by a provision of its articles, bylaws, operating agreement, partnership agreement or other governing documents, as applicable, a copy of which resolution or provision certified to be correct by one of its officers or agents has been filed with the secretary of this Corporation, is appointed its general or special proxy in which case the person so appointed shall be entitled to vote the shares.

(b) Controlled Shares. Shares of this Corporation owned, directly or indirectly, by it and controlled, directly or indirectly, by the board of directors of this Corporation, as such, shall not be voted at any meeting and shall not be counted in determining the total number of outstanding shares for voting purposes at any given time.

Section 3.11. Determination of Shareholders of Record.

(a) Fixing Record Date. The board of directors may fix a time prior to the date of any meeting of shareholders as a record date for the determination of the shareholders entitled to notice of, or to vote at, the meeting. Except in the case of an adjourned meeting, the record date shall be not more than 90 days prior to the date of the meeting of shareholders. Only shareholders of record on the date so fixed shall be entitled to notice of and to vote at any such meeting notwithstanding any transfer of shares on the books of the Corporation after any record date fixed as provided in this subsection. The board of directors may similarly fix a record date for the determination of shareholders of record for any other purpose. When a determination of shareholders of record has been made as provided in this Section for purposes of a meeting, the determination shall apply to any adjournment thereof unless the board fixes a new record date for the adjourned meeting.

(b) Determination When a Record Date is Not Fixed. If a record date is not fixed:

(1) the record date for determining shareholders entitled to notice of or to vote at a meeting of shareholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day immediately preceding the day on which the meeting is held; and

(2) the record date for determining shareholders for any other purpose shall be at the close of business on the day on which the board of directors adopts the resolution relating thereto.

Section 3.12. Voting Lists.

(a) General Rule. The officer or agent having charge of the transfer books for shares of the Corporation shall make a complete list of the shareholders entitled to vote at any meeting of shareholders, arranged in alphabetical order, with the address of and the number of shares held by each. The list shall be produced and kept open at the time and place of every meeting and shall be subject to the inspection of any shareholder during the whole time of a meeting for the purposes thereof except that, if the Corporation has 5,000 or more shareholders, in lieu of the making of the list the Corporation may make the information therein available at a meeting by any other means.

(b) Effect of List. Failure to comply with the requirements of this Section shall not affect the validity of any action taken at a meeting prior to a demand at the meeting by any shareholder entitled to vote thereat to examine the list. The original share register or transfer book, or a duplicate thereof kept in the Commonwealth of Pennsylvania, shall be prima facie evidence as to who are the shareholders entitled to examine the list or share register or transfer book or to vote at any meeting of shareholders, subject to any provision of the Articles that results in any shares being not entitled to be voted.

Section 3.13. Presiding Officer. There shall be a presiding officer at every meeting of the shareholders. Unless the board of directors designates otherwise, the presiding officer shall be the chairman of the board of directors. The presiding officer shall have the authority to determine the order of business and to establish rules for the conduct of each shareholders' meeting. The presiding officer shall announce at the meeting when the polls close for each matter voted upon. If no announcement is made, the polls shall be deemed to have closed upon the final adjournment of the meeting. After the polls close, no ballots, proxies or votes, nor any revocations or changes thereto, may be accepted. The secretary or, in the absence of both the secretary and assistant secretaries, a person appointed by the presiding officer, shall act as secretary of the meeting.

Section 3.14. Judges of Election.

(a) Appointment. In advance of any meeting of shareholders of the Corporation, the board of directors may appoint one or more judges of election, who need not be shareholders, to act at the meeting or any adjournment thereof. If judges of election are not so appointed, the presiding officer of the meeting may, and on the request of any shareholder shall, appoint judges of election at the meeting. The number of judges shall be one or three. A person who is a candidate for an office to be filled at the meeting shall not act as a judge.

(b) Vacancies. In case any person appointed as a judge fails to appear or fails or refuses to act, the vacancy may be filled by appointment made by the board of directors in advance of the convening of the meeting or at the meeting by the presiding officer thereof.

(c) Duties. The judges of election shall determine the number of shares outstanding and the voting power and entitlement of each, the shares represented at the meeting, the existence of a quorum, and the authenticity, validity and effect of proxies, receive votes or ballots, hear and determine all challenges and questions in any way arising in connection with the right to vote, count and tabulate all votes, determine the result and do such acts as may be proper to conduct the election or vote. The judges of election shall perform their duties impartially, in good faith, to the best of their ability and as expeditiously as is practical. If there are three judges of election, the decision, act or certificate of a majority shall be effective in all respects as the decision, act or certificate of all.

(d) Report. On request of the presiding officer of the meeting or of any shareholder, the judges shall make a report in writing of any challenge or question or matter determined by them, and execute a certificate of any fact found by them. Any report or certificate made by them shall be prima facie evidence of the facts stated therein.

Section 3.15. Minors as Security Holders. The Corporation may treat a minor who holds shares entitled to vote or obligations of the Corporation as having capacity to receive and to empower others to receive dividends, interest, principal and other payments or distributions, to vote or express consent or dissent and to make elections and exercise rights relating to such shares or obligations unless, in the case of payments or distributions on shares, the corporate officer responsible for maintaining the list of shareholders or the transfer agent of the Corporation or, in the case of payments or distributions on obligations, the treasurer or paying officer or agent has received written notice that the holder is a minor.

ARTICLE IV

Board of Directors

Section 4.01. Powers. Unless otherwise provided by applicable law, all powers vested by law in the Corporation shall be exercised by or under the authority of, and the business and affairs of the Corporation shall be managed under the direction of, the board of directors.

Section 4.02. Qualifications and Selection of Directors.

(a) Qualifications. Each director of the Corporation shall be a natural person of full age who need not be a resident of the Commonwealth of Pennsylvania or a shareholder of the Corporation, and shall not be an Unsuitable Person (as defined in the Articles). No person shall qualify for service as a director of the Corporation if he or she is a party to any compensatory, payment or other financial agreement, arrangement or understanding with any person or entity other than the Corporation, or has received any such compensation or other payment from any person or entity other than the Corporation, in each case in connection with candidacy or service as a director of the Corporation, except as may otherwise be approved by the board of directors.

(b) Director Nominees. Each nominee for election to the board of directors must be nominated by a committee comprised solely of "independent directors" (the "Governance Committee"); provided, however, that independent director oversight of director nominations shall not apply in cases where the right to nominate a director legally belongs to a third party. As used in this Section 4.02(b), the term "independent directors" has such meaning as shall be promulgated by the Securities and Exchange Commission and the Nasdaq Stock Market (or such other securities exchange on which the capital stock of the Corporation is listed).

(c) Shareholder Recommendations. The Governance Committee will consider for recommendation to the board of directors for nomination for election to the board of directors persons recommended for nomination by the shareholders in accordance with the substantive and procedural requirements of Article VII.

(d) Election of Directors. Except as otherwise provided in these Bylaws, directors of the Corporation shall be elected by the shareholders who are entitled to vote. In elections for directors, voting need not be by ballot, except upon demand made by a shareholder entitled to vote at the election and before the voting begins. The candidates receiving the highest number of votes from each class or group of classes, if any, entitled to elect directors separately up to the number of directors to be elected by the class or group of classes shall be elected. If at any meeting of shareholders, directors of more than one class are to be elected, each class of directors shall be elected in a separate election.

(e) Director Emeritus.

(1) The board of directors may appoint any former director of the Corporation or of any predecessor corporation as a director emeritus to serve in an advisory capacity to

the board for such period of time as the board wishes to avail itself of the services, knowledge and experience of such former director.

(2) Such director emeritus may upon invitation by the board of directors attend meetings of the board of directors and its committees and, if requested by the board, may participate in the proceedings of the board of directors, but shall not vote on or give written consent to any matters before the board.

(3) A director emeritus shall be compensated for such services as may be determined by the board of directors.

Section 4.03. Number and Term of Office.

(a) Number. Except as otherwise fixed by or pursuant to the provisions of the Articles relating to the rights of the holders of any class or series of stock having a preference over the Common Stock as to dividends or upon liquidation to elect additional directors under specified circumstances, the number of directors of the Corporation constituting the whole board and the number of directors constituting each class of directors as provided by Section 4.03(d) shall be fixed (and may be changed from time to time) solely by resolution of the board of directors.

(b) Term of Office. Each director shall hold office until the expiration of the term for which he or she was selected and until a successor has been selected and qualified or until his or her earlier death, resignation or removal. A decrease in the number of directors shall not have the effect of shortening the term of any incumbent director.

(c) Resignation. Any director may resign at any time upon written notice to the Corporation. The resignation shall be effective upon receipt thereof by the Corporation or at such subsequent time as shall be specified in the notice of resignation.

(d) Classified Board of Directors. The board of directors of the Corporation shall be divided into three classes and are hereby designated as Class I, Class II and Class III, respectively, the members of which are to be elected for staggered terms. The term of office of at least one class shall expire in each year. At each election commencing with the annual meeting of shareholders to be held in 2014, directors shall be elected for a term expiring at the annual meeting of shareholders held in the third year following the year of election, and until their respective successors are elected and qualified.

Section 4.04. Vacancies.

(a) General Rule. Except as otherwise provided for or fixed by or pursuant to the provisions of the Articles relating to the rights of the holders of any class or series of stock having a preference over the Common Stock as to dividends or upon liquidation to elect additional directors under specified circumstances, newly created directorships resulting from any increase in the number of directors and any vacancies on the board of directors resulting from death, resignation, disqualification, removal or other case shall be filled only by the affirmative vote of a majority of the remaining directors then in office, even though less than a quorum of the board of directors. Any directors elected in accordance with the preceding sentence shall hold office for the remainder of the full term of the class of directors in which the new directorship was created or the vacancy occurred and until such director's

successor shall have been duly elected and qualified. No decrease in the number of directors constituting the board of directors shall shorten the term of any incumbent director.

(b) Action by Resigned Directors. When one or more directors resign from the board effective at a future date, the directors then in office, including those who have so resigned, shall have power by the applicable vote to fill the vacancies, the vote thereon to take effect when the resignations become effective.

Section 4.05. Removal of Directors.

(a) Subject to the rights of any class or series of stock having preference over the Common Stock as to dividends or upon liquidation to elect directors under specified circumstances, any director may be removed from office, only with cause:

(1) by the affirmative vote of seventy five percent (75%) of the votes cast at a duly organized meeting of shareholders by the holders of shares entitled to vote generally in the election of directors; or

(2) by the affirmative vote of a majority of the entire board of directors not including the director whose removal is being considered.

(b) For purposes hereof, the term "cause" shall mean with respect to each director, any one of the following: (i) there is a judicial declaration that the director is physically or mentally disabled and cannot perform and discharge his/her duties and offices; (ii) the director breaches or fails to perform the statutory duties of that director's office and the breach or failure constitutes self-dealing, willful misconduct or recklessness; (iii) the director is a person described in Item 401(f) of Regulation S-K (Part 229 of Title 17 of the U.S. Code of Federal Regulations), other than Item 401(f)(1); (iv) within thirty (30) days after notice of his or her election, the director does not accept the office either in writing or by attending a meeting of the board of directors; or (v) the director is an Unsuitable Person.

(c) In case a director or class of directors or the board is so removed, new directors may be elected at the same meeting or in the same consent.

(d) The amendment or repeal of this Section 4.05 shall not apply to any incumbent director during the balance of the term for which the director was elected.

Section 4.06. Place of Meetings. Meetings of the board of directors may be held at such place within or without the Commonwealth of Pennsylvania as the board of directors may from time to time appoint or as may be designated in the notice of the meeting.

Section 4.07. Organization of Meetings. At every meeting of the board of directors, the chairman of the board of directors, or, in the case of a vacancy in the office or absence of the chairman of the board of directors, a person chosen by a majority of the directors present shall act as chairman of the meeting. The secretary or, in the absence of the secretary, an assistant secretary, or, in the absence of the secretary and the assistant secretaries, any person appointed by the chairman of the meeting, or, in the case of a vacancy in the office or absence of the chairman of the board of directors, a person chosen by a majority of the directors present shall act as secretary of the meeting.

Section 4.08. Regular Meetings. Regular meetings of the board of directors shall be held at such time and place as shall be designated from time to time by resolution of the board of directors.

Section 4.09. Special Meetings. Special meetings of the board of directors shall be held whenever called by the chairman of the board of directors or by a majority of the directors then in office.

Section 4.10. Quorum of and Action by Directors.

(a) General Rule. A majority of the directors in office of the Corporation shall be necessary to constitute a quorum for the transaction of business and the acts of a majority of the directors present and voting at a meeting at which a quorum is present shall be the acts of the board of directors.

(b) Action by Unanimous Consent. Any action required or permitted to be taken at a meeting of the directors may be taken without a meeting if, prior or subsequent to the action, a consent or consents thereto by all of the directors in office is filed with the secretary of the Corporation. A photographic, facsimile or similar reproduction of a consent executed by a director, or any consent sent by a director by facsimile, e-mail or other electronic communication, shall be treated as properly executed for purposes of this Section 4.10(b).

(c) Notation of Dissent. A director who is present at a meeting of the board of directors, or of a committee of the board, at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless his or her dissent is entered in the minutes of the meeting or unless the director files a written dissent to the action with the secretary of the meeting before the adjournment thereof or transmits the dissent in writing to the secretary of the Corporation immediately after the adjournment of the meeting. The right of dissent shall not apply to a director who voted in favor of the action. Nothing in this Section shall bar a director from asserting that minutes of the meeting incorrectly omitted his or her dissent if, promptly upon receipt of a copy of such minutes, the director notifies the secretary, in writing, of the asserted omission or inaccuracy.

Section 4.11. Committees of the Board.

(a) Establishment and Powers. The board of directors may, by resolution adopted by a majority of the directors in office, establish one or more committees to consist of one or more directors of the Corporation possessing such characteristics and experience as may be required under any applicable federal, state or local law or regulation, or any applicable rule or regulation of a securities exchange on which the securities of the Corporation are listed, setting forth requirements as to the composition of committees established by the Corporation. Any committee, to the extent provided in the resolution of the board of directors, shall have and may exercise all of the powers and authority of the board of directors and may adopt such charter or governing provisions as are consistent with the resolution forming such committee, except as may be limited by the Business Corporation Law.

(b) Alternate Committee Members. The board may designate one or more directors as alternate members of any committee who may replace any absent or disqualified member at any meeting of the committee or for the purposes of any written action by the committee. In the absence or disqualification of a member and alternate member or members of a committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not constituting a

quorum, may unanimously appoint another director to act at the meeting in the place of the absent or disqualified member.

(c) Term. Each committee of the board shall serve at the pleasure of the board.

(d) Committee Procedures. The term "board of directors" or "board," when used in any provision of these Bylaws relating to the organization or procedures of or the manner of taking action by the board of directors, shall be construed to include and refer to any committee of the board.

Section 4.12. Compensation. The board of directors shall have the authority to fix the compensation of directors for their services as directors and a director may be a salaried officer of the Corporation.

ARTICLE V

Officers

Section 5.01. Officers Generally.

(a) Number, Qualifications and Agents. The officers of the Corporation shall be a chairman of the board of directors, chief executive officer, a president, at least one vice president, a secretary and a treasurer, and such other officers and assistant officers as may be appointed pursuant to Section 5.02(a) below. Officers may but need not be directors or shareholders of the Corporation. The officers of the Corporation shall be natural persons of full age. The treasurer may be a corporation, but if a natural person shall be of full age. Any number of offices may be held by the same person.

(b) Bonding. The Corporation may secure the fidelity of any or all of its officers by bond or otherwise.

Section 5.02. Appointment, Term of Office and Resignations.

(a) Appointment and Term of Office. Any officer, other than an officer to be named or described as having the title, duties or authority of an "executive officer" in the Corporation's periodic reports or other filings with the U.S. Securities and Exchange Commission (an "Executive Officer"), shall be appointed annually, by either the chairman of the board of directors (or his or her designee) or by the board of directors. Each Executive Officer shall be appointed annually by the board of directors. Each officer shall hold office for a term of one year and until a successor has been selected and qualified or until his or her earlier death, resignation or removal. In addition, the board of directors may elect or appoint officers or fill any vacancies among the officers, or any newly created offices, at any time or from time to time.

(b) Resignations. Any officer may resign at any time upon written notice to the Corporation. The resignation shall be effective upon receipt thereof by the Corporation or at such subsequent time as may be specified in the notice of resignation.

Section 5.03. Removal of Officers and Agents. Any officer or agent of the Corporation appointed by the board of directors or the chairman of the board of directors (or his or her designee) may be removed by the board of directors or the chairman of the board of directors (or his or her designee), respectively, with or without cause. The removal shall be without prejudice to the contract rights, if any, of any person so removed. Election or appointment of an officer or agent shall not of itself create contract rights.

Section 5.04. Authority. All officers of the Corporation, as between themselves and the Corporation, shall have such authority and perform such duties in the management of the Corporation as may be provided by the person(s) appointing such officers or, in the absence of such provision, as may be determined by or pursuant to these Bylaws.

Section 5.05. The Chairman of the Board of Directors. The chairman of the board of directors shall be primarily responsible for management of the board of directors, subject, however, to the control of the board of directors. The chairman of the board of directors, if he or she is permitted pursuant to the listing requirements of the Nasdaq Stock Market or by an exception therefrom, shall be a member, ex officio, of all standing committees. If the chairman is not permitted pursuant to the listing requirements of the Nasdaq Stock Market or by an exception therefrom to be an ex officio member of a particular standing committee, the chairman shall be permitted to attend the meetings of such committee, except to the extent prohibited by the listing requirements of the Nasdaq Stock Market. The chairman of the board of directors shall perform all duties incident to the office of chairman of the board of directors, and such other duties as from time to time may be assigned by the board of directors.

Section 5.06. The Chief Executive Officer. The chief executive officer shall have general supervision over the business and operations of the Corporation and perform all duties incident to the office of chief executive officer and such other duties as from time to time may be assigned by the board of directors or the chairman of the board of directors. During the absence or disability of the chairman of the board of directors, the chief executive officer shall exercise all the powers and discharge all the duties of the chairman of the board of directors.

Section 5.07. The President. The president shall perform all duties incident to the office of president and such other duties as from time to time may be assigned by the board of directors, the chairman of the board of directors or the chief executive officer.

Section 5.08. The Vice Presidents. The vice presidents shall perform the duties of the president in the absence of the president and such other duties as may from time to time be assigned to them by the board of directors, the chairman of the board of directors or the chief executive officer.

Section 5.09. The Secretary. The secretary shall, at the request of the chairman of the board of directors, attend all meetings of the shareholders and of the board of directors and shall record all the votes of the shareholders and of the directors and the minutes of the meetings of the shareholders and of the board of directors in a book or books to be kept for that purpose; shall see that notices are given and records and reports properly kept and filed by the Corporation as required by law; shall be the custodian of the seal of the Corporation and see that it is affixed to all documents to be executed on behalf of the Corporation under its seal; and, in general, shall perform all duties incident to the office of secretary, and such other duties as may from time to time be assigned by the board of directors, the chairman of the board of directors or the chief executive officer.

Section 5.10. Assistant Secretaries. In the absence or disability of the secretary, any assistant secretary may perform all the duties of the secretary, and, when so acting, shall have all the powers of and be subject to all the restrictions upon, the secretary. The assistant secretaries shall perform such other duties as from time to time may be assigned to them, respectively, by the board of directors, the chairman of the board of directors, the chairman of the board of directors, the chief executive officer or the secretary.

Section 5.11. The Treasurer. The treasurer shall have or provide for the custody of the funds or other property of the Corporation; shall collect and receive or provide for the collection and receipt of moneys earned by or in any manner due to or received by the Corporation; shall deposit all funds in his or her custody as treasurer in such banks or other places of deposit as the board of directors may from time to time designate; shall, whenever so required by the board of directors, render an account showing all transactions as treasurer, and the financial condition of the Corporation; and, in general, shall discharge such other duties as may from time to time be assigned by the board of directors, the chairman of the board of directors or the chief executive officer.

Section 5.12. Assistant Treasurers. In the absence or disability of the treasurer, any assistant treasurer may perform all the duties of the treasurer, and, when so acting, shall have all the powers of and be subject to all the restrictions upon the treasurer. The assistant treasurers shall perform such other duties as from time to time may be assigned to them, respectively, by the board of directors, the chief executive officer or the treasurer.

Section 5.13. Salaries. The salary and other remuneration of the officers of the Corporation shall be fixed from time to time by, or under delegated authority from, the board of directors. No officer shall be prevented from receiving such salary or other compensation by reason of the fact that the officer is also a director of the Corporation.

Section 5.14. Liability of Officers. An officer of the Corporation shall not be personally liable, as such, to the Corporation, for monetary damages, including, without limitation, any judgment, amount paid in settlement, penalty, punitive, special or consequential damages or any expense of any nature (including, without limitation, attorneys' fees and disbursements), for any action taken, or any failure to take any action, unless the officer has breached or failed to perform the duties of his or her office under the Articles, these Bylaws or applicable provisions of law. An officer shall not be considered to have breached or failed to perform the duties of his or her office unless the officer shall have failed to perform his or her duties as an officer in good faith, in a manner he or she reasonably believes to be in the best interests of the Corporation and with such care, including reasonable inquiry, skill and diligence, as a person of ordinary prudence would use under similar circumstances, and either (i) such failure constitutes self-dealing, willful misconduct or recklessness, or (ii) the officer is found expressly responsible or liable pursuant to any criminal statute to repay such amount or expressly liable for the payment of taxes pursuant to local, state or federal law.

ARTICLE VI

Certificates of Stock, Transfer, Etc.

Section 6.01. Share Certificates.

(a) Form of Certificates. To the extent that shares of the Corporation are certificated, such certificates shall be in such form as approved by the board of directors, and shall state that the Corporation is incorporated under the laws of the Commonwealth of Pennsylvania, the name of the person to whom issued, and the number and class of shares and the designation of the series (if any) that the certificate represents. Any certificates for shares of the Corporation shall set forth upon the face or back of the certificate (or shall state on the face or back of the certificate that the Corporation will furnish to any shareholder upon request and without charge), a full or summary statement of the designations, voting rights, preferences, limitations and special rights of the shares of each class or series authorized to be issued so far as they have been fixed and determined and the authority of the board of directors to fix and determine the designations, voting rights, preferences, limitations and special rights of the classes and series of shares of the Corporation.

(b) Share Register. The share register or transfer books and any blank share certificates shall be kept by the secretary or by any transfer agent or registrar designated by the board of directors for that purpose.

(c) Uncertificated Shares. Any or all classes and series of shares, or any part thereof, may be issued as uncertificated shares except that such a provision shall not apply to shares represented by a certificate until the certificate is surrendered to the Corporation. Within a reasonable time after the issuance or transfer of uncertificated shares, the Corporation shall send to the registered owner thereof a written notice containing the information required to be set forth or stated on certificates by Section 6.01(a). Except as otherwise expressly provided by law, the rights and obligations of the holders of shares represented by certificates and the rights and obligations of the holders of uncertificated shares of the same class and series shall be identical.

Section 6.02. Issuance. Any share certificates of the Corporation shall be numbered and registered in the share register or transfer books of the Corporation as they are issued. They shall be executed in such manner as the board of directors shall determine.

Section 6.03. Transfer. Transfers of shares shall be made on the share register or transfer books of the Corporation (1) in the case of certificated shares, upon surrender of any outstanding certificate therefor, or (2) in the case of uncertificated shares, upon delivery to the Corporation of a written instruction directing the Corporation to register such transfer, in each case endorsed or signed, as the case may be, by the person named in the certificate or owning the uncertificated security or by an attorney lawfully constituted in writing. No transfer shall be made inconsistent with the provisions of the Uniform Commercial Code, 13 Pa.C.S. §§ 8101 et seq., and its amendments and supplements.

Section 6.04. Record Holders of Shares. The Corporation shall be entitled to treat the person in whose name any share or shares of the Corporation stand on the books of the Corporation as the absolute owner thereof, and shall not be bound to recognize any equitable or other claim to, or interest in, such share or shares on the part of any other person.

Section 6.05. Lost, Destroyed or Mutilated Certificates. The holder of any shares of the Corporation represented by a certificate shall immediately notify the Corporation when the shareholder has notice of any loss, destruction or mutilation of the certificate therefor. If the Corporation receives such notice prior to notice that the certificate at issue has been acquired by a protected purchaser (as

defined in Article 8 of the Pennsylvania Uniform Commercial Code), the Corporation shall either (a) cause a new certificate or certificates to be issued to such holder, in case of mutilation of the certificate, upon the surrender of the mutilated certificate or, in the case of loss or destruction of the certificate, upon satisfactory proof of such loss or destruction, or (b) cause a notice to be sent to such holder evidencing the issuance of such shares as uncertificated shares in accordance with Section 6.01(c), and, in the case of either clause (a) or (b), upon the deposit of an indemnity bond by or on behalf of the shareholder in such form and in such sum, and with such surety or sureties, as the Corporation may direct.

ARTICLE VII

Procedure for Notice of Shareholder Nominations and Proposals

Section 7.01. Procedure for Notice of Shareholder Recommendations of Director Nominees, and Shareholder Proposals. Recommendations of nominees for election to the board of directors and the proposal of other business to be considered by the shareholders may be made at an annual meeting of shareholders (a) pursuant to the Corporation's notice of meeting, (b) by or at the direction of the board of directors (or, with respect to director nominations, by the Governance Committee), or (c) by any shareholder of the Corporation present in person at the meeting who (i) was a shareholder of record at the time of giving of notice provided for in this Article VII and at the time of an annual meeting, (ii) is entitled to vote at the meeting, (iii) has owned beneficially at least 1% of the Corporation's common stock for a continuous period of not less than 12 months before making such recommendation or providing notice of its intent to propose business at the annual meeting, (iv) is not an Unsuitable Person, and (v) complies with the notice procedures set forth in this subsection as to such proposals or nominations. Clause (c)(v) in the foregoing sentence provides the exclusive means for a shareholder to make recommendations for director nominations or submit proposals of other business (other than matters properly brought under Rule 14a-8 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and included in the Corporation's notice of meeting) before an annual meeting of shareholders. In addition, any business proposed by a shareholder to be considered by the shareholders at an annual meeting of shareholders must be a proper matter for shareholder action under the Business Corporation Law and the Articles. For purposes of this Article VII, "present in person" shall mean that the shareholder proposing that the business be brought before the meeting of the Corporation, or a qualified representative of such proposing shareholder, appear at such meeting. A "qualified representative" of such proposing shareholder shall be, if such proposing shareholder is (i) a general or limited partnership, any general partner or person who functions as a general partner of the general or limited partnership or who controls the general or limited partnership, (ii) a corporation or a limited liability company, any officer or person who functions as an officer of the corporation or limited liability company or any officer, director, general partner or person who functions as an officer, director or general partner of any entity ultimately in control of the corporation or limited liability company, or (iii) a trust, any trustee of such trust.

Section 7.02. Timing Requirements. Notice of any recommendation of a nominee for election or reelection as a director and the proposal of other business to be considered by the shareholders at an annual meeting of shareholders (the "next annual meeting") must be received by the Secretary of the Corporation at the principal executive offices of the Corporation not less than 120 days nor more than 150 days prior to the anniversary date of the immediately preceding annual meeting of the

shareholders. The notice may be hand-delivered or mailed by certified or registered mail, return receipt requested.

Section 7.03. Contents of Notice. The notice shall be in writing and shall contain:

(a) as to each person whom the shareholder recommends for nomination for election or reelection as a director, (1) all information relating to such person that is required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for election of directors in an election contest, or is otherwise required, in each case pursuant to Section 14 of the Exchange Act, and the rules and regulations promulgated thereunder (including such person's written consent to being named in the proxy statement as a nominee and to serving as a director if elected), (2) a description of all direct and indirect compensation, economic interests and other material monetary agreements, arrangements and understandings during the past three years, and any other material relationships, between or among such shareholder and beneficial owner, if any, and their respective affiliates and associates, or others acting in concert therewith, on the one hand, and each recommended nominee, and his or her respective affiliates and associates, or others acting in concert therewith, on the other hand, including, without limitation, all information that would be required to be disclosed pursuant to Rule 404 promulgated under Regulation S-K if the shareholder making the nomination and any beneficial owner on whose behalf the nomination is made, if any, or any affiliate or associate thereof or person acting in concert therewith, were the "registrant" for purposes of such rule and the recommended nominee were a director or executive officer of such registrant, (3) a description of all relationships between the proposed nominee and the recommending shareholder and the beneficial owner, if any, and of any agreements, arrangements and understandings between the recommending shareholder and the beneficial owner, if any, and the recommended nominee regarding the nomination, and (4) a description of all relationships between the recommended nominee and any of the Corporation's competitors, customers, suppliers, labor unions (if any) and any other persons with special interests regarding the Corporation;

(b) as to any business other than a recommendation for nomination of a director or directors that the shareholder proposes to bring before the meeting, set forth (1) a brief description of the business desired to be brought before the meeting, the reasons for conducting such business at the meeting and any material interest of such shareholder and beneficial owner, if any, in such business, (2) a description of all contracts, arrangements, understandings and relationships between such shareholder and beneficial owner, if any, on the one hand, and any other person or persons (including their names), on the other hand, in connection with the proposal of such business by such shareholder and (3) the text of the proposal or business (including the text of any resolutions proposed for consideration); and

(c) as to the shareholder giving the notice and the beneficial owner, if any, on whose behalf the recommendation for nomination or proposal is made, (1) the name and address of such shareholder, as they appear on the Corporation's books, the telephone number of such shareholder, and the name, address and telephone number of such beneficial owner, if any, (2)(A) the class or series and number of shares of the Corporation which are, directly or indirectly, owned of record by such shareholder and beneficially by such beneficial owner and the time period such shares have been held, (B) any option, warrant, convertible security, stock appreciation right, or similar right with an exercise or conversion privilege or a settlement payment or mechanism at a price related to any class or series of shares of the Corporation or with a value derived in whole or in part from the value of any class or series

of shares of the Corporation, whether or not such instrument or right shall be subject to settlement in the underlying class or series of capital stock of the Corporation or otherwise (a "Derivative Instrument") directly or indirectly owned beneficially by such shareholder or beneficial owner, if any, and any other direct or indirect opportunity to profit or share in any profit derived from any increase or decrease in the value of shares of the Corporation, (C) any proxy, agreement, arrangement, understanding or relationship pursuant to which such shareholder or beneficial owner, if any, has a right to vote any shares of any security of the Corporation or has granted any such right to any person or persons, (D) any short interest in any security of the Corporation (for purposes of these Bylaws a person shall be deemed to have a short interest in a security if such person directly or indirectly, through any agreement, arrangement, understanding, relationship or otherwise, has the opportunity to profit or share in any profit derived from any decrease in value of the subject security), (E) any rights to dividends on the shares of the Corporation owned beneficially by such shareholder that are separated or separable from the underlying shares of the Corporation, (F) any proportionate interest in shares of the Corporation or Derivative Instruments held, directly or indirectly, by a general or limited partnership in which such shareholder is a general partner or, directly or indirectly, beneficially owns an interest in a general partner and (G) any performance-related fees (other than an asset-based fee) that such shareholder is entitled to based on any increase or decrease in the value of shares of the Corporation or Derivative Instruments, if any, as of the date of such notice, including without limitation any such interests held by members of such shareholder's immediate family sharing the same household (which information shall be supplemented by such shareholder and beneficial owner, if any, not later than 10 days after the record date for the meeting to disclose such ownership as of the record date), and (H) any other information relating to such shareholder and beneficial owner, if any, that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for, as applicable, the proposal and/or the election of directors in a contested election pursuant to Section 14 of the Exchange Act and the rules and regulations promulgated thereunder, (I) any material pending or threatened legal proceeding in which such shareholder or beneficial owner is a party or material participant involving the Corporation or any of its officers or directors, or any affiliate of the Corporation, and (J) any direct or indirect material interest in any material contract or agreement of such shareholder or beneficial owner with the Corporation, any affiliate of the Corporation or any principal competitor of the Corporation (including, in any such case, any employment agreement, collective bargaining agreement or consulting agreement); (3) a representation that such shareholder and beneficial owner, if any, intend to be present in person at the meeting, (4) a representation that such shareholder and such beneficial owner, if any, intend to continue to hold the reported shares, Derivative Instruments or other interests through the date of the Corporation's next annual meeting of shareholders, and (5) a completed and signed questionnaire, multi-jurisdictional personal disclosure form, representations, agreement and consent required in clauses (a), (b) and (c) of Section 7.04, prepared with respect to and signed by such shareholder and beneficial owner, and (6) such additional information, documents, instruments, agreements and consents as may be deemed useful to the board of directors to evaluate whether such shareholder or beneficial owner is an Unsuitable Person. For purposes of satisfying the requirements of clause (2) of this paragraph with respect to a beneficial owner, the beneficial owner shall supply to the Corporation either (A) a statement from the record holder of the shares, Derivative Instruments or other interests verifying the holdings of the beneficial owner and indicating the length of time the shares, Derivative Instruments or other interests have been held by such beneficial owner, or (B) a current Schedule 13D, Schedule 13G, Form 3, Form 4 or Form 5 filed with the Securities and Exchange Commission reflecting the holdings of the beneficial owner, together with a statement of the length of time that the shares, Derivative Instruments or other interests have been held. If a

recommendation is submitted by a group of two or more shareholders, the information regarding the recommending shareholders and beneficial owners, if any, must be submitted with respect to each shareholder in the group and any beneficial owners.

Section 7.04. Requirements of Recommended Nominee. To be eligible for consideration to be nominated for election or reelection as a director of the Corporation, the notice required pursuant to Section 7.03 must be accompanied by (a) a written questionnaire with respect to the background and qualification of such recommended nominee and the background of any other person or entity on whose behalf the nomination is being made (which questionnaire shall be provided by the Secretary upon written request), (b) a completed and signed multi-jurisdictional personal disclosure form for the recommended nominee, together with all required exhibits and attachments thereto, in the form customarily required by governmental agencies responsible for licensing "key persons" of companies involved in gaming, (c) the written consent of each recommended nominee to: (1) provide, within such time period specified by the Corporation, (A) all information necessary to enable the Corporation to respond fully to any suitability inquiry conducted under the executive, administrative, judicial and/or legislative rules, regulations, laws and orders of any jurisdiction to which the Corporation is then subject and (B) such additional information concerning the recommended nominee as may reasonably be required by the Governance Committee and/or board of directors to determine the eligibility of such recommended nominee to serve as an independent director of the Corporation, that could be material to a reasonable shareholder's understanding of the independence, or lack thereof, of such proposed nominee, and to evaluate whether the recommended nominee is an Unsuitable Person, and (2) a background check to confirm the qualifications and character of the recommended nominee, to evaluate whether the recommended nominee is an Unsuitable Person, and to make such other determinations as the Governance Committee or the board of directors may deem appropriate or necessary, and (d) the written representation and agreement (in the form provided by the Secretary upon written request) of the recommended nominee that he or she (1) is not and will not become a party to (A) any agreement, arrangement or understanding with, and has not given any commitment or assurance to, any person or entity as to how such person, if elected as a director of the Corporation, will act or vote on any issue or question (a "Voting Commitment") that has not been disclosed to the Corporation or (B) any Voting Commitment that could limit or interfere with such person's ability to comply, if elected as a director of the Corporation, with such person's fiduciary duties under applicable law, (2) is not and will not become a party to any agreement, arrangement or understanding with any person or entity other than the Corporation with respect to any direct or indirect compensation, reimbursement or indemnification in connection with service or action as a director that has not been disclosed therein, and (3) in such person's individual capacity and on behalf of any person or entity on whose behalf the nomination is being made, would be in compliance, if elected as a director of the Corporation, and will comply with all applicable publicly disclosed corporate governance, conflict of interest, confidentiality and stock ownership and trading policies and guidelines of the Corporation.

Section 7.05. Requirement to Supplement Notice. A shareholder shall update and supplement its notice to the Corporation of any recommendation for nomination or of its intent to propose business at an annual meeting, if necessary, so that the information provided or required to be provided in such notice shall be true and correct as of the record date for notice of the meeting and as of the date that is 10 business days prior to the meeting or any adjournment or postponement thereof, and such update and supplement shall be hand-delivered or mailed by certified or registered mail, return receipt requested, and received by, the Secretary at the principal executive offices of the Corporation not later than: (i) in the case of the update and supplement required to be made as of the record date, 5

business days after the record date for notice of the meeting; and (ii) in the case of the update and supplement required to be made as of 10 business days prior to the meeting or any adjournment or postponement thereof, not later than 8 business days prior to the date for the meeting or, if practicable, any adjournment or postponement thereof (and, if not practicable, on the first practicable date prior to the date to which the meeting has been adjourned or postponed).

Section 7.06. Increase In Number of Directors to Be Elected. Notwithstanding anything in this Article VII to the contrary, in the event that the number of directors to be elected to the board of directors at the annual meeting is increased and there is no public announcement by the Corporation naming all of the nominees for director or specifying the size of the increased board of directors at least 70 days prior to the first anniversary of the preceding annual meeting, a shareholder's notice required by this Article VII shall also be considered timely, but only with respect to recommended nominees for any new positions created by such increase, if it shall be hand-delivered or mailed by certified or registered mail, return receipt requested, and received by, the Secretary at the principal executive offices of the Corporation not later than the close of business on the 10th day following the day on which such public announcement naming all of the nominees for director or specifying the size of the increased board of directors is first made by the Corporation.

Section 7.07. Authority of Chairman. The chairman of the meeting may, if the facts warrant, determine and declare to the meeting that any nomination proposed to be recommended or made or proposal of business to be presented at the meeting did not comply with the foregoing procedures and, in such event, the recommended or proposed nomination or proposal of business (as applicable) shall be disregarded.

Section 7.08. Special Meetings of Shareholders. Only such business shall be conducted at a special meeting of shareholders as shall have been brought before the meeting pursuant to the Corporation's notice of meeting (or any supplement thereto). Shareholder recommendations of proposed nominees to stand for election to the board of directors at a special meeting of shareholders at which directors are to be elected pursuant to the Corporation's notice of meeting (or any supplement thereto) will be considered by the Governance Committee provided that the recommending shareholder: (i) is a shareholder of record at the time of giving of notice provided for in this Article VII and at the time of the special meeting, (ii) is entitled to vote at the special meeting, (iii) has owned beneficially at least 1% of the Corporation's common stock for a continuous period of not less than 12 months before giving the notice making such recommendation (iv) is not an Unsuitable Person and (v) complies with the notice procedures set forth in this Article VII as to such nomination, including the submission of all required information and documents required by this Article VII and compliance with all applicable procedures regarding updating and supplementing notices (other than with respect to timing requirements, which shall be governed by the next sentence). A shareholder's notice with respect to any such nominee recommendation (including the completed and signed questionnaire, representations, consent and agreement required elsewhere in this Article VII) shall be hand-delivered or mailed by certified or registered mail, return receipt requested, and received by, the Secretary at the principal executive offices of the Corporation not later than the close of business on the later of the 60th day prior to the date of such special meeting or, if the first public announcement of the date of such special meeting is less than 70 days prior to the date of such special meeting, then not later than the close of business on the 10th day following the day on which public announcement is first made of the date of the special meeting and of the nominees proposed by the board of directors to be elected at such meeting. In no event shall any adjournment or postponement of a special meeting or the announcement

thereof commence a new time period for the giving of a shareholder's notice as described above. The chairman of a special meeting shall, if the facts warrant, determine and declare to the meeting that business was not properly brought before the meeting in accordance with the provisions of this Article VII and, if the chairman should so determine, any such business not properly brought before the meeting shall not be transacted.

Section 7.09. Rule 14a-8 under the Exchange Act; Preferred Stock. Nothing in this Article VII shall be deemed to affect any rights of (i) shareholders to request inclusion of proposals in the Corporation's proxy statement pursuant to Rule 14a-8 under the Exchange Act, or (ii) the holders of any series of Preferred Stock if and to the extent provided for under law, the Articles of Incorporation or these By-Laws.

Section 7.10. Definition of "Public Announcement." For purposes of this Article VII, the term "public announcement" shall mean disclosure by means of any method or combination of methods compliant with Regulation FD under the Exchange Act.

Section 7.11. Waiver by Board of Directors. The board of directors may, in its sole discretion, waive any condition or requirement of any provision of this Article VII in one or more instances.

ARTICLE VIII

Indemnification of Directors, Officers and Other Authorized Representatives

Section 8.01. Right to Indemnification. The Corporation shall indemnify, to the fullest extent permitted by applicable law as it exists or may hereafter be amended or modified from time to time (but, in the case of any such amendment or modification, only to the extent that such amendment or modification permits the Corporation to provide greater indemnification rights than said law permitted the Corporation to provide prior to such amendment or modification), any Person against all liability, loss and expense (including attorneys' fees, judgments, fines, penalties and amounts paid in settlement) actually and reasonably incurred by such Person by reason of the fact that such Person: (A) is or was a director or officer of the Corporation; (B) is or was an employee who was requested, as part of the Corporation's disclosure controls and procedures and in connection with such employee's responsibilities in service to the Corporation, to provide to the Corporation a certification or certifications to be used by the Corporation in connection with the preparation of its periodic reports under the Exchange Act; or (C) is any other Person approved by the board of directors who is or was serving at the request of the Corporation as a director, officer, employee, agent, fiduciary or trustee of another corporation or of a partnership, joint venture, trust or other enterprise or entity, whether or not for profit, whether domestic or foreign, including service with respect to an employee benefit plan, its participants or beneficiaries (each, an "Indemnified Representative").

Section 8.02. Proceedings Initiated by Indemnified Persons. Notwithstanding any other provision of this Article VIII, the Corporation shall not indemnify under this Article VIII any person in respect of a suit or proceeding initiated (which shall not be deemed to include counterclaims or affirmative defenses) or participated in as an intervenor or amicus curiae by the person seeking indemnification unless such initiation of or participation in the proceeding is authorized, either before or

after its commencement, by the affirmative vote of a majority of the directors in office. This Section shall in no way limit the obligation of the Corporation to reimburse the expenses incurred by any person in successfully prosecuting or defending the entitlement of such person to be indemnified or receive an expense advancement pursuant to this Article VIII.

Section 8.03. Advance of Expenses. Subject to Section 8.04 hereof, any expense incurred by an Indemnified Representative in connection with any indemnifiable matter pursuant to Section 8.01 above (an "Indemnified Matter") shall be paid by the Corporation in advance of the final disposition of such Indemnified Matter, subject to the provisions of applicable law, upon receipt of an undertaking by or on behalf of the Indemnified Representative to repay such amount if it shall ultimately be determined that such person is not entitled to be indemnified by the Corporation under applicable law. The financial ability of an Indemnified Representative to repay an advance shall not be a prerequisite to the making of such advance.

Section 8.04. Procedure for Determining Permissibility. To determine whether any indemnification or advance of expenses under this Article VIII is permissible, the board of directors may, and on request of any person seeking indemnification or advance of expenses shall, reasonably determine (i) in the case of indemnification, whether the standards under applicable law have been met and (ii) in the case of advance of expenses prior to a change in control of the Corporation (as defined below), whether such advance is appropriate under the circumstance, provided that if a quorum consisting of directors who are not parties to the Indemnified Matter is not obtainable, the determination may be made by independent legal counsel selected by the board of directors; and provided further that, if there has been a change in control of the Corporation between the time of the action or failure to act giving rise to the claim for indemnification or advance of expenses and the time such claim is made, at the option of the person seeking indemnification or advance of expenses, the permissibility of indemnification shall be determined by independent legal counsel selected by a majority of members of the board of directors as constituted immediately prior to any change in control, and the advance of expenses shall be obligatory subject to receipt of the undertaking specified in Section 8.03 hereof. The reasonable expenses of any director or officer in prosecuting a successful claim for indemnification, and the fees and expenses of any independent legal counsel engaged to determine permissibility of indemnification or advance of expenses, shall be borne by the Corporation. As used herein, the term "change in control" shall have the meaning given in any equity compensation plan of the Corporation that is in effect at the time of any putative control change, and as selected at that time by the board of directors.

Section 8.05. Partial Payment. If any Indemnified Representative is entitled to indemnification in respect of a portion, but not all, of any expenses to which such person may be subject, the Corporation shall indemnify such Indemnified Representative to the maximum extent for such portion of the expenses.

Section 8.06. Contractual Obligation. The obligations of the Corporation to indemnify a director or officer under this Article VIII, including, if applicable, the duty to advance expenses, shall be considered a contract between the Corporation and such director or officer, and no modification or repeal of any provision of this Article VIII shall affect, to the detriment of the director or officer, such obligations of the Corporation in connection with a claim based on any act or failure to act occurring before such modification or repeal.

Section 8.07. Securing of Indemnification Obligations. To further effect, satisfy or secure the indemnification obligations provided herein or otherwise, the Corporation may maintain insurance, obtain a letter of credit, act as self-insurer, create a reserve, trust, escrow, cash collateral or other fund or account, enter into indemnification agreements, pledge or grant a security interest in any assets or properties of the Corporation, or use any other mechanism or arrangement whatsoever in such amounts, at such costs, and upon such other terms and conditions as the board of directors shall deem appropriate. Absent fraud, the determination of the board of directors with respect to such amounts, costs, terms and conditions shall be conclusive against all security holders, officers and directors and shall not be subject to voidability.

ARTICLE IX

Forum for Adjudication of Disputes

Unless the Corporation consents in writing to the selection of an alternative forum, the sole and exclusive forum for (i) any derivative action or proceeding brought on behalf of the Corporation, (ii) any action asserting a claim of breach of a fiduciary duty owed by any director, officer or other employee of the Corporation to the Corporation or the Corporation's shareholders, (iii) any action asserting a claim arising pursuant to any provision of the Business Corporation Law, or (iv) any action asserting a claim peculiar to the relationships among or between or among the Corporation and its officers, directors, and shareholders, shall be a state or federal court located within the County of Berks in the Commonwealth of Pennsylvania, in all cases subject to the court's having personal jurisdiction over the indispensable parties named as defendants. Any person or entity purchasing or otherwise acquiring any interest in shares of capital stock of the Corporation shall be deemed to have notice of and consented to the provisions of this Section 8.01.

ARTICLE X

Miscellaneous

Section 10.01. Corporate Seal. The Corporation shall have a corporate seal in the form of a circle containing the name of the Corporation, the year of incorporation and such other details as may be approved by the board of directors. The affixation of the corporate seal shall not be necessary to the valid execution, assignment or endorsement by the Corporation of any instrument or other document unless otherwise required by law.

Section 10.02. Checks. All checks, notes, bills of exchange or other similar orders in writing shall be signed by such person or persons as the board of directors or any person authorized by resolution of the board of directors may from time to time designate.

Section 10.03. Contracts; Borrowing. Except as otherwise provided in the Business Corporation Law in the case of transactions that require action by the shareholders, the board of directors may authorize any officer, agent or employee to enter into any contract or to execute or deliver any instrument on behalf of the Corporation. Such authority may be general or confined to specific instances, and no officer or officers, agent or agents, employee or employees of the Corporation shall have any power or authority to bind the Corporation by any contract or engagement to borrow money, to

pledge its credit or to mortgage or pledge its real or personal property, except within the scope and to the extent of the authority so delegated.

Section 10.04. Interested Directors or Officers; Quorum.

(a) General Rule. A contract or transaction between the Corporation and one or more of its directors or officers or between the Corporation and another corporation, partnership, joint venture, trust or other enterprise in which one or more of its directors or officers are directors or officers or have a financial or other interest, shall not be void or voidable solely for that reason, or solely because the director or officer is present at or participates in the meeting of the board of directors that authorizes the contract or transaction, or solely because his, her or their votes are counted for that purpose, if:

(1) the material facts as to the relationship or interest and as to the contract or transaction are disclosed or are known to the board of directors and the board authorizes the contract or transaction by the affirmative votes of a majority of the disinterested directors even though the disinterested directors are less than a quorum;

(2) the material facts as to his or her relationship or interest and as to the contract or transaction are disclosed or are known to the shareholders entitled to vote thereon and the contract or transaction is specifically approved in good faith by vote of those shareholders;

(3) the contract or transaction is approved pursuant to the applicable policies with respect to related party transactions as described in the most recently filed proxy statement with the Securities and Exchange Commission that contains disclosures pursuant to Item 404 of Regulation S-K; or

(4) the contract or transaction, as of the time it is authorized, approved or ratified by the board of directions or the shareholders, is in, or is not inconsistent with, the best interest of the Corporation based on a review of (i) the benefits to the Corporation of the contract or transaction and (ii) the terms of the contract or transaction and the terms available to or from unrelated third parties, as applicable.

(b) Quorum. Common or interested directors may be counted in determining the presence of a quorum at a meeting of the board which authorizes a contract or transaction specified in Section 10.04(a).

Section 10.05. Deposits. All funds of the Corporation shall be deposited from time to time to the credit of the Corporation in such banks, trust companies or other depositaries as the board of directors may approve or designate, and all such funds shall be withdrawn only upon checks signed by such one or more officers or employees as the board of directors shall from time to time determine.

Section 10.06. Corporate Records.

(a) Required Records. To the extent required by the Business Corporation Law, the Corporation shall keep complete and accurate books and records of account, minutes of the proceedings of the incorporators, shareholders and directors and a share register giving the names and addresses of all shareholders and the number and class of shares held by each. The share register shall be kept at either the registered office of the Corporation in the Commonwealth of Pennsylvania or at its

principal place of business wherever situated or at the office of its registrar or transfer agent. Any books, minutes or other records may be in written form or any other form capable of being converted into written form within a reasonable time.

(b) Right of Inspection. Every shareholder shall, upon written verified demand stating the purpose thereof, have a right to examine, in person or by agent or attorney, during the usual hours for business for any proper purpose, the share register, books and records of account, and records of the proceedings of the incorporators, shareholders and directors and to make copies or extracts therefrom. A proper purpose shall mean a purpose reasonably related to the interest of the person as a shareholder. In every instance where an attorney or other agent is the person who seeks the right of inspection, the demand shall be accompanied by a verified power of attorney or other writing that authorizes the attorney or other agent to so act on behalf of the shareholder. The demand shall be directed to the Corporation (i) at its registered office in the Commonwealth of Pennsylvania, (ii) at its principal place of business wherever situated, or (iii) in care of the person in charge of an actual business office of the Corporation.

Section 10.07. Voting. Unless otherwise ordered by the board of directors, the Corporation may cast (by consent or at a meeting) the votes which the Corporation may be entitled to cast as a shareholder, member, partner or otherwise in any other corporation, limited liability company, partnership or other entity any of whose shares or other securities are held by or for the Corporation by any of its officers or agents, or by proxy appointed by any officer or agent, unless some other person, by resolution of the board of directors or a provision of the other corporation's articles or Bylaws, is appointed its general or special proxy in which case that person shall be entitled to vote the shares or other securities.

Section 10.08. Fiscal Year. The fiscal year of the Corporation shall begin on the first day of January in each year.

Section 10.09. Amendment of Bylaws.

(a) General Rule. These Bylaws may be amended or repealed, or new Bylaws may be adopted, either

(1) upon receiving at least of seventy five percent (75%) of the votes cast at a duly organized meeting of shareholders by the holders of shares entitled to vote thereon, or

(2) in the event that the proposed Bylaw amendment, repeal or adoption has been proposed by a majority of the directors, upon receiving a majority of the votes cast at a duly organized meeting of shareholders by the holders of shares entitled to vote thereon, or

(3) by the board of directors.

(b) Provisions of the Bylaws in Conflict with Law or Regulation. The provisions of these Bylaws are severable, and if the board of directors shall determine, with the advice of counsel, that any one or more of the provisions contained herein are in conflict with any laws or regulations applicable to real estate investment trusts or to companies engaged in the gaming industry, then such conflicting provisions shall be deemed never to have constituted a part of these Bylaws, and the board of directors shall amend these Bylaws in accordance with Section 10.09(a) above; provided,

however, that this determination shall not affect or impact any of the remaining provisions of these Bylaws or render invalid or improper any action taken or omitted (including but not limited to the election of the board of directors) prior to such determination. The board of directors shall not be liable for failure to make any determination under this Section 10.09(b).

(c) Waiver. No waiver of any condition or requirement set forth in these Bylaws by the board of directors in one or more instances shall be deemed to be or construed as a further or continuing waiver of such condition or requirement or a waiver of any other condition or requirement set forth in these Bylaws by the board of directors.

(d) Effective Date. Any change in these Bylaws shall take effect when adopted unless otherwise provided in the resolution effecting the change.

Exhibit 10.1

MASTER LEASE

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EXHIBITS AND SCHEDULES

MASTER LEASE

This **MASTER LEASE** (the "**Master Lease**") is entered into as of , 2013, by and among GLP Capital, L.P. **(**together with its permitted successors and assigns, "**Landlord**"), and Penn Tenant, LLC (together with its permitted successors and assigns, "**Tenant**").

RECITALS

A. Capitalized terms used in this Master Lease and not otherwise defined herein are defined in Article II hereof.

B. Pursuant to that certain Separation and Distribution Agreement, dated as of [ ] (the "**Distribution Agreement**"), between Penn National Gaming, Inc., the sole member of the Tenant ("**Tenant's Parent**"), and Gaming and Leisure Properties, Inc. ("**GLP**"), the general partner of Landlord, Landlord desires to lease the Leased Property to Tenant and Tenant desires to lease the Leased Property from Landlord upon the terms set forth in this Master Lease.

C. A list of the Seventeen (17) facilities covered by this Master Lease as of the date hereof is attached hereto as <u>Exhibit A</u> (each a "**Facility**," and collectively, the "**Facilities**").

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

ARTICLE I

1.1 Leased Property. Upon and subject to the terms and conditions hereinafter set forth, Landlord leases to Tenant and Tenant leases from Landlord all of Landlord's rights and interest in and to the following with respect to each of the Facilities other than the Development Facilities (collectively, the "**Leased Property**"):

(a) the real property or properties described in Exhibit B attached hereto (collectively, the "**Land**");

(b) all buildings, structures, Fixtures (as hereinafter defined) and other improvements of every kind now or hereafter located on the Land including, but not limited to, alleyways and connecting tunnels, sidewalks, utility pipes, conduits and lines (on-site and off-site to the extent Landlord has obtained any interest in the same), parking areas and roadways appurtenant to such buildings and structures of each such Facility, in each case to the extent constituting Long-Lived Assets (collectively, the "**Leased Improvements**");

(c) all easements, rights and appurtenances relating to the Land and the Leased Improvements; and

(d) all equipment, machinery, fixtures, and other items of property, including all components thereof, that are hereby deemed to constitute real estate and (i) are now and

hereafter located in, on or used in connection with and permanently affixed to or incorporated into the Leased Improvements and (ii) qualify as Long-Lived Assets, together with all replacements, modifications, alterations and additions thereto (collectively, the "**Fixtures**");

in each case, with respect to classes (b) and (d) above, to the extent constituting "real property" as that form is defined in Treasury Regulation §1.856-3(d).

The Leased Property is leased subject to all covenants, conditions, restrictions, easements and other matters affecting the Leased Property as of the Commencement Date and such subsequent covenants, conditions, restrictions, easements and other matters as may be agreed to by Landlord or Tenant in accordance with the terms of this Master Lease, whether or not of record, including any matters which would be disclosed by an inspection or accurate survey of the Leased Property.

1.2 Single, Indivisible Lease. This Master Lease constitutes one indivisible lease of the Leased Property and not separate leases governed by similar terms. The Leased Property constitutes one economic unit, and the Rent and all other provisions have been negotiated and agreed to based on a demise of all of the Leased Property to Tenant as a single, composite, inseparable transaction and would have been substantially different had separate leases or a divisible lease been intended. Except as expressly provided in this Master Lease for specific, isolated purposes (and then only to the extent expressly otherwise stated), all provisions of this Master Lease apply equally and uniformly to all of the Leased Property as one unit. An Event of Default with respect to any portion of the Leased Property is an Event of Default as to all of the Leased Property. The parties intend that the provisions of this Master Lease shall at all times be construed, interpreted and applied so as to carry out their mutual objective to create an indivisible lease of all of the Leased Property and, in particular but without limitation, that, for purposes of any assumption, rejection or assignment of this Master Lease under 11 U.S.C. Section 365, or any successor or replacement thereof or any analogous state law, this is one indivisible and non-severable lease and executory contract dealing with one legal and economic unit and that this Master Lease must be assumed, rejected or assigned as a whole with respect to all (and only as to all) of the Leased Property. The parties may amend this Master Lease from time to time to include one or more additional Facilities as part of the Leased Property and such future addition to the Leased Property shall not in any way change the indivisible and nonseverable nature of this Master Lease and all of the foregoing provisions shall continue to apply in full force.

1.3 Term. The "**Term**" of this Master Lease is the Initial Term *plus* all Renewal Terms. The initial term of this Master Lease (the "**Initial Term**") shall commence on , 201 (the "**Commencement Date**") and end on the last day of the calendar month in which the fifteenth anniversary (15th) anniversary of the Commencement Date occurs, subject to renewal as set forth in Section 1.4 below.

1.4 Renewal Terms. The term of this Master Lease may be extended for four (4) separate "Renewal Terms" of five (5) years each if: (a) at least twelve (12), but not more than eighteen (18) months prior to the end of the then current Term, Tenant delivers to Landlord a "Renewal Notice" that it desires to exercise its right to extend this Master Lease for one (1)

Renewal Term; and (b) no Event of Default shall have occurred and be continuing on the date Landlord receives the Renewal Notice (the "**Exercise Date**") or on the last day of the then current Term. During any such Renewal Term, except as otherwise specifically provided for herein, all of the terms and conditions of this Master Lease shall remain in full force and effect.

Tenant may exercise such options to renew with respect to all (and no fewer than all) of the Facilities which are subject to this Master Lease as of the Exercise Date; provided, however, that the exercise of each Renewal Term shall be applicable with respect to each Barge-Based Facility only if an Expert has confirmed prior to the applicable Exercise Date (but no more than 180 days prior thereto) that exercising such Renewal Term with respect to such Barge-Based Facility would not cause the aggregate Term to exceed eighty percent (80%) of the useful life of such Barge-Based Facility as measured from the Commencement Date or the estimated residual fair market value of such Barge-Based Facility at the end of the applicable Renewal Term to be less than 20% of the fair market value of such Barge-Based Facility as of the Commencement Date without regard to inflation or deflation. If exercising any Renewal Term would cause the aggregate Term to exceed eighty percent (80%) of any Barge-Based Facility's estimated useful life, then (i) the remainder of the Leased Property (other than any Barge-Based Facility for which the aggregate Term would exceed eighty percent (80%) of such Barge-Based Facility's estimated useful life or the estimated residual fair market value of such Barge-Based Facility at the end of the applicable Renewal Term to be less than 20% of the fair market value of such Barge-Based Facility as of the Commencement Date without regard to inflation or deflation) shall continue to be demised hereunder for the entire applicable Renewal Term, and (ii) each such Barge-Based Facility shall be included in such Renewal Term only for the period of time that is within (and does not exceed) eighty percent (80%) of the estimated useful life of such Barge-Based Facility and the estimated residual Fair Market Value of such Barge-Based Facility at the end of the applicable Renewal Term shall be not less than 20% of the fair market value of such Barge-Based Facility as of the Commencement Date without regard to inflation or deflation and shall thereafter not be a part of the Leased Property hereunder and the Base Rent due hereunder shall thereafter be reduced to account for the period of time each such Barge-Based Facility is not part of the Leased Property by an amount determined in accordance with the formula set forth in Section 14.6 hereof and such

Barge-Based Facility and the Tenant's Property related thereto shall be sold at fair market value, with Landlord entitled to the value of the Leased Property relating to such Barge-Based Facility and Tenant entitled to the value of the Tenant's Property relating to such Barge-Based Facility.

ARTICLE II

2.1 Definitions. For all purposes of this Master Lease, except as otherwise expressly provided or unless the context otherwise requires, (i) the terms defined in this Article have the meanings assigned to them in this Article and include the plural as well as the singular; all accounting terms not otherwise defined herein have the meanings assigned to them in accordance with GAAP; (ii) all references in this Master Lease to designated "Articles," "Sections" and other subdivisions are to the designated Articles, Sections and other subdivisions of this Master Lease; (iii) the word "including" shall have the same meaning as the phrase "including, without limitation," and other similar phrases; (iv) the words "herein," "hereof" and "hereunder" and other words of similar import refer to this Master Lease as a whole and not to any particular Article, Section or other subdivision; and (v) for the calculation of any financial

ratios or tests referenced in this Master Lease (including the Adjusted Revenue to Rent Ratio and the Indebtedness to EBITDA Ratio), this Master Lease, regardless of its treatment under GAAP, shall be deemed to be an operating lease and the Rent payable hereunder shall be treated as an operating expense and shall not constitute Indebtedness or interest expense.

AAA: As defined in Section 34.1(b).

Accounts: All accounts, including deposit accounts and any Facility Mortgage Reserve Account (to the extent actually funded by Tenant), all rents, profits, income, revenues or rights to payment or reimbursement derived from the use of any space within the Leased Property and/or from goods sold or leased or services rendered from the Leased Property (including, without limitation, from goods sold or leased or services rendered from the Leased Property by any subtenant) and all accounts receivable, in each case whether or not evidenced by a contract, document, instrument or chattel paper and whether or not earned by performance, including without limitation, the right to payment of management fees and all proceeds of the foregoing.

Additional Charges: All Impositions and all other amounts, liabilities and obligations which Tenant assumes or agrees to pay under this Master Lease and, in the event of any failure on the part of Tenant to pay any of those items, except where such failure is due to the acts or omissions of Landlord, every fine, penalty, interest and cost which may be added for non-payment or late payment of such items.

Adjusted Revenue: For any Test Period, Net Revenue (i) minus expenses other than Specified Expenses and (ii) plus Specified Proceeds, if any; provided, however, that for purposes of calculating Adjusted Revenue, Net Revenue shall not include Gaming Revenues, Retail Sales or Promotional Allowances of any subtenants of Tenant or any deemed payments under subleases of this Master Lease, licenses or other access rights from Tenant to its operating subsidiaries. Adjusted Revenue shall be calculated on a pro forma basis to give effect to any increase or decrease in rent as a result of the addition or removal of Leased Property to this Master Lease since the beginning of any Test Period of Tenant as if each such increase or decrease had been effected on the first day of such Test Period.

Adjusted Revenue to Rent Ratio: As at any date of determination, the ratio for any period of Adjusted Revenue to Rent. For purposes of calculating the Adjusted Revenue to Rent Ratio, Adjusted Revenue shall be calculated on a pro forma basis (and shall be calculated to give effect to (x) pro forma adjustments reasonably contemplated by Tenant and (y) such other pro forma adjustments consistent with Regulation S-X under the Securities Act) to give effect to any material acquisitions and material asset sales consummated by the Tenant or any Guarantor during any Test Period of Tenant as if each such material acquisition had been effected on the first day of such Test Period and as if each such material asset sale had been consummated on the day prior to the first day of such Test Period In addition, (i) Adjusted Revenue and Rent shall be calculated on a pro forma basis to give effect to any increase or decrease in Rent as a result of the addition or removal of Leased Property, to this Master Lease during any Test Period as if such increase or decrease had been effected on the first day of such Test Period and (ii) in the event Rent is to be increased in connection with the addition or inclusion of a Long-Lived Asset that is projected to increase Adjusted Revenue, such Rent increase shall not be taken into account in

calculating the Adjusted Revenue to Rent Ratio until the first fiscal quarter following the completion of the installation or construction of such Long Lived Assets.

Affected Facility: As defined in Section 7.4.

Affiliate: When used with respect to any corporation, limited liability company, or partnership, the term "Affiliate" shall mean any person which, directly or indirectly, controls or is controlled by or is under common control with such corporation, limited liability company or partnership. For the purposes of this definition, "control" (including the correlative meanings of the terms "controlled by" and "under common control with"), as used with respect to any Person, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such person, through the ownership of voting securities, partnership interests or other equity interests.

Award: All compensation, sums or anything of value awarded, paid or received on a total or partial Taking.

Barge-Based Facility: Each Facility identified in Exhibit A, as amended from time to time, as a "Barge-Based Facility."

Base Rent: The sum of (i) the Building Base Rent, and (ii) the Land Base Rent.

Building Base Rent:

(A) During the Initial Term, an annual amount equal to Dollars ($); provided, however, that commencing with the second (2nd) Lease Year and continuing each Lease Year thereafter during the Initial Term, the Building Base Rent shall increase to an annual amount equal to the sum of (i) the Building Base Rent for the immediately preceding Lease Year, and (ii) the Escalation.

(B) The Building Base Rent for the first year of each Renewal Term shall be an annual amount equal to the sum of (i) the Building Base Rent for the immediately preceding Lease Year, and (ii) the Escalation. Commencing with the second (2nd) Lease Year of any Renewal Term and continuing each

Lease Year thereafter during such Renewal Term, the Building Base Rent shall increase to an annual amount equal to the sum of (i) the Building Base Rent for the immediately preceding Lease Year, and (ii) the Escalation.

(C) As applicable during the Term, Building Base Rent shall be increased pursuant to Section 10.3(c) in respect of Capital Improvements funded by Landlord (which increases shall, in each case, be subject to the Escalations provided in the foregoing clauses (A) and (B)).

Business Day: Each Monday, Tuesday, Wednesday, Thursday and Friday which is not a day on which national banks in the City of New York, New York are authorized, or obligated, by law or executive order, to close.

Capital Improvements: With respect to any Facility, any improvements or alterations or modifications of the Leased Improvements, including without limitation capital

improvements and structural alterations, modifications or improvements, or one or more additional structures annexed to any portion of any of the Leased Improvements of such Facility, or the expansion of existing improvements, which are constructed on any parcel or portion of the Land of such Facility, during the Term, including construction of a new wing or new story, all of which shall constitute a portion of the Leased Improvements and Leased Property hereunder in accordance with Section 10.3.

Cash: Cash and cash equivalents and all instruments evidencing the same or any right thereto and all proceeds thereof.

Casualty Event: Any loss of title or any loss of or damage to or destruction of, or any condemnation or other taking (including by any governmental authority) of, any asset for which Tenant or any of its Subsidiaries (directly or through Tenant's Parent) receives cash insurance proceeds or proceeds of a condemnation award or other similar compensation (excluding proceeds of business interruption insurance). "Casualty Event" shall include, but not be limited to, any taking of all or any part of any real property of Tenant or any of its Subsidiaries or any part thereof, in or by condemnation or other eminent domain proceedings pursuant to any applicable law, or by reason of the temporary requisition of the use or occupancy of all or any part of any real property of Tenant or any of its Subsidiaries or any part thereof by any governmental authority, civil or military.

Change in Control: (i) Any Person or "group" (within the meaning of Rules 13d-3 and 13d-5 under the Securities Exchange Act of 1934, as amended from time to time, and any successor statute), (a) shall have acquired direct or indirect beneficial ownership or control of 35% or more on a fully diluted basis of the direct or indirect voting power in the Equity Interests of Tenant's Parent entitled to vote in an election of directors of Tenant's Parent, or (b) shall have caused the election of a majority of the members of the board of directors or equivalent body of Tenant's Parent, which such members have not been nominated by a majority of the members of the board of directors or equivalent body of Tenant's Parent as such were constituted immediately prior to such election, (ii) except as permitted or required hereunder, the direct or indirect sale by Tenant or Tenant's Parent of all or substantially all of Tenant's assets, whether held directly or through Subsidiaries, relating to the Facilities in one transaction or in a series of related transactions (excluding sales to Tenant or its Subsidiaries), or (iii) (a) Tenant ceasing to be a wholly owned Subsidiary (directly or indirectly) of Tenant's Parent or (b) Tenant's Parent ceasing to control 100% of the voting power in the Equity Interests of Tenant or (iv) Tenant's Parent consolidates with, or merges with or into, any Person, or any Person consolidates with, or merges with or into, Tenant's Parent, in any such event pursuant to a transaction in which any of the outstanding Equity Interests of Tenant's Parent ordinarily entitled to vote in an election of directors of Tenant's Parent or such other Person is converted into or exchanged for cash, securities or other property, other than any such transaction where the Equity Interests of Tenant's Parent ordinarily entitled to vote in an election of directors of Tenant's Parent outstanding immediately prior to such transaction constitutes or is converted into or exchanged into or exchanged for a majority (determined by voting power in an election of directors) of the outstanding Equity Interests ordinarily entitled to vote in an election of directors of such surviving or transferee Person (immediately after giving effect to such transaction).

Code: The Internal Revenue Code of 1986 and, to the extent applicable, the Treasury Regulations promulgated thereunder, each as amended from time to time.

Commencement Date: As defined in Section 1.3.

Competing Facility: As defined in Section 7.4(e).

Competing Facility Floor: As defined in Section 7.4(e).

Condemnation: The exercise of any governmental power, whether by legal proceedings or otherwise, by a Condemnor or a voluntary sale or transfer by Landlord to any Condemnor, either under threat of condemnation or while legal proceedings for condemnation are pending.

Condemnor: Any public or quasi-public authority, or private corporation or individual, having the power of Condemnation.

Consolidated Interest Expense: For any period, interest expense of Tenant and its Subsidiaries that are Guarantors for such period as determined on a consolidated basis for Tenant and its Subsidiaries that are Guarantors in accordance with GAAP.

CPI: The United States Department of Labor, Bureau of Labor Statistics Revised Consumer Price Index for All Urban Consumers (1982-84=100), U.S. City Average, All Items, or, if that index is not available at the time in question, the index designated by such Department as the successor to such index, and if there is no index so designated, an index for an area in the United States that most closely corresponds to the entire United States, published by such Department, or if none, by any other instrumentality of the United States.

CPI Increase: The product of (i) the CPI published for the beginning of each Lease Year, divided by (ii) the CPI published for the beginning of the first Lease Year. If the product is less than one, the CPI Increase shall be equal to one.

CPR Institute: As defined in Section 34.1(b).

Date of Taking: The date the Condemnor has the right to possession of the property being condemned.

Debt Agreement: If designated by Tenant to Landlord in writing to be included in the definition of "Debt Agreement," one or more (A) debt facilities or commercial paper facilities, providing for revolving credit loans, term loans, receivables financing (including through the sale of receivables to lenders or to special purpose entities formed to borrow from lenders against such receivables) or letters of credit, (B) debt securities, indentures or other forms of debt financing (including convertible or exchangeable debt instruments or bank guarantees or bankers' acceptances), or (C) instruments or agreements evidencing any other indebtedness, in each case, with the same or different borrowers or issuers and, in each case, (i) entered into from time to time by Tenant and/or its Affiliates, (ii) as amended, supplemented, modified, extended, restructured, renewed, refinanced, restated, replaced or refunded in whole or in part from time to time, (iii) which may be secured by assets of Tenant and its Subsidiaries, including, but not

limited to, their Cash, Accounts, Tenant's Property, real property and leasehold estates in real property (including this Master Lease), and (iv) which shall provide Landlord, in accordance with Section 17.3(c) hereof, the right to receive copies of notices of Specified Debt Agreement Defaults thereunder and opportunity to cure any Specified Debt Agreement Defaults by Tenant thereunder within the cure period, if any, that exists under such Debt Agreement.

Development Facilities: The Facilities which are identified in Exhibit A, as amended from time to time, as "Development Facilities."

Discretionary Transferee: A transferee that meets all of the following requirements: (a) such transferee has (1) at least five (5) years of experience (directly or through one or more of its Subsidiaries) operating or managing casinos with revenues in the immediately preceding fiscal year of at least $750 million (or retains a manager with such qualifications, which manager shall not be replaced other than in accordance with Article XXII hereof) that is not in the business, and that does not have an Affiliate in the business, of leasing properties to gaming operators, or (2) agreement(s) in place in a form reasonably satisfactory to Landlord to retain for a period of eighteen (18) months (or more) after the effective time of the transfer at least (i) eighty percent (80%) of Tenant and its Subsidiaries' personnel employed at the Facilities who have employment contracts as of the date of the relevant agreement to transfer and (ii) eighty percent (80%) of Tenant's and Tenant's Parent's ten most highly compensated corporate employees as of the date of the relevant agreement to transfer based on total compensation determined in accordance with Item 402 of Regulation S-K of the Securities and Exchange Act of 1934, as amended; (b) such transferee (directly or through one or more of its Subsidiaries) is licensed or certified by each gaming authority with jurisdiction over any portion of the Leased Property as of the date of any proposed assignment or transfer to such entity (or will be so licensed upon its assumption of the Master Lease); (c) such transferee is Solvent, and, other than in the case of a Permitted Leasehold Mortgagee Foreclosing Party, if such transferee has a Parent Company, the Parent Company of such transferee is Solvent, and (d) (i) other than in the case of a Permitted Leasehold Mortgagee Foreclosing Party, (x) the Parent Company of such transferee or, if such transferee does not have a Parent Company, such transferee, has sufficient assets so that, after giving effect to its assumption of Tenant's obligations hereunder or the applicable assignment (including pursuant to a Change in Control under Section 22.2(b)(iii)(x) or Section 22.2(b)(iii)(y), its Indebtedness to EBITDA Ratio on a consolidated basis in accordance with GAAP is less than 8:1 on a pro forma basis based on projected earnings and after giving effect to the proposed transaction or (y) an entity that has an investment grade credit rating from a nationally recognized rating agency with respect to such entity's long term, unsecured debt has provided a Guaranty, or (ii) in the case of a Permitted Leasehold Mortgagee Foreclosing Party, Tenant has an Indebtedness to EBITDA Ratio of less than 8:1 on a pro forma basis based on projected earnings and after giving effect to the proposed transaction.

Distribution Agreement: As defined in Recital B.

Distribution Agreement Ancillary Documents: The Transition Services Agreement, the Tax Sharing Agreement, the Intellectual Property Agreement and the Employee Matters Agreement, each dated as of the date of the Distribution Agreement and entered into between Affiliates of Tenant and GLP.

EBITDA: For any Test Period, the net income or loss of the Parent Company of a Discretionary Transferee (or, in the case of (x) a Permitted Leasehold Mortgagee Foreclosing Party, such Permitted Leasehold Mortgagee Foreclosing Party or (y) a Discretionary Transferee that does not have a Parent Company, such Discretionary Transferee) on a consolidated basis for such period, determined in accordance with GAAP, adjusted by excluding (1) income tax expense, (2) consolidated interest expense, (3) depreciation and amortization expense, (4) any income, gains or losses attributable to the early extinguishment or conversion of indebtedness or cancellation of indebtedness, (5) gains or losses on discontinued operations and asset sales, disposals or abandonments, (6) impairment charges or asset write-offs including, without limitation, those related to goodwill or intangible assets, long-lived assets, and investments in debt and equity securities, in each case, in accordance with GAAP, (7) any non-cash items of expense (other than to the extent such non-cash items of expense require or result in an accrual or reserve for future cash expenses), (8) extraordinary gains or losses and (9) unusual or non-recurring gains or items of income.

Encumbrance: Any mortgage, deed of trust, lien, encumbrance or other matter affecting title to any of the Leased Property, or any portion thereof or interest therein.

End of Term Gaming Asset Transfer Notice: As defined in Section 36.1.

Environmental Costs: As defined in Section 32.4.

Environmental Laws: Any and all federal, state, municipal and local laws, statutes, ordinances, rules, regulations, guidances, policies, orders, decrees or judgments, whether statutory or common law, as amended from time to time, now or hereafter in effect, or promulgated, pertaining to the environment, public health and safety and industrial hygiene, including the use, generation, manufacture, production, storage, release, discharge, disposal, handling, treatment, removal, decontamination, cleanup, transportation or regulation of any Hazardous Substance, including the Industrial Site Recovery Act, the Clean Air Act, the Clean Water Act, the Toxic Substances Control Act, the Comprehensive Environmental Response Compensation and Liability Act, the Resource Conservation and Recovery Act, the Federal Insecticide, Fungicide, Rodenticide Act, the Safe Drinking Water Act and the Occupational Safety and Health Act.

Equity Interests: With respect to any person, any and all shares, interests, participations or other equivalents, including membership interests (however designated, whether voting or non-voting), of equity of such person, including, if such person is a partnership, partnership interests (whether general or limited) and any other interest or participation that confers on a person the right to receive a share of the profits and losses of, or distributions of assets of, such partnership.

Equity Rights: With respect to any person, any then outstanding subscriptions, options, warrants, commitments, preemptive rights or agreements of any kind (including any stockholders' or voting trust agreements) for the issuance, sale, registration or voting of any additional Equity Interests of any class, or partnership or other ownership interests of any type in, such person; provided, however, that a debt instrument convertible into or exchangeable or exercisable for any Equity Interests shall not be deemed an Equity Right.

Escalated Building Base Rent: For any Lease Year, the amount listed on Schedule 1A hereto for such Lease Year.

Escalation: For any Lease Year (other than the first Lease Year), the lesser of (a) an amount equal to the excess of (i) the Escalated Building Base Rent for such Lease Year over (ii) the Building Base Rent for the immediately preceding Lease Year, and (b) an amount (but not less than zero) that adding such amount to the Rent for the immediately preceding Lease Year will have yielded an Adjusted Revenue to Rent Ratio for such preceding Lease Year of 1.8:1.

Event of Default: As defined in Article XVI.

Exclusions: As defined in Section 13.1(a).

Exclusion Endorsement Premium: As defined in Section 13.1(a).

Exercise Date: As defined in Section 1.4(a).

Expert: An independent third party professional, with expertise in respect of a matter at issue, appointed by the agreement of Landlord and Tenant or otherwise in accordance with Article XXXIV hereof.

Facilit(y)(ies): As defined in Recital C.

Facility Mortgage: As defined in Section 13.1.

Facility Mortgage Documents: With respect to each Facility Mortgage and Facility Mortgagee, the applicable Facility Mortgage, loan agreement, debt agreement, credit agreement or indenture , lease, note, collateral assignment instruments, guarantees, indemnity agreements and other documents or instruments evidencing, securing or otherwise relating to the loan made, credit extended, or lease or other financing vehicle entered into pursuant thereto.

Facility Mortgage Reserve Account: As defined in Section 31.3(b).

Facility Mortgagee: As defined in Section 13.1.

Financial Statements: (i) For a Fiscal Year, consolidated statements of Tenant's Parent and its consolidated subsidiaries (as defined by GAAP) of income, stockholders' equity and comprehensive income and cash flows for such period and for the period from the beginning of the Fiscal Year to the end of such period and the related consolidated balance sheet as at the end of such period, together with the notes thereto, all in reasonable detail and setting forth in comparative form the corresponding figures for the corresponding period in the preceding Fiscal Year and prepared in accordance with GAAP and audited by a "big four" or other nationally recognized accounting firm, and (ii) for a Fiscal Quarter, consolidated statements of Tenant's Parent's income, stockholders' equity and comprehensive income and cash flows for such period and for the period from the beginning of the Fiscal Year to the end of such period and the related consolidated balance sheet as at the end of such period, together with the notes thereto, all in

reasonable detail and setting forth in comparative form the corresponding figures for the corresponding period in the preceding Fiscal Year and prepared in accordance with GAAP.

Fiscal Year: The annual period commencing January 1 and terminating December 31 of each year.

Fixtures: As defined in Section 1.1(d).

Foreclosure Purchaser: As defined in Section 33.1.

GAAP: Generally accepted accounting principles consistently applied in the preparation of financial statements, as in effect from time to time (except with respect to any financial ratio defined or described herein or the components thereof, for which purposes GAAP shall refer to such principles as in effect as of the date hereof).

Gaming Assets FMV: As defined in Section 36.1.

Gaming Facility: A facility at which there are operations of slot machines, table games or pari-mutuel wagering.

Gaming License: Any license, permit or other authorization issued by a state regulatory agency to operate, carry on or conduct any gambling game, gaming device, slot machine, race book or sports pool on the Leased Property, including each of the licenses, permits or other authorizations set forth on Exhibit D, as amended from time to time, and those related to any Facilities that are added to this Master Lease after the date hereof.

Gaming Regulation(s): Any and all laws, statutes, ordinances, rules, regulations, policies, orders, codes, decrees or judgments, and Gaming License conditions or restrictions, as amended from time to time, now or hereafter in effect or promulgated, pertaining to the operation, control, maintenance or Capital Improvement of a Gaming Facility or the conduct of a person or entity holding a Gaming License, including, without limitation, any requirements imposed by a regulatory agency, commission, board or other governmental body pursuant to the jurisdiction and authority granted to it under applicable law.

Gaming Revenues: As defined in the definition of Net Revenue.

GLP: As defined in the preamble.

Greenfield Floor: As defined in Section 7.4(a).

Greenfield Project: As defined in Section 7.4(a).

Ground Leased Property: The real property leased pursuant to the Ground Leases.

Ground Leases: Those certain leases with respect to real property that is a portion of the Leased Property, pursuant to which Landlord is a tenant and which leases have either been approved by Tenant or are in existence as of the date hereof and listed on Schedule 1B hereto.

Ground Lessor: As defined in Section 8.4(a).

Guarantor: Any entity that guaranties the payment or collection of all or any portion of the amounts payable by Tenant, or the performance by Tenant of all or any of its obligations, under this Master Lease, including any replacement guarantor consented to by Landlord in connection with the assignment of the Master Lease or a sublease of Leased Property pursuant to Article XXII.

Guaranty: That certain Guaranty of Master Lease dated as of the date hereof, a form of which is attached as Exhibit E hereto, as the same may be amended, supplemented or replaced from time to time, by and between Tenant's Parent, the Landlord and certain Subsidiaries of the Tenant from time to time party thereto, and any other guaranty in form and substance reasonably satisfactory to the Landlord executed by a Guarantor in favor of Landlord (as the same may be amended, supplemented or replaced from time to time) pursuant to which such Guarantor agrees to guaranty all of the obligations of Tenant hereunder.

Handling: As defined in Section 32.4.

Hazardous Substances: Collectively, any petroleum, petroleum product or by product or any substance, material or waste regulated or listed pursuant to any Environmental Law.

Impartial Appraiser: As defined in Section 13.2.

Impositions: Collectively, all taxes, including capital stock, franchise, margin and other state taxes of Landlord, ad valorem, sales, use, single business, gross receipts, transaction privilege, rent or similar taxes; assessments including assessments for public improvements or benefits, whether or not commenced or completed prior to the date hereof and whether or not to be completed within the Term; ground rents (pursuant to the Ground Leases); water, sewer and other utility levies and charges; excise tax levies; fees including license, permit, inspection, authorization and similar fees; and all other governmental charges, in each case whether general or special, ordinary or extraordinary, or foreseen or unforeseen, of every character in respect of the Leased Property and/or the Rent and Additional Charges and all interest and penalties thereon attributable to any failure in payment by Tenant (other than failures arising from the acts or omissions of Landlord) which at any time prior to, during or in respect of the Term hereof may be assessed or imposed on or in respect of or be a lien upon (i) Landlord or Landlord's interest in the Leased Property, (ii) the Leased Property or any part thereof or any rent therefrom or any estate, right, title or interest therein, or (iii) any occupancy, operation, use or possession of, or sales from or activity conducted on or in connection with the Leased Property or the leasing or use of the Leased Property or any part thereof; provided, however, that nothing contained in this Master Lease shall be construed to require Tenant to pay (a) any tax based on net income (whether denominated as a franchise or capital stock or other tax) imposed on Landlord or any other Person, (b) any transfer, or net revenue tax of Landlord or any other Person except Tenant and its successors, (c) any tax imposed with respect to the sale, exchange or other disposition by Landlord of any Leased Property or the proceeds thereof, or (d) any principal or interest on any indebtedness on or secured by the Leased Property owed to a Facility Mortgagee for which Landlord or its Subsidiaries or GLP is the obligor; provided, further,

Impositions shall include any tax, assessment, tax levy or charge set forth in clause (a) or (b) that is levied, assessed or imposed in lieu of, or as a substitute for, any Imposition.

Indebtedness: Of any Person, without duplication, (a) all indebtedness of such Person for borrowed money, whether or not evidenced by bonds, debentures, notes or similar instruments, (b) all obligations of such Person as lessee under capital leases which have been or should be recorded as liabilities on a balance sheet of such Person in accordance with GAAP, (c) all obligations of such Person to pay the deferred purchase price of property or services (excluding trade accounts payable in the ordinary course of business), (d) all indebtedness secured by a lien on the property of such Person, whether or not such indebtedness shall have been assumed by such Person, (e) all obligations, contingent or otherwise, with respect to the face amount of all letters of credit (whether or not drawn) and banker's acceptances issued for the account of such Person, (f) all obligations under any agreement with respect to any swap, forward, future or derivative transaction or option or similar arrangement involving, or settled by reference to, one or more rates, currencies, commodities, equity or debt instruments or securities or economic, financial or pricing indices or measures of economic, financial or pricing risk or value or any similar transaction or combination of transactions, (g) all guarantees by such Person of any of the foregoing and (h) all indebtedness of the nature described in the foregoing clauses (a)-(g) of any partnership of which such Person is a general partner

Indebtedness to EBITDA Ratio: As at any date of determination, the ratio of (a) Indebtedness of the applicable (x) Discretionary Transferee or Parent Company of the Discretionary Transferee or (y) in the case of a Permitted Leasehold Mortgagee Foreclosing Party, the Permitted Leasehold Mortgagee Foreclosing Party (such Discretionary Transferee, Parent Company or Permitted Leasehold Mortgagee Foreclosing Party, as applicable the "Relevant Party") on a consolidated basis, as of such date (excluding (i) Indebtedness of the type referenced in clauses (e) or (f) of the definition of Indebtedness or Indebtedness referred to in clauses (d) or (g) of the definition of Indebtedness to the extent relating to Indebtedness of the type referenced in clauses (e) or (f) of the definition of Indebtedness, to (b) EBITDA for the Test Period most recently ended prior to such date for which financial statements are available. For purposes of calculating the Indebtedness to EBITDA Ratio, EBITDA shall be calculated on a pro forma basis (and shall be calculated, except for pro forma adjustments reasonably contemplated by the potential transferee which may be included in such calculations, otherwise in accordance with Regulation S-X under the Securities Act) to give effect to any material acquisitions and material asset sales consummated by the Relevant Party and its Subsidiaries since the beginning of any Test Period of the Relevant Party as if each such material acquisition had been effected on the first day of such Test Period and as if each such material asset sale had been consummated on the day prior to the first day of such period. In addition, for the avoidance of doubt, (i) if the Relevant Party or any Subsidiary of the Relevant Party has incurred any Indebtedness or repaid, repurchased, acquired, defeased or otherwise discharged any Indebtedness since the end of the most recent Test Period for which financial statements are available, Indebtedness shall be calculated (for purposes of this definition) after giving effect on a pro forma basis to such incurrence, repayment, repurchase, acquisition, defeasance or discharge and the applications of any proceeds thereof as if it had occurred prior to the first day of such Test Period and (ii) the Indebtedness to EBITDA Ratio shall give pro forma effect to the transactions whereby the applicable Discretionary Transferee becomes party to the Master Lease or the Change of Control transactions permitted under Sections 22.2(b)(iii) and

shall include the Indebtedness and EBITDA of Tenant and its Subsidiaries for the relevant period.

Initial Term: As defined in Section 1.3.

Insurance Requirements: The terms of any insurance policy required by this Master Lease and all requirements of the issuer of any such policy and of any insurance board, association, organization or company necessary for the maintenance of any such policy.

Interest Rate Protection Agreement: For any person, an interest rate swap, cap or collar agreement or similar arrangement between such person and one or more financial institutions providing for the transfer or mitigation of interest risks either generally or under specific contingencies

Investment Fund: A bona fide private equity fund or bona fide investment vehicle arranged by and managed by or controlled by, or under common control with, a private equity fund (excluding any private equity fund investment vehicle the primary assets of which are Tenant and its Subsidiaries and/or this Master Lease and assets related thereto) that is engaged in making, purchasing, funding or otherwise or investing in a diversified portfolio of businesses and companies and is organized primarily for the purpose of making equity investments in companies.

Iowa Casino: The Facility known as the Argosy Sioux City Casino.

Land: As defined in Section 1.1(a).

Land Base Rent: [ ] Dollars ($).

Landlord: As defined in the preamble.

Landlord Representatives: As defined in Section 23.4.

Landlord Tax Returns: As defined in Section 4.1(b).

Lease Year: The first Lease Year for each Facility shall be the period commencing on the Commencement Date and ending on the last day of the calendar month in which the first (1st) anniversary of the Commencement Date occurs, and each subsequent Lease Year for each Facility shall be each period of twelve (12) full calendar months after the last day of the prior Lease Year.

Leased Improvements: As defined in Section 1.1(b).

Leased Property: As defined in Section 1.1.

Leasehold Estate: As defined in Section 17.1(a).

Legal Requirements: All federal, state, county, municipal and other governmental statutes, laws, rules, policies, guidance, codes, orders, regulations, ordinances, permits, licenses,

covenants, conditions, restrictions, judgments, decrees and injunctions (including common law, Gaming Regulations and Environmental Laws) affecting either the Leased Property, Tenant's Property and all Capital Improvements or the construction, use or alteration thereof, whether now or hereafter enacted and in force, including any which may (i) require repairs, modifications or alterations in or to the Leased Property and Tenant's Property, (ii) in any way adversely affect the use and enjoyment thereof, or (iii) regulate the transport, handling, use, storage or disposal or require the cleanup or other treatment of any Hazardous Substance.

Long-Lived Assets: All property, capitalized in accordance with GAAP with an expected life of not less than fifteen (15) years as reflected on the books and records of Tenant's Parent immediately prior to the transfer of such assets pursuant to the Distribution Agreement or, with respect to those assets purchased, replaced or otherwise maintained by Tenant after the date hereof, as classified by Tenant in accordance with GAAP.

Material Indebtedness: At any time, Indebtedness of any one or more of the Tenant (and its Subsidiaries) and any Guarantor in an aggregate principal amount exceeding 10% of EBITDA of Tenant and the Guarantors that are Subsidiaries of Tenant on a consolidated basis over the most recent Test Period for which financial statements are available. As of the date hereof, until financial statements are available for the initial Test Period, such amount shall be $40,000,000.

Maximum Foreseeable Loss: As defined in Section 13.2.

Net Revenue: The sum of, without duplication, (i) the amount received by Tenant (and its Subsidiaries and subtenants, subject to any adjustments identified on Schedule 1C) from patrons at any Facility for gaming, less refunds, free promotional play provided to the customers and invitees of Tenant (and its Subsidiaries and subtenants, subject to any adjustments identified on Schedule 1C) pursuant to a rewards, marketing, and/or frequent users program, and less amounts returned to patrons through winnings at any Facility (the amounts in this clause (i), "**Gaming Revenues**"); and (ii) the gross receipts of Tenant (and its Subsidiaries and subtenants, subject to any adjustments identified on Schedule 1C) for all goods and merchandise sold, the charges for all services performed, or any other revenues generated by Tenant (and its Subsidiaries and subtenants) in, at, or from the Leased Property for cash, credit, or otherwise (without reserve or deduction for uncollected amounts), but excluding any Gaming Revenues (the amounts in this clause (ii), "**Retail Sales**"); less (iii) the retail value of accommodations, food and beverage, and other services furnished without charge to guests of Tenant (and its Subsidiaries and subtenants, subject to any adjustments identified on Schedule 1C) at any Facility (the amounts in this clause (iii), "**Promotional Allowance**"). For the avoidance of doubt, gaming taxes and casino operating expenses (such as salaries, income taxes, employment taxes, supplies, equipment, cost of goods and inventory, rent, office overhead, marketing and advertising and other general administrative costs) will not be deducted in arriving at Net Revenue. Net Revenue will be calculated on an accrual basis for these purposes, as required under GAAP. For the absence of doubt, if Gaming Revenues, Retail Sales or Promotional Allowances of a Subsidiary or subtenant, as applicable, are taken into account for purposes of calculating Net Revenue, any rent received by Tenant from such Subsidiary or subtenant, as applicable, pursuant to any sublease with such Subsidiary or subtenant, as applicable, shall not also be taken into account for purposes of calculating Net Revenues.

New Lease: As defined in Section 17.1(f).

Notice: A notice given in accordance with Article XXXV.

Notice of Termination. As defined in Section 17.1(f).

OFAC: As defined in Section 39.1.

Officer's Certificate: A certificate of Tenant or Landlord, as the case may be, signed by an officer of such party authorized to so sign by resolution of its board of directors or by its sole member or by the terms of its by-laws or operating agreement, as applicable.

Ohio Facilities: The Hollywood Casino located in Columbus, Ohio and the Hollywood Casino located in Toledo, Ohio.

Overdue Rate: On any date, a rate equal to five (5) percentage points above the Prime Rate, but in no event greater than the maximum rate then permitted under applicable law.

"Parent Company" means, with respect to any Discretionary Transferee, any Person (other than an Investment Fund) (x) as to which such Discretionary Transferee is a Subsidiary; and (y) which is not a Subsidiary of any other Person (other than an Investment Fund).

Payment Date: Any due date for the payment of the installments of Rent or any other sums payable under this Master Lease.

Percentage Rent: The sum of (1) for all Facilities other than the Ohio Facilities, an annual amount equal to Dollars ($) per Lease Year; provided, however, that the Percentage Rent for all Facilities other than the Ohio Facilities shall be reset each Percentage Rent Reset Year to a fixed annual amount equal to the product of (i) four percent (4%) and (ii) the excess (if any) of (a) the average annual Net Revenues of all the Facilities other than the Ohio Facilities for the trailing five-year period (i.e., the first through fifth Lease Years, the sixth through tenth Lease Years, the eleventh though fifteenth Lease Years, the sixteenth through twentieth Lease Years, the twenty-first through twenty-fifth Lease Years and the twenty-sixth through thirtieth Lease Years) over (b) Dollars ($) [50% of the 2013 Projected Revenues], and (2) for the Ohio Facilities, a variable amount, determined monthly, equal to (i) 20% of the excess of actual Net Revenues of the month then ended for the Ohio Facilities over (ii) Dollars ($) [50% of 1/12 of the 2013 Projected Net Revenues]. For purposes of clause (a) in the preceding sentence, the "average annual Net Revenues" of any Development Facility added to the Leased Property hereunder during any such trailing five-year period, shall be calculated taking into consideration only the period commencing on the relevant Development Facility Commencement Date.

Percentage Rent Reset Year: The sixth Lease Year, the eleventh Lease Year, the sixteenth Lease Year, the twenty-first Lease Year, the twenty-sixth Lease Year and the thirty-first Lease Year.

Permitted Leasehold Mortgage: A document creating or evidencing an encumbrance on Tenant's leasehold interest (or a subtenant's subleasehold interest) in the Leased Property, granted to or for the benefit of a Permitted Leasehold Mortgagee as security for the obligations under a Debt Agreement.

Permitted Leasehold Mortgagee: The lender or agent or trustee or similar representative on behalf of one or more lenders or noteholders or other investors under a Debt Agreement, in each case as and to the extent such Person has the power to act on behalf of all lenders under such Debt Agreement pursuant to the terms thereof, provided such lender, agent or trustee or similar representative (but not necessarily the lenders, noteholders or other investors which it represents) is an institution in the business of generally acting as a lender, agent or trustee or similar representative under debt agreements or instruments similar to the Debt Agreement.

Permitted Leasehold Mortgagee Designee: An entity designated by a Permitted Leasehold Mortgagee and acting for the benefit of the Permitted Leasehold Mortgagee, or the lenders, noteholders or investors represented by the Permitted Leasehold Mortgagee.

Permitted Leasehold Mortgagee Foreclosing Party: A Permitted Leasehold Mortgagee that forecloses on this Master Lease and assumes this Master Lease or a Subsidiary of a Permitted Leasehold Mortgagee that assumes this Master Lease in connection with a foreclosure on this Master Lease by a Permitted Leasehold Mortgagee.

Person: Any individual, corporation, limited liability company, partnership, joint venture, association, joint stock company, trust, unincorporated organization, government or any agency or political subdivision thereof or any other form of entity.

Pre-Opening Expense: With respect to any fiscal period, the amount of expenses (including Consolidated Interest Expense) incurred with respect to capital projects which are appropriately classified as "pre-opening expenses" on the applicable financial statements of Tenant's Parent and its Subsidiaries for such period.

Primary Intended Use: Gaming and/or pari-mutuel use consistent, with respect to each Facility, with its current use (as specified on Exhibit A attached hereto as it may be amended from time to time), or with prevailing gaming industry use at any time (including all ancillary uses consistent with gaming industry practice such as hotels, restaurants, bars, etc.).

Prime Rate: On any date, a rate equal to the annual rate on such date publicly announced by [ ] to be its prime rate for 90-day unsecured loans to its corporate borrowers of the highest credit standing, but in no event greater than the maximum rate then permitted under applicable law.

Proceeding: As defined in Section 23.1(b)(v).

Prohibited Persons: As defined in Section 39.1.

Promotional Allowance: As defined in the definition of Net Revenue.

Qualified Successor Tenant: As defined in Section 36.2.

Renewal Notice: As defined in Section 1.4(a).

Renewal Term: A period for which the Term is renewed in accordance with Section 1.4.

Rent: Collectively, the Base Rent and the Percentage Rent.

Representative: With respect to the lenders or holders under a Debt Agreement, a Person designated as agent or trustee or a Person acting in a similar capacity or as representative for such lenders or holders.

Restricted Area: The geographical area that at any time during the Term is within (A) a *seven (7) mile* radius of any Facility covered under this Master Lease at such time and located in the State of Nevada, or (B) a *sixty (60)* mile radius of any Facility covered under this Master Lease at such time and located outside the State of Nevada.

Restricted Payment: Dividends (in cash, property or obligations) on, or other payments or distributions on account of, or the setting apart of money for a sinking or other analogous fund for, or the purchase, redemption, retirement, repurchase or other acquisition of, any Equity Interests or Equity Rights (other than outstanding securities convertible into Equity Interests) of Tenant, but excluding dividends, payments or distributions paid through the issuance of additional shares of Equity Interests and any redemption, retirement or exchange of any Equity Interest through, or with the proceeds of, the issuance of Equity Interests of Tenant.

Retail Sales: As defined in the definition of Net Revenue.

SEC: The United States Securities and Exchange Commission.

Securities Act: The Securities Act of 1933, as amended, or any successor statute, and the rules and regulations promulgated thereunder.

Solvent: With respect to any Person on a particular date, that on such date (a) the fair value of the property of such Person, on a going-concern basis, is greater than the total amount of liabilities (including contingent liabilities) of such Person, (b) the present fair salable value of the assets of such Person, on a going-concern basis, is not less than the amount that will be required to pay the probable liability of such Person on its debts (including contingent liabilities) as they become absolute and matured, (c) such Person has not incurred, and does not intend to, and does not believe that it will, incur, debts or liabilities beyond such Person's ability to pay such debts and liabilities as they mature, (d) such Person is not engaged in business or a transaction, and is not about to engage in business or a transaction, for which such Person's property would constitute an unreasonably small capital and (e) such Person is "solvent" within the meaning given that term and similar terms under applicable laws relating to fraudulent transfers and conveyances. For purposes of this definition, the amount of any contingent liability shall be computed as the amount that, in light of all the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured

liability (irrespective of whether such contingent liabilities meet the criteria for accrual under Accounting Standards Codification No. 450).

Specified Debt Agreement Default: Any event or occurrence under a Debt Agreement or Material Indebtedness that enables or permits the lenders or holders (or Representatives of such lenders or holders) to accelerate the maturity of the Indebtedness outstanding under a Debt Agreement or Material Indebtedness (with notice from such lenders or holders or Representatives or lapse of time to the extent required).

Specified Expenses: For any Test Period, (i) Rent incurred for the same Test Period, and (ii) the (1) income tax expense, (2) consolidated interest expense, (3) depreciation and amortization expense, (4) any nonrecurring, unusual, or extraordinary items of income, cost or expense, including but not limited to, (a) any gains or losses attributable to the early extinguishment or conversion of indebtedness, (b) gains or losses on discontinued operations and asset sales, disposals or abandonments, and (c) impairment charges or asset write-offs including, without limitation, those related to goodwill or intangible assets, long-lived assets, and investments in debt and equity securities, in each case, pursuant to GAAP, (5) any non-cash items of expense (other than to the extent such non-cash items of expense require an accrual or reserve for future cash expenses (provided that if such accrual or reserve is for contingent items, the outcome of which is subject to uncertainty, such non-cash items of expense may, at the election of the Tenant, be added to net income and deducted when and to the extent actually paid in cash)), (6) any Pre-Opening Expenses, (7) transaction costs for the spin-off of GLP, the entry into this Master Lease, the negotiation and consummation of the financing transactions in connection therewith and the other transactions contemplated in connection with the foregoing consummated on or before the date hereof, (8) non-cash valuation adjustments, (9) any expenses related to the repurchase of stock options, and (10) expenses related to the grant of stock options, restricted stock, or other equivalent or similar instruments; in the case of each of (1) through (10), of Tenant and the Subsidiaries of Tenant that are Guarantors on a consolidated basis for such period.

Specified Proceeds: For any Test Period, to the extent not otherwise included in Net Revenue, the amount of insurance proceeds received during such period by Tenant or the Guarantors in respect of any Casualty Event; provided, however, that for purposes of this definition, (i) with respect to any Facility subject to such Casualty Event which had been in operation for at least one complete fiscal quarter the amount of insurance proceeds plus the Net Revenue (excluding such insurance proceeds), if any, attributable to the Facility subject to such Casualty Event for such period shall not exceed an amount equal to the Net Revenue attributable to such Facility for the Test Period ended immediately prior to the date of such Casualty Event (calculated on a pro forma annualized basis to the extent such Facility was not operational for the full previous Test Period) and (ii) with respect to any Facility subject to such Casualty Event which had not been in operation for at least one complete fiscal quarter, the amount of insurance proceeds plus the Net Revenue attributable to such Facility for such period shall not exceed the Net Revenue reasonably projected by Tenant to be derived from such Facility for such period.

State: With respect to each Facility, the state or commonwealth in which such Facility is located.

Subsidiary: As to any Person, (i) any corporation more than fifty percent (50%) of whose stock of any class or classes having by the terms thereof ordinary voting power to elect a majority of the directors of such corporation (irrespective of whether or not at the time stock of any class or classes of such corporation shall have or might have voting power by reason of the happening of any contingency) is at the time of determination owned by such Person and/or one or more Subsidiaries of such Person, and (ii) any partnership, limited liability company, association, joint venture or other entity in which such person and/or one or more Subsidiaries of such person has more than a fifty percent (50%) equity interest at the time of determination. Unless otherwise qualified, all references to a "Subsidiary" or to "Subsidiaries" in this Master Lease shall refer to a Subsidiary or Subsidiaries of Tenant.

Successor Tenant: As defined in Section 36.1.

Successor Tenant Rent: As defined in Section 36.2.

Taking: As defined in Section 15.1(a).

Tenant: As defined in the preamble.

Tenant Representatives: As defined in Section 23.4.

Tenant's Parent: Penn National Gaming, Inc.

Tenant's Property: With respect to each Facility, all assets (other than the Leased Property) primarily related to or used in connection with the operation of the business conducted on or about the Leased Property, together with all replacements, modifications, additions, alterations and substitutes therefor.

Tenant Capital Improvement: A Capital Improvement funded by Tenant, as compared to Landlord.

Term: As defined in Section 1.3.

Termination Notice: As defined in Section 17.1(d).

Test Period: With respect to any Person, for any date of determination, the period of the four (4) most recently ended consecutive fiscal quarters of such Person.

Unavoidable Delay: Delays due to strikes, lock-outs, inability to procure materials, power failure, acts of God, governmental restrictions, enemy action, civil commotion, fire, unavoidable casualty or other causes beyond the reasonable control of the party responsible for performing an obligation hereunder; provided that lack of funds shall not be deemed a cause beyond the reasonable control of a party.

Unsuitable for Its Primary Intended Use: A state or condition of any Facility such that by reason of damage or destruction, or a partial taking by Condemnation, such Facility cannot, following restoration thereof (to the extent commercially practical), be operated on a commercially practicable basis for its Primary Intended Use, taking into account, among other

relevant factors, the amount of square footage and the estimated revenue affected by such damage or destruction.

ARTICLE III

3.1 Rent. During the Term, Tenant will pay to Landlord the Rent and Additional Charges in lawful money of the United States of America and legal tender for the payment of public and private debts, in the manner provided in Section 3.3. The Base Rent during any Lease Year is payable in advance in consecutive monthly installments on the fifth (5th) Business Day of each calendar month during that Lease Year and the Percentage Rent during any Lease Year for all the Facilities other than the Ohio Facilities is payable in advance in consecutive monthly installments on the fifth (5th) Business Day of each calendar month during that Lease Year; provided that during the first three (3) months of each Percentage Rent Reset Year the amount of the Percentage Rent payable monthly in advance shall remain the same as in the then preceding Lease Year, and provided further that Tenant shall make a payment to Landlord (or be entitled to set off against its Rent payment due) on the fifth (5th) Business Day of the fourth (4th) calendar month of such Lease Year in the amount necessary to "true-up" any Percentage Rent payments not yet (or overpayments having been) made for such three (3) month period. The Percentage Rent for the Ohio Facilities is payable in advance on the fifth (5th) Business Day of each calendar month and such advance payment shall be calculated assuming Net Revenues of the applicable month will equal average monthly Net Revenues for the preceding calendar quarter (and for the first calendar quarter of the Lease, assuming monthly Net Revenue will equal $), provided that Tenant shall make a payment to Landlord (or be entitled to set off against a Rent payment due) on the fifth (5th) Business Day of the following calendar month in the amount necessary to "true-up" any Percentage Rent payments not yet (or overpayments having been) made for such prior month. Unless otherwise agreed by the parties, Rent and Additional Charges shall be prorated as to any partial months at the beginning and end of the Term. The parties will agree on an allocation of the Base Rent on a declining basis for federal income tax purposes within the 115/85 safe harbor of Section 467 of the Code, assuming a projected schedule of Base Rent for this purpose.

3.2 Late Payment of Rent. Tenant hereby acknowledges that late payment by Tenant to Landlord of Rent will cause Landlord to incur costs not contemplated hereunder, the exact amount of which is presently anticipated to be extremely difficult to ascertain. Accordingly, if any installment of Rent other than Additional Charges payable to a Person other than Landlord shall not be paid within five (5) days after its due date, Tenant will pay Landlord on demand a late charge equal to the lesser of (a) five percent (5%) of the amount of such installment or (b) the maximum amount permitted by law. The parties agree that this late charge represents a fair and reasonable estimate of the costs that Landlord will incur by reason of late payment by Tenant. The parties further agree that such late charge is Rent and not interest and such assessment does not constitute a lender or borrower/creditor relationship between Landlord and Tenant. Thereafter, if any installment of Rent other than Additional Charges payable to a Person other than Landlord shall not be paid within ten (10) days after its due date, the amount unpaid, including any late charges previously accrued, shall bear interest at the Overdue Rate from the due date of such installment to the date of payment thereof, and Tenant shall pay such interest to Landlord on demand. The payment of such late charge or such interest shall not constitute waiver of, nor excuse or cure, any default under this Master Lease, nor prevent Landlord from exercising any other rights and remedies available to Landlord.

3.3 **Method of Payment of Rent.** Rent and Additional Charges to be paid to Landlord shall be paid by electronic funds transfer debit transactions through wire transfer of immediately available funds and shall be initiated by Tenant for settlement on or before the Payment Date; provided, however, if the Payment Date is not a Business Day, then settlement shall be made on the next succeeding day which is a Business Day. Landlord shall provide Tenant with appropriate wire transfer information in a Notice from Landlord to Tenant. If Landlord directs Tenant to pay any Rent to any party other than Landlord, Tenant shall send to Landlord, simultaneously with such payment, a copy of the transmittal letter or invoice and a check whereby such payment is made or such other evidence of payment as Landlord may reasonably require.

3.4 **Net Lease.** Landlord and Tenant acknowledge and agree that (i) this Master Lease is and is intended to be what is commonly referred to as a "net, net, net" or "triple net" lease, and (ii) the Rent shall be paid absolutely net to Landlord, so that this Master Lease shall yield to Landlord the full amount or benefit of the installments of Rent and Additional Charges throughout the Term with respect to each Facility, all as more fully set forth in Article IV and subject to any other provisions of this Master Lease which expressly provide for adjustment or abatement of Rent or other charges. If Landlord commences any proceedings for non-payment of Rent, Tenant will not interpose any counterclaim or cross complaint or similar pleading of any nature or description in such proceedings unless Tenant would lose or waive such claim by the failure to assert it. This shall not, however, be construed as a waiver of Tenant's right to assert such claims in a separate action brought by Tenant. The covenants to pay Rent and other amounts hereunder are independent covenants, and Tenant shall have no right to hold back, offset or fail to pay any such amounts for default by Landlord or for any other reason whatsoever, except as provided in Section 3.1.

ARTICLE IV

4.1 **Impositions.** (a) Subject to Article XII relating to permitted contests, Tenant shall pay, or cause to be paid, all Impositions before any fine, penalty, interest or cost may be added for non-payment. Tenant shall make such payments directly to the taxing authorities where feasible, and promptly furnish to Landlord copies of official receipts or other satisfactory proof evidencing such payments. Tenant's obligation to pay Impositions shall be absolutely fixed upon the date such Impositions become a lien upon the Leased Property or any part thereof subject to Article XII. If any Imposition may, at the option of the taxpayer, lawfully be paid in installments, whether or not interest shall accrue on the unpaid balance of such Imposition, Tenant may pay the same, and any accrued interest on the unpaid balance of such Imposition, in installments as the same respectively become due and before any fine, penalty, premium, further interest or cost may be added thereto.

(b) Landlord or GLP shall prepare and file all tax returns and reports as may be required by Legal Requirements with respect to Landlord's net income, gross receipts, franchise taxes and taxes on its capital stock and any other returns required to be filed by or in the name of Landlord (the "**Landlord Tax Returns**"), and Tenant or Tenant's Parent shall

prepare and file all other tax returns and reports as may be required by Legal Requirements with respect to or relating to the Leased Property (including all Capital Improvements), and Tenant's Property.

(c) Any refund due from any taxing authority in respect of any Imposition paid by Tenant or Tenant's Parent shall be paid over to or retained by Tenant.

(d) Landlord and Tenant shall, upon request of the other, provide such data as is maintained by the party to whom the request is made with respect to the Leased Property as may be necessary to prepare any required returns and reports. If any property covered by this Master Lease is classified as personal property for tax purposes, Tenant shall file all personal property tax returns in such jurisdictions where it must legally so file. Landlord, to the extent it possesses the same, and Tenant, to the extent it possesses the same, shall provide the other party, upon request, with cost and depreciation records necessary for filing returns for any property so classified as personal property. Where Landlord is legally required to file personal property tax returns, Tenant shall be provided with copies of assessment notices indicating a value in excess of the reported value in sufficient time for Tenant to file a protest.

(e) Billings for reimbursement by Tenant to Landlord of personal property or real property taxes and any taxes due under the Landlord Tax Returns, if and to the extent Tenant is responsible for such taxes under the terms of this Section 4.1, shall be accompanied by copies of a bill therefor and payments thereof which identify the personal property or real property or other tax obligations of Landlord with respect to which such payments are made.

(f) Impositions imposed or assessed in respect of the tax-fiscal period during which the Term terminates shall be adjusted and prorated between Landlord and Tenant, whether or not such Imposition is imposed or assessed before or after such termination, and Tenant's obligation to pay its prorated share thereof in respect of a tax-fiscal period during the Term shall survive such termination. Landlord will not voluntarily enter into agreements that will result in additional Impositions without Tenant's consent, which shall not be unreasonably withheld (it being understood that it shall not be reasonable to withhold consent to customary additional Impositions that other property owners of properties similar to the Leased Property customarily consent to in the ordinary course of business), provided Tenant is given reasonable opportunity to participate in the process leading to such agreement.

4.2 **Utilities.** Tenant shall pay or cause to be paid all charges for electricity, power, gas, oil, water and other utilities used in the Leased Property (including all Capital Improvements). Tenant shall also pay or reimburse Landlord for all costs and expenses of any kind whatsoever which at any time with respect to the Term hereof with respect to any Facility may be imposed against Landlord by reason of any of the covenants, conditions and/or restrictions affecting the Leased Property or any portion thereof, or with respect to easements, licenses or other rights over, across or with respect to any adjacent or other property which benefits the Leased Property or any Capital Improvement, including any and all costs and expenses associated with any utility, drainage and parking easements. Landlord will not enter into agreements that will encumber the Leased Property without Tenant's consent, which shall not be unreasonably withheld (it being understood that it shall not be reasonable to withhold consent to encumbrances that do not adversely affect the use or future development of the

Facility as a Gaming Facility or increase Additional Charges payable under this Master Lease), provided Tenant is given reasonable opportunity to participate in the process leading to such agreement. Tenant will not enter into agreements that will encumber the Leased Property after the expiration of the Term without Landlord's consent, which shall not be unreasonably withheld (it being understood that it shall not be reasonable to withhold consent to encumbrances that do not adversely affect the value of the Leased Property or the Facility), provided Landlord is given reasonable opportunity to participate in the process leading to such agreement.

4.3 **Impound Account.** At Landlord's option following the occurrence and during the continuation of an Event of Default or a default by Tenant of Section 23.3(b) hereof (to be exercised by thirty (30) days' written notice to Tenant) and provided Tenant is not already being required to impound such payments in accordance with the requirements of Section 31.3(b) below, Tenant shall be required to deposit, at the time of any payment of Base Rent, an amount equal to one-twelfth of the sum of (i) Tenant's estimated annual real and personal property taxes required pursuant to Section 4.1 hereof (as reasonably determined by Landlord), and (ii) Tenant's estimated annual maintenance expenses and insurance premium costs pursuant to Articles 9 and 13 hereof (as reasonably determined by Landlord). Such amounts shall be applied to the payment of the obligations in respect of which said amounts were deposited in such order of priority as Landlord shall reasonably determine, on or before the respective dates on which the same or any of them would become delinquent. The reasonable cost of administering such impound account shall be paid by Tenant. Nothing in this Section 4.3 shall be deemed to affect any right or remedy of Landlord hereunder.

ARTICLE V

5.1 **No Termination, Abatement, etc.** Except as otherwise specifically provided in this Master Lease, Tenant shall remain bound by this Master Lease in accordance with its terms and shall not seek or be entitled to any abatement, deduction, deferment or reduction of Rent, or set-off against the Rent. Except as may be otherwise specifically provided in this Master Lease, the respective obligations of Landlord and Tenant shall not be affected by reason of (i) any damage to or destruction of the Leased Property or any portion thereof from whatever cause or any Condemnation of the Leased Property, any Capital Improvement or any portion thereof; (ii) other than as a result of Landlord's willful misconduct or gross negligence, the lawful or unlawful prohibition of, or restriction upon, Tenant's use of the Leased Property, any Capital Improvement or any portion thereof, the interference with such use by any Person or by reason of eviction by paramount title; (iii) any claim that Tenant has or might have against Landlord by reason of any default or breach of any warranty by Landlord hereunder or under any other agreement between Landlord and Tenant or to which Landlord and Tenant are parties; (iv) any bankruptcy, insolvency, reorganization, consolidation, readjustment, liquidation, dissolution, winding up or other proceedings affecting Landlord or any assignee or transferee of Landlord; or (v) for any other cause, whether similar or dissimilar to any of the foregoing, other than a discharge of Tenant from any such obligations as a matter of law. Tenant hereby specifically waives all rights arising from any occurrence whatsoever which may now or hereafter be conferred upon it by law (a) to modify, surrender or terminate this Master Lease or quit or surrender the Leased Property or any portion thereof, or (b) which may entitle Tenant to any abatement, reduction, suspension or deferment of the Rent or other sums payable by Tenant hereunder except in each case as may be otherwise specifically provided in this Master Lease.

Notwithstanding the foregoing, nothing in this Article V shall preclude Tenant from bringing a separate action against Landlord for any matter described in the foregoing clauses (ii), (iii) or (v) and Tenant is not waiving other rights and remedies not expressly waived herein. The obligations of Landlord and Tenant hereunder shall be separate and independent covenants and agreements and the Rent and all other sums payable by Tenant hereunder shall continue to be payable in all events unless the obligations to pay the same shall be terminated pursuant to the express provisions of this Master Lease or by termination of this Master Lease as to all or any portion of the Leased Property other than by reason of an Event of Default. Tenant's agreement that, except as may be otherwise specifically provided in this Master Lease, any eviction by paramount title as described in item (ii) above shall not affect Tenant's obligations under this Master Lease, shall not in any way discharge or diminish any obligation of any insurer under any policy of title or other insurance and, to the extent the recovery thereof is not necessary to compensate Landlord for any damages incurred by any such eviction, Tenant shall be entitled to a credit for any sums recovered by Landlord under any such policy of title or other insurance up to the maximum amount paid by Tenant to Landlord under this Section 5.1, and Landlord, upon request by Tenant, shall assign Landlord's rights under such policies to Tenant provided such assignment does not adversely affect Landlord's rights under any such policy and provided further, that Tenant shall indemnify, defend, protect and save Landlord harmless from and against any liability, cost or expense of any kind that may be imposed upon Landlord in connection with any such assignment except to the extent such liability, cost or expense arises from the gross negligence or willful misconduct of Landlord.

ARTICLE VI

6.1 **Ownership of the Leased Property.** (a) Landlord and Tenant acknowledge and agree that they have executed and delivered this Master Lease with the understanding that (i) the Leased Property is the property of Landlord, (ii) Tenant has only the right to the possession and use of the Leased Property upon the terms and conditions of this Master Lease, (iii) this Master Lease is a "true lease," is not a financing lease, capital lease, mortgage, equitable mortgage, deed of trust, trust agreement, security agreement or other financing or trust arrangement, and the economic realities of this Master Lease are those of a true lease, (iv) the business relationship created by this Master Lease and any related documents is and at all times shall remain that of landlord and tenant, (v) this Master Lease has been entered into by each party in reliance upon the mutual covenants, conditions and agreements contained herein, and (vi) none of the agreements contained herein is intended, nor shall the same be deemed or construed, to create a partnership between Landlord and Tenant, to make them joint venturers, to make Tenant an agent, legal representative, partner, subsidiary or employee of Landlord, or to make Landlord in any way responsible for the debts, obligations or losses of Tenant.

(b) Each of the parties hereto covenants and agrees, subject to clause (c) below, not to (i) file any income tax return or other associated documents; (ii) file any other document with or submit any document to any governmental body or authority; (iii) enter into any written contractual arrangement with any Person; or (iv) release any financial statements of Tenant, in each case that takes a position other than that this Master Lease is a "true lease" with Landlord as owner of the Leased Property and Tenant as the tenant of the Leased Property, including (x) treating Landlord as the owner of such Leased Property eligible to claim

depreciation deductions under Sections 167 or 168 of the Code with respect to such Leased Property, (y) Tenant reporting its Rent payments as rent expense under Section 162 of the Code, and (z) Landlord reporting the Rent payments as rental income under Section 61 of the Code.

(c) If Tenant should reasonably conclude that GAAP or the SEC require treatment different from that set forth in Section 6.1(b) for applicable non-tax purposes, then (x) Tenant shall promptly give prior Notice to Landlord, accompanied by a written statement that references the applicable pronouncement that controls such treatment and contains a brief description and/or analysis that sets forth in reasonable detail the basis upon which Tenant reached such conclusion, and (y) notwithstanding Section 6.1(b), Tenant may comply with such requirements.

(d) The Rent is the fair market rent for the use of the Leased Property and was agreed to by Landlord and Tenant on that basis, and the execution and delivery of, and the performance by Tenant of its obligations under, this Master Lease does not constitute a transfer of all or any part of the Leased Property.

(e) Tenant waives any claim or defense based upon the characterization of this Master Lease as anything other than a true lease and as a master lease of all of the Leased Property. Tenant stipulates and agrees (1) not to challenge the validity, enforceability or characterization of the lease of the Leased Property as a true lease and/or as a single, unseverable instrument pertaining to the lease of all, but not less than all, of the Leased Property, and (2) not to assert or take or omit to take any action inconsistent with the agreements and understandings set forth in Section 3.4 or this Section 6.1.

6.2 **Tenant's Property.** Tenant shall, during the entire Term, own (or lease) and maintain (or cause its Subsidiaries to own (or lease) and maintain) on the Leased Premises adequate and sufficient Tenant's Property, and shall maintain (or cause its Subsidiaries to maintain) all of such Tenant's Property in good order, condition and repair, in all cases as shall be necessary and appropriate in order to operate the Facilities for the Primary Intended Use in compliance with all applicable licensure and certification requirements and in compliance with all applicable Legal Requirements, Insurance Requirements and Gaming Regulations. If any of Tenant's Property requires replacement in order to comply with the foregoing, Tenant shall replace (or cause a Subsidiary to replace) it with similar property of the same or better quality at Tenant's (or such Subsidiary's) sole cost and expense. Subject to the foregoing, Tenant and its Subsidiaries may sell, transfer, convey or otherwise dispose of Tenant's Property (other than Gaming Licenses and subject to Section 6.3) in their discretion in the ordinary course of its business and Landlord shall have no rights to such Tenant's Property. Tenant shall, upon Landlord's request, from time to time but not more frequently than one time per Lease Year, provide Landlord with a list of the material Tenant's Property located at each of the Facilities. In the case of any such Tenant's Property that is leased (rather than owned) by Tenant (or its Subsidiaries), Tenant shall use commercially reasonable efforts to ensure that the lease agreements pursuant to which Tenant (or its Subsidiaries) leases such Tenant's Property are assignable to third parties in connection with any transfer by Tenant (or its Subsidiaries) to a replacement lessee or operator at the end of the Term. Tenant shall remove all of Tenant's Property from the Leased Premises at the end of the Term, except to the extent Tenant has transferred ownership of such Tenant's Property to a Successor Tenant or Landlord. Any

Tenant's Property left on the Leased Property at the end of the Term whose ownership was not transferred to a Successor Tenant shall be deemed abandoned by Tenant and shall become the property of Landlord.

6.3 **Guarantors; Tenant's Property.** Each of Tenant's Parent and each of Tenant's Subsidiaries set forth on Schedule [ ] shall be a Guarantor under this Agreement and shall execute and deliver to the Landlord the Guaranty attached hereto as Exhibit E. In addition, if any material Gaming License or other license or other material asset necessary to operate any portion of the Leased Property is owned by a Subsidiary, Tenant shall within two (2) Business Days after the date such Subsidiary acquires such Gaming License, other license or other material asset, (a) notify the Landlord thereof and (b) cause such Subsidiary (if it is not already a Guarantor) to become a Guarantor by executing the Guaranty in form and substance reasonably satisfactory to Landlord.

ARTICLE VII

7.1 **Condition of the Leased Property.** Tenant acknowledges receipt and delivery of possession of the Leased Property and confirms that Tenant has examined and otherwise has knowledge of the condition of the Leased Property prior to the execution and delivery of this Master Lease and has found the same (except as included in the disclosures on Schedule 1B) to be in good order and repair and, to the best of Tenant's knowledge, free from Hazardous Substances not in compliance with Legal Requirements and satisfactory for its purposes hereunder. Regardless, however, of any examination or inspection made by Tenant and whether or not any patent or latent defect or condition was revealed or discovered thereby, Tenant is leasing the Leased Property "as is" in its present condition. Tenant waives any claim or action against Landlord in respect of the condition of the Leased Property including any defects or adverse conditions not discovered or otherwise known by Tenant as of the Commencement Date. LANDLORD MAKES NO WARRANTY OR REPRESENTATION, EXPRESS OR IMPLIED, IN RESPECT OF THE LEASED PROPERTY OR ANY PART THEREOF, EITHER AS TO ITS FITNESS FOR USE, DESIGN OR CONDITION FOR ANY PARTICULAR USE OR PURPOSE OR OTHERWISE, OR AS TO THE NATURE OR QUALITY OF THE MATERIAL OR WORKMANSHIP THEREIN, OR THE EXISTENCE OF ANY HAZARDOUS SUBSTANCE, IT BEING AGREED THAT ALL SUCH RISKS, LATENT OR PATENT, ARE TO BE BORNE SOLELY BY TENANT INCLUDING ALL RESPONSIBILITY AND LIABILITY FOR ANY ENVIRONMENTAL REMEDIATION AND COMPLIANCE WITH ALL ENVIRONMENTAL LAWS.

7.2 **Use of the Leased Property.** (a) Tenant shall use or cause to be used the Leased Property and the improvements thereon of each Facility for its Primary Intended Use. Tenant shall not use the Leased Property or any portion thereof or any Capital Improvement thereto for any other use without the prior written consent of Landlord, which consent Landlord may withhold in its sole discretion. Landlord acknowledges that operation of each Facility for its Primary Intended Use generally requires a Gaming License under applicable Gaming Regulations and that without such a license neither Landlord nor GLP may operate, control or participate in the conduct of the gaming and/or racing operations at the Facilities.

(b) Tenant shall not commit or suffer to be committed any waste on the Leased Property (including any Capital Improvement thereto) or cause or permit any nuisance

thereon or to, except as required by law, take or suffer any action or condition that will diminish the ability of the Leased Premises to be used as a gaming or pari-mutuel facility after the expiration or earlier termination of the Term.

(c) Tenant shall neither suffer nor permit the Leased Property or any portion thereof to be used in such a manner as (i) might reasonably tend to impair Landlord's title thereto or to any portion thereof or (ii) may make possible a claim of adverse use or possession, or an implied dedication of the Leased Property or any portion thereof.

(d) Except in instances of casualty or condemnation, Tenant shall continuously operate each of the Facilities for the Primary Intended Use. Tenant in its discretion shall be permitted to cease operations at a Facility or Facilities if such cessation would not reasonably be expected to have a material adverse effect on Tenant, the Facilities, or on the Leased Property, taken as a whole, provided that the following conditions are satisfied: (i) no Event of Default has occurred and is continuing immediately prior to or immediately after the date that operations are ceased or as a result of such cessation; and (ii) the Percentage

Rent due from each and every such Facility whose operations have ceased will thereafter be subject to a floor which will be calculated based on the Percentage Rent that would have been paid for such Facility if Percentage Rent were adjusted based on Net Revenues for the Fiscal Year immediately preceding the time that Tenant ceased operations at the Facility.

7.3 Development Facilities.

Landlord and Tenant or their Affiliates are entering into on the date hereof development agreements with respect to the Development Facilities in the forms attached hereto as Exhibit C. Unless otherwise set forth on Exhibit C, the Land, the Leased Improvements and the Fixtures related to such Development Facility (and all easements, rights and appurtenances relating thereto) shall be added to the Leased Property demised under this Master Lease and the parties shall amend Exhibit A to reflect such addition, in each case effective as of the date gaming operations commence at such Development Facility (a "**Development Facility Commencement Date**"), and, except as otherwise set forth on Exhibit C, all the terms of this Master Lease shall thereafter apply to such Facility.

7.4 **Competing Business.**

(a) Tenant's Obligations for Greenfields. Tenant agrees that during the Term, other than with respect to the Development Facilities, neither Tenant nor any of its Affiliates shall build or otherwise participate in the development of a new Gaming Facility (including a facility that has been shut down for a period more than twelve (12) months) (a "**Greenfield Project**") within a Restricted Area of a Facility (the Facility in whose Restricted Area there is activity under this Section 7.4, an "**Affected Facility**"), unless Tenant shall first offer Landlord the opportunity to include the Greenfield Project as a Leased Property under this Master Lease on terms to be negotiated by the parties (which terms with respect to Landlord funding such development shall include the terms set forth in Section 10.3 hereof regarding Capital Improvements). Within thirty (30) days of Landlord's receipt of notice from Tenant providing the opportunity to fund and include as Leased Property under this Master Lease a Greenfield Project on terms to be negotiated by the parties, Landlord shall notify Tenant as to whether it

intends to participate in such Greenfield Project and, if Landlord indicates such intent, the parties shall negotiate in good faith the terms and conditions upon which this would be effected, including the terms of any amendment to this Master Lease and any development or funding agreement, which Landlord might require. Should Landlord notify Tenant that it does not intend to pursue such Greenfield Project (or should Landlord decline to notify Tenant of its affirmative response within such thirty (30) day period), or if the parties despite good faith efforts on both sides fail to reach agreement on the terms under which such opportunity would be jointly pursued under this Master Lease and such new Greenfield Project shall become a portion of the Leased Property hereunder, then the Percentage Rent due from each and every Affected Facility will thereafter (a) be subject to a floor which will be calculated based on the Percentage Rent that would have been paid for such Affected Facility if Percentage Rent were adjusted based on Net Revenues for the calendar year immediately prior to the year in which the Greenfield Project is first opened to the public (the "**Greenfield Floor**"), and (b) be subject to normal periodic adjustments provided that annual Percentage Rent may not be reduced below the Greenfield Floor. Notwithstanding anything to the contrary in this Section 7.4(a), Tenant and its Affiliates shall not be restricted under this Section 7.4(a) from (i) expanding any Facility under this Master Lease (subject to Tenant's compliance with the terms of Section 10.3 and the other provisions of Article X), and (ii) subject to compliance with the provisions of Section 7.4(e) hereof, acquiring or operating any competing Gaming Facility that is in operation at the time of its acquisition or operation by Tenant or its Affiliates.

(b) Landlord's Obligations for Greenfields. Landlord agrees that during the Term, neither Landlord nor any of its Affiliates shall, without the prior written consent of the Tenant (which consent may be withheld in Tenant's sole discretion), build or otherwise participate in the development of a Greenfield Project within the Restricted Area. Notwithstanding anything to the contrary in this Section 7.4(b), (i) Landlord and its Affiliates shall not be restricted under this Section 7(b) from acquiring, financing or providing refinancing for any facility that is in operation or has been in operation at any time during the twelve month period prior the time in question (or with respect to furthering the development of the Development Facilities), and (ii) subject to the provisions of Section 7.4(d) hereof, Landlord and its Affiliates shall not be restricted under this Section 7.4(b) from expanding any Competing Facility existing at the time in question.

(c) Tenant's Rights Regarding Facility Expansions. Tenant shall be permitted to construct Capital Improvements in accordance with the terms of Article X hereof.

(d) Landlord's Rights Regarding Facility Expansions. Landlord shall be permitted to finance expansions of any Competing Facility within the Restricted Area that is already existing at any time in question, provided that the Percentage Rent attributable to any Affected Facilities (other than an Ohio Facility) shall thereafter be calculated monthly (and not based on the trailing five-year period as would have otherwise been the case for Facilities other than Ohio Facilities).

(e) Tenant's Rights to Acquire or Operate Existing Facilities. In the event Tenant or its Affiliate acquires or operates any existing competing Gaming Facility within the Restricted Area (a "**Competing Facility**"), the Percentage Rent due from any Affected Facility will thereafter (a) be subject to a floor which will be based on the Percentage Rent that would

have been paid for such Affected Facility if Percentage Rent were adjusted based on Net Revenues for the calendar year immediately prior to the year in which the competing facility is acquired or first operated by Tenant or its Affiliate (the "**Competing Facility Floor**"), and (b) be subject to normal periodic adjustments provided that annual Percentage Rent may not be reduced below the Competing Facility Floor.

(f) Landlord's Rights to Acquire or Finance Existing Facilities. Landlord shall not be restricted under this Section 7.4 from acquiring or providing any kind of financing or refinancing to any Competing Facility within the Restricted Area that is already existing at any time in question.

(g) No Restrictions Outside of Restricted Area. Each of Landlord and Tenant shall not be restricted from participating in opportunities, including without limitation, developing, building, purchasing or operating Gaming Facilities, outside the Restricted Area at any time.

ARTICLE VIII

8.1 **Representations and Warranties.** Each party represents and warrants to the other that: (i) this Master Lease 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 Master Lease within the State(s) where any portion of the Leased Property is located; and (iii) neither this Master Lease nor any other document executed or to be executed in connection herewith violates the terms of any other agreement of such party.

8.2 Compliance with Legal and Insurance Requirements, etc. Subject to Article XII regarding permitted contests, Tenant, at its expense, shall promptly (a) comply in all material respects with all Legal Requirements and Insurance Requirements regarding the use, operation, maintenance, repair and restoration of the Leased Property (including all Capital Improvements thereto) and Tenant's Property whether or not compliance therewith may require structural changes in any of the Leased Improvements or interfere with the use and enjoyment of the Leased Property, and (b) procure, maintain and comply in all material respects with all Gaming Regulations and Gaming Licenses, and other authorizations required for the use of the Leased Property (including all Capital Improvements) and Tenant's Property for the applicable Primary Intended Use and any other use of the Leased Property (including Capital Improvements then being made) and Tenant's Property, and for the proper erection, installation, operation and maintenance of the Leased Property and Tenant's Property. Tenant shall not take or omit to take any action, or allow any circumstance or other condition to exist, that is reasonably likely to result in a violation of a Gaming Regulation or other Legal Requirement that is reasonably likely to materially and adversely affect any Gaming License. In an emergency or in the event of a breach by Tenant of its obligations under this Section 8.2 which is not cured within any applicable cure period, Landlord may, but shall not be obligated to, enter upon the Leased Property and take such reasonable actions and incur such reasonable costs and expenses to effect such compliance as it deems advisable to protect its interest in the Leased Property, and Tenant shall reimburse Landlord for all such reasonable costs and expenses incurred by Landlord in

connection with such actions. Tenant covenants and agrees that the Leased Property and Tenant's Property shall not be used for any unlawful purpose. In the event that a regulatory agency, commission, board or other governmental body notifies Tenant that it is in jeopardy of losing a Gaming License material to the continued operation of a Facility (other than the Iowa Casino), and, assuming no Event of Default has occurred and is continuing, Tenant shall be given reasonable time to address the regulatory issue, after which period (but in all events prior to an actual revocation of such Gaming License) Tenant shall be required to sell the Gaming License and Tenant's Property related to such Facility to a successor operator of such Facility determined by Landlord choosing one and Tenant choosing three (for a total of four) potential operators and Landlord indicating the reasonable, market terms under which it would agree to lease such Facility to such potential operators, which in Landlord's reasonable discretion may contain reasonable variations in terms to the extent required to account for credit quality differences among the potential operators (e.g., Landlord may require different letter of credit terms and amounts, but may not set different rent terms). Tenant will then be entitled to auction off Tenant's Property relating to such Facility and Landlord will thereafter be entitled to lease the Facility to the potential successor that is the successful bidder. In the event of a new lease from Landlord to the successor, the Leased Property relating to such Facility shall be severed from the Leased Property hereunder and thereafter Rent shall be reduced based on the formula set forth in Section 14.6 hereof. Landlord shall comply with any Gaming Regulations or other regulatory requirements required of it as owner of the Facilities taking into account its Primary Intended Use (except to the extent Tenant fulfills or is required to fulfill any such requirements hereunder). In the event that a regulatory agency, commission, board or other governmental body notifies Landlord that it is in jeopardy of failing to comply with any such Gaming Regulation or other regulatory requirements material to the continued operation of a Facility for its Primary Intended Use, Landlord shall be given reasonable time to address the regulatory issue, after which period (but in all events prior to an actual cessation of the use of the Facility for its Primary Intended Use as a result of the failure by Landlord to comply with such regulatory requirements) Landlord shall be required to sell the Leased Property relating to such Facility to the highest bidder (and Tenant shall be entitled to be one of the bidders) who would agree to lease such Facility to Tenant on terms substantially the same as the terms hereof (including rent calculated in the manner provided pursuant to Section 14.6 hereof, an identical amount of which, after the effective time of such sale, shall be credited against Rent hereunder); provided that if Tenant is the bidder it shall not be required to agree to lease the Facility, but if it is the winning bidder shall be entitled to a credit against the Rent hereunder calculated in the manner provided pursuant to Section 14.6. In the event during the period in which Landlord conducts such auction such regulatory agency notifies Landlord and Tenant that Tenant may not pay any portion of the Rent to Landlord, Tenant shall be entitled to fund such amount into an escrow account, to be released to Landlord or the party legally entitled thereto at or upon resolution of such regulatory issues and otherwise on terms reasonably satisfactory to the parties. Notwithstanding anything in the foregoing to the contrary, no transfer of Tenant's Property used in the conduct of gaming (including the purported or attempted transfer of a Gaming License) or the operation of a Gaming Facility for its Primary Intended Use shall be effected or permitted without receipt of all approvals and/or Gaming Licenses in accordance with applicable Gaming Regulations.

8.3 Zoning and Uses. Without the prior written consent of Landlord, which shall not be unreasonably withheld unless the action for which consent is sought could adversely

affect the Primary Intended Use of a Facility (in which event Landlord may withhold its consent in its sole and absolute discretion), Tenant shall not (i) initiate or support any limiting change in the permitted uses of the Leased Property (or to the extent applicable, limiting zoning reclassification of the Leased Property); (ii) seek any variance under existing land use restrictions, laws, rules or regulations (or, to the extent applicable, zoning ordinances) applicable to the Leased Property or use or permit the use of the Leased Property; (iii) impose or permit or suffer the imposition of any restrictive covenants, easements or encumbrances (other than Permitted Leasehold Mortgages) upon the Leased Property in any manner that adversely affects in any material respect the value or utility of the Leased Property; (iv) execute or file any subdivision plat affecting the Leased Property, or institute, or permit the institution of, proceedings to alter any tax lot comprising the Leased Property; or (v) permit or suffer the Leased Property to be used by the public or any Person in such manner as might make possible a claim of adverse usage or possession or of any implied dedication or easement (provided that the proscription in this clause (v) is not intended to and shall not restrict Tenant in any way from complying with any obligation it may have under applicable Legal Requirements, including, without limitation, gaming regulations, to afford to the public access to the Leased Property).

8.4 Compliance with Ground Lease.

(a) This Master Lease, to the extent affecting and solely with respect to the Ground Leased Property, is and shall be subject and subordinate to all of the terms and conditions of the Ground Lease. Tenant hereby acknowledges that Tenant has reviewed and agreed to all of the terms and conditions of the Ground Lease. Tenant hereby agrees that Tenant shall not do, or fail to do, anything that would cause any violation of the Ground Lease. Without limiting the foregoing, (i) to the extent Landlord is required to obtain the written consent of the lessor under the Ground Lease (the "**Ground Lessor**") to alterations of or the subleasing of all or any portion of the Ground Leased Property pursuant to the Ground Lease, Tenant shall likewise obtain Ground Lessor's written consent to alterations of or the subleasing of all or any portion of the Ground Leased Property, and (ii) Tenant shall carry and maintain general liability, automobile liability, property and casualty, worker's compensation and employer's liability insurance in amounts and with policy provisions, coverages and certificates as required of Landlord as tenant under the Ground Lease.

(b) In the event of cancellation or termination of the Ground Lease for any reason whatsoever whether voluntary or involuntary (by operation of law or otherwise) prior to the expiration date of this Master Lease, including extensions and renewals granted thereunder, then, at Ground Lessor's option, Tenant shall make full and complete attornment to Ground Lessor with respect to the obligations of Landlord to Ground Lessor in connection with the

Ground Leased Property for the balance of the term of the Lease (notwithstanding that this Master Lease shall have expired with respect to the Ground Leased Property as a result of the cancellation or termination of the Ground Lease). Tenant's attornment shall be evidenced by a written agreement which shall provide that the Tenant is in direct privity of contract with Ground Lessor (i.e., that all obligations previously owed to Landlord under this Master Lease with respect to the Ground Lease or the Ground Leased Property shall be obligations owed to Ground Lessor for the balance of the term of this Master Lease, notwithstanding that this Master Lease shall have expired with respect to the Ground Leased Property as a result of the cancellation or termination of the Ground Lease) and which shall otherwise be in form and substance reasonably

satisfactory to Ground Lessor. Tenant shall execute and deliver such written attornment within thirty (30) days after request by Ground Lessor. Unless and until such time as an attornment agreement is executed by Tenant pursuant to this subsection, nothing contained in this Master Lease shall create, or be construed as creating, any privity of contract or privity of estate between Ground Lessor and Tenant.

(c) Nothing contained in this Master Lease amends, or shall be construed to amend, any provision of the Ground Lease.

ARTICLE IX

9.1 <u>Maintenance and Repair</u>. (a) Tenant, at its expense and without the prior consent of Landlord, shall maintain the Leased Property and Tenant's Property, and every portion thereof, and all private roadways, sidewalks and curbs appurtenant to the Leased Property, and which are under Tenant's control in good order and repair whether or not the need for such repairs occurs as a result of Tenant's use, any prior use, the elements or the age of the Leased Property and Tenant's Property, and, with reasonable promptness, make all reasonably necessary and appropriate repairs thereto of every kind and nature, including those necessary to ensure continuing compliance with all Legal Requirements, whether interior or exterior, structural or non-structural, ordinary or extraordinary, foreseen or unforeseen or arising by reason of a condition existing prior to the Commencement Date. All repairs shall be at least equivalent in quality to the original work. Tenant will not take or omit to take any action the taking or omission of which would reasonably be expected to materially impair the value or the usefulness of the Leased Property or any part thereof or any Capital Improvement thereto for its Primary Intended Use.

(b) Landlord shall not under any circumstances be required to (i) build or rebuild any improvements on the Leased Property; (ii) make any repairs, replacements, alterations, restorations or renewals of any nature to the Leased Property, whether ordinary or extraordinary, structural or non-structural, foreseen or unforeseen, or to make any expenditure whatsoever with respect thereto; or (iii) maintain the Leased Property in any way. Tenant hereby waives, to the extent permitted by law, the right to make repairs at the expense of Landlord pursuant to any law in effect at the time of the execution of this Master Lease or hereafter enacted.

(c) Nothing contained in this Master Lease and no action or inaction by Landlord shall be construed as (i) constituting the consent or request of Landlord, expressed or implied, to any contractor, subcontractor, laborer, materialman or vendor to or for the performance of any labor or services or the furnishing of any materials or other property for the construction, alteration, addition, repair or demolition of or to the Leased Property or any part thereof or any Capital Improvement thereto; or (ii) giving Tenant any right, power or permission to contract for or permit the performance of any labor or services or the furnishing of any materials or other property in such fashion as would permit the making of any claim against Landlord in respect thereof or to make any agreement that may create, or in any way be the basis for, any right, title, interest, lien, claim or other encumbrance upon the estate of Landlord in the Leased Property, or any portion thereof or any Capital Improvement thereto.

(d) Tenant shall, upon the expiration or earlier termination of the Term, vacate and surrender the Leased Property (including all Capital Improvements), in each case with respect to such Facility, to Landlord in the condition in which such Leased Property was originally received from Landlord and Capital Improvements were originally introduced to such Facility, except as repaired, rebuilt, restored, altered or added to as permitted or required by the provisions of this Master Lease and except for ordinary wear and tear.

(e) Without limiting Tenant's obligations to maintain the Leased Property and Tenant's Property under this Master Lease, within thirty (30) days after the end of each calendar year (commencing with the calendar year ending December 31, 2014), with respect to each Facility, Tenant shall provide Landlord with evidence satisfactory to Landlord in the reasonable exercise of Landlord's discretion that Tenant has in such calendar year spent, with respect to the Leased Property and Tenant's Property, an aggregate amount equal to at least 1% of its actual Net Revenue from the Facilities for such calendar year on installation or restoration and repair or other improvement of items, which installations, restorations and repairs and other improvements are capitalized in accordance with GAAP with an expected life of not less than three (3) years. If Tenant fails to make at least the above amount of expenditures and fails within sixty (60) days after receipt of a written demand from Landlord to either (i) cure such deficiency or (ii) obtain Landlord's written approval, in its reasonable discretion, of a repair and maintenance program satisfactory to cure such deficiency, then the same shall be deemed an Event of Default hereunder.

9.2 <u>Encroachments, Restrictions, Mineral Leases, etc.</u> If any of the Leased Improvements shall, at any time, encroach upon any property, street or right-of-way, or shall violate any restrictive covenant or other agreement affecting the Leased Property, or any part thereof or any Capital Improvement thereto, or shall impair the rights of others under any easement or right-of-way to which the Leased Property is subject, or the use of the Leased Property or any Capital Improvement thereto is impaired, limited or interfered with by reason of the exercise of the right of surface entry or any other provision of a lease or reservation of any oil, gas, water or other minerals, then promptly upon the request of Landlord or any Person affected by any such encroachment, violation or impairment, each of Tenant and Landlord, subject to their right to contest the existence of any such encroachment, violation or impairment, shall protect, indemnify, save harmless and defend the other party hereto from and against fifty percent (50%) of all losses, liabilities, obligations, claims, damages, penalties, causes of action, costs and expenses (including reasonable attorneys', consultants' and experts' fees and expenses) based on or arising by reason of any such encroachment, violation or impairment. In the event of an adverse final determination with respect to any such encroachment, violation or impairment, either (a) each of Tenant and Landlord shall be entitled to obtain valid and effective waivers or settlements of all claims, liabilities and damages resulting from each such encroachment, violation or impairment, whether the same shall affect Landlord or Tenant or (b) Tenant at the shared cost and expense of Tenant and Landlord on a 50-50 basis shall make such changes in the Leased Improvements, and take such other actions, as Tenant in the good faith exercise of its judgment deems reasonably practicable, to remove such encroachment or to end such violation or impairment, including, if necessary, the alteration of any of the Leased Improvements, and in any event take all such actions as may be necessary in order to be able to continue the operation of the Leased Improvements for the Primary Intended Use substantially in the manner and to the extent the Leased Improvements were operated prior to the assertion of such encroachment, violation or impairment. Tenant's (and Landlord's) obligations under this Section 9.2 shall be in addition to and shall in no way discharge or diminish any obligation of any insurer under any policy of title or other insurance and, to the extent the recovery thereof is not necessary to compensate Landlord and Tenant for any damages incurred by any such encroachment, violation or impairment, Tenant shall be entitled to fifty percent (50%) of any sums recovered by Landlord under any such policy of title or other insurance up to the maximum amount paid by Tenant under this Section 9.2 and Landlord, upon request by Tenant, shall assign Landlord's rights under such policies to Tenant provided such assignment does not adversely affect Landlord's rights under any such policy. Landlord agrees to use reasonable efforts to seek recovery under any policy of title or other insurance under which Landlord is an insured party for all losses, liabilities, obligations, claims, damages, penalties, causes of action, costs and expenses (including reasonable attorneys', consultants' and experts' fees and expenses) based on or arising by reason of any such encroachment, violation or impairment as set forth in this Section 9.2; provided, however, that in no event shall Landlord be obligated to institute any litigation, arbitration or other legal proceedings in connection therewith unless Landlord is reasonably satisfied that Tenant has the financial resources needed to fund such litigation and Tenant and Landlord have agreed upon the terms and conditions on which such funding will be made available by Tenant including, but not limited to, the mutual approval of a litigation budget.

ARTICLE X

10.1 Construction of Capital Improvements to the Leased Property. Tenant shall, with respect to any Facility, have the right to make a Capital Improvement, including, without limitation, any Capital Improvement required by Section 8.2 or 9.1(a), without the consent of Landlord if the Capital Improvement (i) is of equal or better quality than the existing Leased Improvements it is improving, altering or modifying, (ii) does not consist of adding new structures or enlarging existing structures, and (iii) does not have an adverse effect on the structure of any existing Leased Improvements. Tenant shall provide Landlord copies of the plans and specifications in respect of all Capital Improvements, which plans and specifications shall be prepared in a high-grade professional manner and shall adequately demonstrate compliance with clauses (i)-(iii) of the preceding sentence with respect to projects that do not require Landlord's written consent and shall be in such form as Landlord may reasonably require for any other projects. All other Capital Improvements shall be subject to Landlord's review and approval which approval shall not be unreasonably withheld. For any Capital Improvement which does not require the approval of Landlord, Tenant shall, prior to commencing construction of such Capital Improvement, provide to Landlord a written description of such Capital Improvement and on an ongoing basis supply Landlord with related documentation and information as Landlord may reasonably request (including plans and specifications of any such Capital Improvements). If Tenant desires to make a Capital Improvement for which Landlord's approval is required, Tenant shall submit to Landlord in reasonable detail a general description of the proposal, the projected cost of construction and such plans and specifications, permits, licenses, contracts and other information concerning the proposal as Landlord may reasonably request. Such description shall indicate the use or uses to which such Capital Improvement will be put and the impact, if any, on current and forecasted gross revenues and operating income attributable thereto. It shall be reasonable for Landlord to condition its approval of any Capital Improvement upon any or all of the following terms and conditions:

(a) Such construction shall be effected pursuant to detailed plans and specifications approved by Landlord, which approval shall not be unreasonably withheld;

(b) Such construction shall be conducted under the supervision of a licensed architect or engineer selected by Tenant and approved by Landlord, which approval shall not be unreasonably withheld;

(c) Landlord's receipt, from the general contractor and, if reasonably requested by Landlord, a major subcontractor(s) of a performance and payment bond for the full value of such construction, which such bond shall name Landlord as an additional obligee and otherwise be in form and substance and issued by a Person reasonably satisfactory to Landlord;

(d) In the case of a Tenant Capital Improvement, such construction shall not be undertaken unless Tenant demonstrates to the reasonable satisfaction of Landlord the financial ability to complete the construction without adversely affecting its cash flow position or financial viability; and

(e) No Capital Improvement will result in the Leased Property becoming a "limited use" property for purposes of United States federal income taxes.

10.2 Construction Requirements for All Capital Improvements. Whether or not Landlord's review and approval is required, for all Capital Improvements:

(a) Such construction shall not be commenced until Tenant shall have procured and paid for all municipal and other governmental permits and authorizations required to be obtained prior to such commencement, including those permits and authorizations required pursuant to any Gaming Regulations, and Landlord shall join in the application for such permits or authorizations whenever such action is necessary; provided, however, that (i) any such joinder shall be at no cost or expense to Landlord; and (ii) any plans required to be filed in connection with any such application which require the approval of Landlord as hereinabove provided shall have been so approved by Landlord;

(b) Such construction shall not, and Tenant's licensed architect or engineer shall certify to Landlord that such architect or engineer believes that such construction shall not, impair the structural strength of any component of the applicable Facility or overburden the electrical, water, plumbing, HVAC or other building systems of any such component in a manner that would violate applicable building codes or prudent industry practices;

(c) Tenant's licensed architect or engineer shall certify to Landlord that such architect or engineer believes that the detailed plans and specifications conform to, and comply with, in all material respects all applicable building, subdivision and zoning codes, laws, ordinances and regulations imposed by all governmental authorities having jurisdiction over the Leased Property of the applicable Facility;

(d) During and following completion of such construction, the parking and other amenities which are located in the applicable Facility or on the Land of such Facility shall remain adequate for the operation of such Facility for its Primary Intended Use and in no event shall such parking be less than that which is required by law; provided, however, with

Landlord's prior consent and at no additional expense to Landlord, (i) to the extent additional parking is not already a part of a Capital Improvement, Tenant may construct additional parking on the Land; or (ii) Tenant may acquire off-site parking to serve such Facility as long as such parking shall be reasonably proximate to, and dedicated to, or otherwise made available to serve, such Facility;

(e) All work done in connection with such construction shall be done promptly and using materials and resulting in work that is at least as good product and condition as the remaining areas of the applicable Facility and in conformity with all Legal Requirements, including, without limitation, any applicable minority or women owned business requirements; and

(f) Promptly following the completion of such construction, Tenant shall deliver to Landlord "as built" drawings of such addition, certified as accurate by the licensed architect or engineer selected by Tenant to supervise such work, and copies of any new or revised certificates of occupancy.

10.3 Landlord's Right of First Offer to Fund. Tenant shall request that Landlord fund or finance the construction and acquisition of any Capital Improvement that includes Long-Lived Assets (along with reasonably related fees and expenses, such as title fees, costs of permits, legal fees and other similar transaction related costs) if the cost of such Capital Improvements constituting Long-Lived Assets is expected to be in excess of $2 million (subject to the CPI Increase), and Tenant shall provide to Landlord any information about such Capital Improvements which Landlord may reasonably request (including any specifics regarding the terms upon which Tenant will be seeking financing for such Capital Improvements). Landlord may, but shall be under no obligation to, provide the funds necessary to meet the request. Within thirty (30) days of receipt of a request to fund a proposed Capital Improvement pursuant to this Section 10.3, Landlord shall notify Tenant as to whether it will fund all or a portion of such proposed Capital Improvement and, if so, the terms and conditions upon which it would do so. If Landlord agrees to fund such proposed Capital Improvement, Tenant shall have ten (10) Business Days to accept or reject Landlord's funding proposal. If Landlord declines to fund a proposed Capital Improvement (or declines to provide Tenant written notice within such thirty (30)-day period of the terms of its proposal to fund such Capital Improvements), Tenant shall be permitted to secure outside financing or utilize then existing available financing for such Capital Improvement for a six-month period, after which six-month period (if Tenant has not secured outside financing or determined to utilize then existing available financing) Tenant shall again be required to first seek funding from Landlord. If Landlord agrees to fund all or a portion of a proposed Capital Improvement and Tenant rejects the terms thereof, Tenant shall be permitted to either use then existing available financing or seek outside financing for such Capital Improvement for a six-month period, in each case on terms that are economically more advantageous to Tenant than offered under Landlord's funding proposal, and if Tenant elects to utilize economically more advantageous financing it shall provide Landlord evidence of the terms of such financing; *provided* that, in determining if financing is economically more advantageous (i) consideration may be given to, among other items, (x) pricing, amortization, and length of term of such financing; (y) the cost, availability and terms of any financing sufficient to fund such Capital Improvement and other expenditures (exclusive of the related fees and expense described above) material in relation to the cost of such Capital Improvement (if

any) which are intended to be funded in connection with the construction and acquisition of such Capital Improvement and which are related to the use and operation of such Capital Improvement and (z), and other customary considerations and, (ii) in the event that Tenant uses Cash to fund such Capital Improvement Costs, such use of Cash shall be deemed to have financing terms equivalent to those of the then outstanding Indebtedness of the Tenant having the highest rate of interest which is then permitted to be repaid, factoring in any related call or prepayment premium (to the extent any such Indebtedness of the Tenant is then outstanding); and *provided further* that in no event shall Tenant be obligated to obtain financing from Landlord to the extent such financing from Landlord would violate or cause a default or breach under any Material Indebtedness of Tenant's Parent or Tenant. If Tenant constructs a Capital Improvement with its then existing available financing or outside financing obtained in accordance with this Section 10.3, (i) except as may otherwise be expressly provided in this Master Lease to the contrary, (A) during the Term, such Capital Improvements shall be deemed part of the Leased Property and the Facilities solely for the purpose of calculating Net Revenues and Percentage Rent hereunder and shall for all other purposes be Tenant's Property and (B) following expiration or termination of the Term, shall be either, at the option of Landlord, purchased by Landlord for fair market value or, if not purchased by Landlord, Tenant shall be entitled to either remove such Tenant Capital Improvements, provided that the Leased Property is restored in a manner reasonably satisfactory to Landlord, or receive fair value for such Tenant Capital Improvements in accordance with Article XXXVI. If Landlord agrees to fund a proposed Capital Improvement and Tenant accepts the terms thereof, such Capital Improvements shall be deemed part of the Leased Property and the Facilities for all purposes and Tenant shall provide Landlord with the following prior to any advance of funds:

(a) any information, certificates, licenses, permits or documents reasonably requested by Landlord which are necessary and obtainable to confirm that Tenant will be able to use the Capital Improvement upon completion thereof in accordance with the Primary Intended Use, including all required federal, state or local government licenses and approvals;

(b) an Officer's Certificate and, if requested, a certificate from Tenant's architect providing appropriate backup information, setting forth in reasonable detail the projected or actual costs related to such Capital Improvements;

(c) an amendment to this Master Lease (and any development or funding agreement agreed to in accordance with this Section 10.3), in a form reasonably agreed to by Landlord and Tenant, which may include, among other things, an increase in the Rent in amounts as agreed upon by the parties hereto pursuant to the agreed funding proposal terms described above and other provisions as may be necessary or appropriate;

(d) a deed conveying title to Landlord to any land acquired for the purpose of constructing the Capital Improvement free and clear of any liens or encumbrances except those approved by Landlord, and accompanied by an ALTA survey thereof satisfactory to Landlord;

(e) for each advance, endorsements to any outstanding policy of title insurance covering the Leased Property or commitments therefor reasonably satisfactory in form and substance to Landlord (i) updating the same without any additional exception except those that do not materially affect the value of such land and do not interfere with the use of the Leased

Property or as may be approved by Landlord, which approval shall not be unreasonably withheld, and (ii) increasing the coverage thereof by an amount equal to the cost of the Capital Improvement, except to the extent covered by the owner's policy of title insurance referred to in subparagraph (f) below;

(f) if appropriate, an owner's policy of title insurance insuring the fair market value of fee simple title to any land and improvements conveyed to Landlord free and clear of all liens and encumbrances except those that do not materially affect the value of such land and do not interfere with the use of the Leased Property or are approved by Landlord, which approval shall not be unreasonably withheld, provided that if the requirement in this clause (f) is not satisfied (or waived by Landlord), Tenant shall be entitled to seek third party financing or use available financing in lieu of seeking such advance from Landlord;

(g) if requested by Landlord, an appraisal by a member of the Appraisal Institute of the Leased Property indicating that the fair market value of the Leased Property upon completion of the Capital Improvement will exceed the fair market value of the Leased Property immediately prior thereto by an amount not less than ninety-five percent (95%) of the cost of the Capital Improvement, provided that if the requirement in this clause (g) is not satisfied (or waived by Landlord), Tenant shall be entitled to seek third party financing or use available financing in lieu of seeking such advance from Landlord; and

(h) such other billing statements, invoices, certificates, endorsements, opinions, site assessments, surveys, resolutions, ratifications, lien releases and waivers and other instruments and information reasonably required by Landlord.

ARTICLE XI

11.1 Liens. Subject to the provisions of Article XII relating to permitted contests, Tenant will not directly or indirectly create or allow to remain and will promptly discharge at its expense any lien, encumbrance, attachment, title retention agreement or claim upon the Leased Property or any Capital Improvement thereto or upon the Gaming Licenses (including indirectly through a pledge of shares in the direct or indirect entity owning an interest in the Gaming Licenses) or any attachment, levy, claim or encumbrance in respect of the Rent, excluding, however, (i) this Master Lease; (ii) the matters that existed as of the Commencement Date with respect to such Facility and disclosed on Schedule 1B; (iii) restrictions, liens and other encumbrances which are consented to in writing by Landlord (such consent not to be unreasonably withheld); (iv) liens for Impositions which Tenant is not required to pay hereunder; (v) subleases permitted by Article XXII; (vi) liens for Impositions not yet delinquent or being contested in accordance with Article XII, provided that Tenant has provided appropriate reserves as required under GAAP and any foreclosure or similar remedies with respect to such Impositions have not been instituted and no notice as to the institution or commencement thereof have been issued except to the extent such institution or commencement is stayed no later than the earlier of (x) ten (10) Business Days after such notice is issued or (y) five (5) Business Days prior to the institution or commencement thereof; (vii) liens of mechanics, laborers, materialmen, suppliers or vendors for sums either disputed or not yet due, provided that (1) the payment of such sums shall not be postponed under any related contract for more than sixty (60) days after the completion of the action giving rise to such lien unless being contested in accordance with

Article XII and such reserve or other appropriate provisions as shall be required by law or GAAP shall have been made therefor and no foreclosure or similar remedies with respect to such liens have been instituted and no notice as to the institution or commencement thereof have been issued except to the extent such institution or commencement is stayed no later than the earlier of (x) ten (10) Business Days after such notice is issued or (y) five (5) Business Days prior to the institution or commencement thereof; or (2) any such liens are in the process of being contested as permitted by Article XII; (viii) any liens created by Landlord; (ix) liens related to equipment leases or equipment financing for Tenant's Property which is used or useful in Tenant's business on the Leased Property, provided that the payment of any sums due under such equipment leases or equipment financing shall either (1) be paid as and when due in accordance with the terms thereof, or (2) be in the process of being contested as permitted by Article XII and provided that a lien holder's removal of any such Tenant's Property from the Leased Property shall be made in accordance with the requirements set forth in this Section 11.1; and (x) liens granted as security for the obligations of Tenant and its Affiliates under a Debt Agreement; provided, however, in no event shall the foregoing be deemed or construed to permit Tenant to encumber its leasehold interest (or a subtenant to encumber its subleasehold interest) in the Leased Property or its direct or indirect interest (or the interest of any of its Subsidiaries) in the Gaming Licenses (other than, in each case, to a Permitted Leasehold Mortgagee), without the prior written consent of Landlord, which consent may be granted or withheld in Landlord's sole discretion; and provided further, that Tenant shall be required to provide Landlord with fully executed copies of any and all Permitted Leasehold Mortgages and related Debt Agreements. For the avoidance of doubt, the parties acknowledge and agree that Tenant has not granted any liens in favor of Landlord as security for its obligations hereunder (except to the extent contemplated in the final paragraph of this Section 11.1) and nothing contained herein shall be deemed or construed to prohibit the issuance of a lien on the Equity Interests in Tenant (it being agreed that any foreclosure by a lien holder on such interests in Tenant shall be subject to the restriction on Change in Control set forth in Article XXII) or to prohibit Tenant from pledging its Accounts and other Tenant's Property and other property of Tenant, including fixtures and equipment installed by Tenant at the Facilities, as collateral in connection with financings from equipment lenders (or to Permitted Leasehold Mortgagees), provided that Tenant shall in no event pledge to any Person that is not granted a Permitted Leasehold Mortgage hereunder any of the Gaming Licenses or other of Tenant's Property to the extent that such Tenant's Property cannot be removed from the Leased Property without damaging or impairing the Leased Property (other than in a de minimis manner). For the further avoidance of doubt, by way of example, Tenant shall not grant to any lender (other than a Permitted Leasehold Mortgagee) a lien on, and any and all lien holders (including a Permitted Leasehold Mortgagee) shall not have the right to remove, carpeting, internal wiring, elevators, or escalators at the Leased Property, but lien holders may have the right to remove (and Tenant shall have the right to grant a lien on) slot machines and other gaming equipment even if the removal thereof from the Leased Premises could result in de minimis damage, provided any such damage is repaired by the lien holder or Tenant in accordance with the terms of this Master Lease.

Landlord and Tenant intend that this Master Lease be an indivisible true lease that affords the parties hereto the rights and remedies of landlord and tenant hereunder and does not represent a financing arrangement. This Master Lease is not an attempt by Landlord or Tenant to evade the operation of any aspect of the law applicable to any of the Leased Property. Except as otherwise required by applicable law or any accounting rules or regulations, Landlord and

Tenant hereby acknowledge and agree that this Master Lease shall be treated as an operating lease for all purposes and not as a synthetic lease, financing lease or loan and that Landlord shall be entitled to all the benefits of ownership of the Leased Property, including depreciation for all federal, state and local tax purposes.

If, notwithstanding (a) the form and substance of this Master Lease and (b) the intent of the parties, and the language contained herein providing, that this Master Lease shall at all times be construed, interpreted and applied to create an indivisible lease of all of the Leased Property, any court of competent jurisdiction finds that this Master Lease is a financing arrangement, this Master Lease shall be considered a secured financing agreement and Landlord's title to the Leased Property shall constitute a perfected first priority lien in Landlord's favor on the Leased Property to secure the payment and performance of all the obligations of Tenant hereunder (and to that end, Tenant hereby assigns and transfers to the Landlord a security interest in all right, title or interest in or to any and all of the Leased Property, as security for the prompt and complete payment and performance when due of Tenant's obligations hereunder). Tenant authorizes Landlord, at the expense of Tenant, to make any filings or take other actions as Landlord reasonably determines are necessary or advisable in order to effect fully this Master Lease or to more fully perfect or renew the rights of the Landlord, and to subordinate to the Landlord the lien of any Permitted Leasehold Mortgagee, with respect to the Leased Property (it being understood that nothing herein shall affect the rights of a Permitted Leasehold Mortgagee under Article XVII hereof). At any time and from time to time upon the request of the Landlord, and at the expense of the Tenant, Tenant shall promptly execute, acknowledge and deliver such further documents and do such other acts as the Landlord may reasonably request in order to effect fully this Master Lease or to more fully perfect or renew the rights of the Landlord with respect to the Leased Property. Upon the exercise by the Landlord of any power, right, privilege or remedy pursuant to this Master Lease which requires any consent, approval, recording, qualification or authorization of any governmental authority, the Tenant will execute and deliver, or will cause the execution and delivery of, all applications, certifications, instruments and other documents and papers that the Landlord may be required to obtain from the Tenant for such consent, approval, recording, qualification or authorization.

ARTICLE XII

12.1 Permitted Contests. Tenant, upon prior written notice to Landlord, on its own or in Landlord's name, at Tenant's expense, may contest, by appropriate legal proceedings conducted in good faith and with due diligence, the amount, validity or application, in whole or in part, of any licensure or certification decision (including pursuant to any Gaming Regulation), Imposition, Legal Requirement, Insurance Requirement, lien, attachment, levy, encumbrance, charge or claim; provided, however, that (i) in the case of an unpaid Imposition, lien, attachment, levy, encumbrance, charge or claim, the commencement and continuation of such proceedings shall suspend the collection thereof from Landlord and from the Leased Property or any Capital Improvement thereto; (ii) neither the Leased Property or any Capital Improvement thereto, the Rent therefrom nor any part or interest in either thereof would be in any danger of being sold, forfeited, attached or lost pending the outcome of such proceedings; (iii) in the case of a Legal Requirement, neither Landlord nor Tenant would be in any danger of civil or criminal liability for failure to comply therewith pending the outcome of such proceedings; (iv) if any such contest shall involve a sum of money or potential loss in excess of Two Hundred Thousand Dollars

($200,000), upon request of the Landlord, Tenant shall deliver to Landlord an opinion of counsel reasonably acceptable to Landlord to the effect set forth in clauses (i), (ii) and (iii) above, to the extent applicable; (v) in the case of a Legal Requirement, Imposition, lien, encumbrance or charge, Tenant shall give such reasonable security as may be required by Landlord to insure ultimate payment of the same and to prevent any sale or forfeiture of the Leased Property or any Capital Improvement thereto or the Rent by reason of such non-payment or noncompliance; (vi) in the case of an Insurance Requirement, the coverage required by Article XIII shall be maintained; (vii) Tenant shall keep Landlord reasonably informed as to the status of the proceedings; and (viii) if such contest be finally resolved against Landlord or Tenant, Tenant shall promptly pay the amount required to be paid, together with all interest and penalties accrued thereon, or comply with the applicable Legal Requirement or Insurance Requirement. Landlord, at Tenant's expense, shall execute and deliver to Tenant such authorizations and other documents as may reasonably be required in any such contest, and, if reasonably requested by Tenant or if Landlord so desires, Landlord shall join as a party therein. The provisions of this Article XII shall not be construed to permit Tenant to contest the payment of Rent or any other amount (other than Impositions or Additional Charges which Tenant may from time to time be required to impound with Landlord) payable by Tenant to Landlord hereunder. Tenant shall indemnify, defend, protect and save Landlord harmless from and against any liability, cost or expense of any kind that may be imposed upon Landlord in connection with any such contest and any loss resulting therefrom, except in any instance where Landlord opted to join and joined as a party in the proceeding despite Tenant's having sent written notice to Landlord of Tenant's preference that Landlord not join in such proceeding.

ARTICLE XIII

13.1 General Insurance Requirements. During the Term, Tenant shall at all times keep the Leased Property, and all property located in or on the Leased Property, including Capital Improvements, the Fixtures and Tenant's Property, insured with the kinds and amounts of insurance described below. Each element of insurance described in this Article shall be maintained with respect to the Leased Property of each Facility and Tenant's Property and operations thereon. Such insurance shall be written by companies permitted to conduct business in the applicable State. All third party liability type policies must name Landlord as an "additional insured." All property policies shall name Landlord as "loss payee" For its interests in each Facility. All business interruption policies shall name Landlord as "loss payee" with respect to Rent only. Property losses shall be payable to Landlord and/or Tenant as provided in Article XIV. In addition, the policies, as appropriate, shall name as an "additional insured" and/or "loss payee" each Permitted Leasehold Mortgagee and as an "additional insured" or "loss payee" the holder of any mortgage, deed of trust or other security agreement ("**Facility Mortgagee**") securing any indebtedness or any other Encumbrance placed on the Leased Property in accordance with the provisions of Article XXXI ("**Facility Mortgage**") by way of a standard form of mortgagee's loss payable endorsement. Except as otherwise set forth herein, any property insurance loss adjustment settlement shall require the written consent of Landlord, Tenant, and each Facility Mortgagee (to the extent required under the applicable Facility Mortgage Documents) unless the amount of the loss net of the applicable deductible is less than Five Million Dollars ($5,000,000) in which event no consent shall be required. Evidence of insurance shall be deposited with Landlord and, if requested, with any Facility Mortgagee(s).

The insurance policies required to be carried by Tenant hereunder shall insure against all the following risks with respect to each Facility:

(a) Loss or damage by fire, vandalism and malicious mischief, extended coverage perils commonly known as "All Risk," and all physical loss perils normally included in such All Risk insurance, including but not limited to sprinkler leakage and windstorm in an amount not less than the insurable value on a Maximum Foreseeable Loss (as defined below in Section 13.2) basis and including a building ordinance coverage endorsement, provided that in the event the premium cost of any or all of earthquake, flood, windstorm (including named windstorm) or terrorism coverages are available only for a premium that is more than 2.5 times the average premium paid by Tenant (or prior operator of Facilities) over the preceding three years for the insurance policy contemplated by this Section 13.1(a), then Tenant shall be entitled and required to purchase the maximum insurance coverage it deems most efficient and prudent to purchase and Tenant shall not be required to spend additional funds to purchase additional coverages insuring against such risks; and provided, further, that some property coverages might be sub-limited in an amount less than the Maximum Foreseeable Loss as long as the sub-limits are commercially reasonable and prudent as deemed by Tenant;

(b) Loss or damage by explosion of steam boilers, pressure vessels or similar apparatus, now or hereafter installed in each Facility, in such limits with respect to any one accident as may be reasonably requested by Landlord from time to time;

(c) Flood (when any of the improvements comprising the Leased Property of a Facility is located in whole or in part within a designated 100-year flood plain area) in an amount not less than the probable maximum loss of a 500 year event and such other hazards and in such amounts as may be customary for comparable properties in the area;

(d) Loss of rental value in an amount not less than twelve (12) months' Rent payable hereunder or business interruption in an amount not less than twelve (12) months of income and normal operating expenses including 90-days ordinary payroll and Rent payable hereunder with an extended period of indemnity coverage of at least ninety (90) days necessitated by the occurrence of any of the hazards described in Sections 13.1(a), 13.1(b) or 13.1(c), provided, that Tenant may self-insure specific Facilities for the insurance contemplated under this Section 13.1(d), provided, that (i) such Facilities that Tenant chooses to self-insure are not expected to generate more than ten percent (10%) of Net Revenues anticipated to be generated from all the Facilities and (ii) Tenant deposits in any impound account created under Section 4.3 hereof an amount equal to the product of (1) the sum of (A) the insurance premiums paid by Tenant for such period under this Section 13.1(d) to insurance companies and (B) the amount deposited by Tenant in an impound account pursuant to this provision, and (2) the percentage of Net Revenues that are anticipated to be generated by the Facilities that are being self-insured by Tenant under this provision;

(e) Claims for personal injury or property damage under a policy of comprehensive general public liability insurance with amounts not less than One Hundred Million Dollars ($100,000,000) each occurrence and One Hundred Million Dollars ($100,000,000) in the annual aggregate, provided that such requirements may be satisfied through the purchase of a primary general liability policy and excess liability policies;

(f) During such time as Tenant is constructing any improvements, Tenant, at its sole cost and expense, shall carry, or cause to be carried (i) workers' compensation insurance and employers' liability insurance covering all persons employed in connection with the improvements in statutory limits, (ii) a completed operations endorsement to the commercial general liability insurance policy referred to above, (iii) builder's risk insurance, completed value form (or its equivalent), covering all physical loss, in an amount and subject to policy conditions satisfactory to Landlord, and (iv) such other insurance, in such amounts, as Landlord deems reasonably necessary to protect Landlord's interest in the Leased Property from any act or omission of Tenant's contractors or subcontractors.

13.2 Maximum Foreseeable Loss. The term "**Maximum Foreseeable Loss**" shall mean the largest monetary loss within one area that may be expected to result from a single fire with protection impaired, the control of the fire mainly dependent on physical barriers or separations and a delayed manual fire fighting by public and/or private fire brigades. If Landlord reasonably believes that the Maximum Foreseeable Loss has increased at any time during the Term, it shall have the right (unless Tenant and Landlord agree otherwise) to have such Maximum Foreseeable Loss redetermined by an impartial national insurance company reasonably acceptable to both parties (the "**Impartial Appraiser**"), or, if the parties cannot agree on an Impartial Appraiser, then by an Expert appointed in accordance with Section 34.1 hereof. The determination of the Impartial Appraiser (or the Expert, as the case may be) shall be final and binding on the parties hereto, and Tenant shall forthwith adjust the amount of the insurance carried pursuant to this Article to the amount so determined by the Impartial Appraiser (or the Expert, as the case may be), subject to the approval of the Facility Mortgagee, as applicable. Each party shall pay one-half (1/2) of the fee, if any, of the Impartial Appraiser. If Landlord pays the Impartial Appraiser, fifty percent (50%) of such costs shall be Additional Charges hereunder and if Tenant pays such Impartial Appraiser, fifty percent (50%) of such costs shall be a credit against the next Rent payment hereunder. If Tenant has undertaken any structural alterations or additions to the Leased Property having a cost or value in excess of Twenty Five Million Dollars ($25,000,000), Landlord may at Tenant's expense have the Maximum Foreseeable Loss redetermined at any time after such improvements are made, regardless of when the Maximum Foreseeable Loss was last determined.

13.3 Additional Insurance. In addition to the insurance described above, Tenant shall maintain such additional insurance upon notice from Landlord as may be reasonably required from time to time by any Facility Mortgagee and shall further at all times maintain adequate workers' compensation coverage and any other coverage required by Legal Requirements for all Persons employed by Tenant on the Leased Property in accordance with Legal Requirements.

13.4 Waiver of Subrogation. All insurance policies carried by either party covering the Leased Property or Tenant's Property, including without limitation, contents, fire and liability insurance, shall expressly waive any right of subrogation on the part of the insurer against the other party. Each party, respectively, shall pay any additional costs or charges for obtaining such waiver.

13.5 Policy Requirements. All of the policies of insurance referred to in this Article shall be written in form reasonably satisfactory to Landlord and any Facility Mortgagee

and issued by insurance companies with a policyholder rating of "A-" and a financial rating of "VIII" in the most recent version of Best's Key Rating Guide. If Tenant obtains and maintains the general liability insurance described in Section 13.1(e) above on a "claims made" basis, Tenant shall provide continuous liability coverage for claims arising during the Term. In the event such "claims made" basis policy is canceled or not renewed for any reason whatsoever (or converted to an "occurrence" basis policy), Tenant shall either obtain (a) "tail" insurance coverage converting the policies to "occurrence" basis policies providing coverage for a period of at least three (3) years beyond the expiration of the Term, or (b) an extended reporting period of at least three (3) years beyond the expiration of the Term. Tenant shall pay all of the premiums therefor, and deliver certificates thereof to Landlord prior to their effective date (and with respect to any renewal policy, prior to the expiration of the existing policy), and in the event of the failure of Tenant either to effect such insurance in the names herein called for or to pay the premiums therefor, or to deliver such certificates thereof to Landlord, at the times required, Landlord shall be entitled, but shall have no obligation, to effect such insurance and pay the premiums therefor, in which event the cost thereof, together with interest thereon at the Overdue Rate, shall be repayable to Landlord upon demand therefor. Tenant shall obtain, to the extent available on commercially reasonable terms, the agreement of each insurer, by endorsement on the policy or policies issued by it, or by independent instrument furnished to Landlord, that it will give to Landlord thirty (30) days' (or ten (10) days' in the case of non-payment of premium) written notice before the policy or policies in question shall be altered, allowed to expire or cancelled. Notwithstanding any provision of this Article XIII to the contrary, Landlord acknowledges and agrees that the coverage required to be maintained by Tenant may be provided under one or more policies with various deductibles or self-insurance retentions by Tenant or its Affiliates, subject to Landlord's approval not to be unreasonably withheld. . Upon written request by Landlord, Tenant shall provide Landlord copies of the property insurance policies when issued by the insurers providing such coverage.

13.6 Increase in Limits. If, from time to time after the Commencement Date, Landlord determines in the exercise of its reasonable business judgment that the limits of the personal injury or property damage-public liability insurance then carried pursuant to Section 13.1(e) hereof are insufficient, Landlord may give Tenant Notice of acceptable limits for the insurance to be carried provided, in no event will Tenant be required to carry insurance in an amount which exceeds the product of (i) the amounts set forth in Section 13.1(e) hereof and (ii) the CPI Increase; and subject to the foregoing limitation, within ninety (90) days after the receipt of such Notice, the insurance shall thereafter be carried with limits as prescribed by Landlord until further increase pursuant to the provisions of this Section.

13.7 Blanket Policy. Notwithstanding anything to the contrary contained in this Article XIII, Tenant's obligations to carry the insurance provided for herein may be brought within the coverage of a so-called blanket policy or policies of insurance carried and maintained by Tenant; provided that the requirements of this Article XIII (including satisfaction of the Facility Mortgagee's requirements and the approval of the Facility Mortgagee) are otherwise satisfied, and provided further that Tenant maintains specific allocations acceptable to Landlord.

13.8 No Separate Insurance. Tenant shall not, on Tenant's own initiative or pursuant to the request or requirement of any third party, (i) take out separate insurance concurrent in form or contributing in the event of loss with that required in this Article to be furnished by, or which may reasonably be required to be furnished by, Tenant or (ii) increase the amounts of any then existing insurance by securing an additional policy or additional policies, unless all parties having an insurable interest in the subject matter of the insurance, including in all cases Landlord and all Facility Mortgagees, are included therein as additional insureds and the loss is payable under such insurance in the same manner as losses are payable under this Master Lease. Notwithstanding the foregoing, nothing herein shall prohibit Tenant from insuring against risks not required to be insured hereby, and as to such insurance, Landlord and any Facility Mortgagee need not be included therein as additional insureds, nor must the loss thereunder be payable in the same manner as losses are payable hereunder except to the extent required to avoid a default under the Facility Mortgage.

ARTICLE XIV

14.1 Property Insurance Proceeds. All proceeds (except business interruption not allocated to rent expenses) payable by reason of any property loss or damage to the Leased Property, or any portion thereof, under any property policy of insurance required to be carried hereunder shall be paid to Facility Mortgagee or to an escrow account held by a third party depositary reasonably acceptable to Landlord and Tenant (pursuant to an escrow agreement acceptable to the parties and intended to implement the terms hereof) and made available to Tenant upon request for the reasonable costs of preservation, stabilization, emergency restoration, business interruption, reconstruction and repair, as the case may be, of any damage to or destruction of the Leased Property, or any portion thereof; provided, however, that the portion of such proceeds that are attributable to Tenant's obligation to pay Rent shall be applied against Rents due by Tenant hereunder; and provided, further, that if the total amount of proceeds payable net of the applicable deductibles is One Hundred Fifty Thousand Dollars ($150,000) or less, and, if no Event of Default has occurred and is continuing, the proceeds shall be paid to Tenant and, subject to the limitations set forth in this Article XIV used for the repair of any damage to the Leased Property, it being understood and agreed that Tenant shall have no obligation to rebuild any Tenant Capital Improvement, provided that the Leased Property is rebuilt in a manner reasonably satisfactory to Landlord. Any excess proceeds of insurance remaining after the completion of the restoration or reconstruction of the Leased Property to substantially the same condition as existed immediately before the damage or destruction and with materials and workmanship of like kind and quality and to Landlord's reasonable satisfaction shall be provided to Tenant. All salvage resulting from any risk covered by insurance for damage or loss to the Leased Property shall belong to Landlord. Tenant shall have the right to prosecute and settle insurance claims, provided that Tenant shall consult with and involve Landlord in the process of adjusting any insurance claims under this Article XIV and any final settlement with the insurance company shall be subject to Landlord's consent, such consent not to be unreasonably withheld.

14.2 Tenant's Obligations Following Casualty. (a) If a Facility and/or any Tenant Capital Improvements to a Facility are damaged, whether or not from a risk covered by insurance carried by Tenant, except as otherwise provided herein, (i) Tenant shall restore such Leased Property (excluding any Tenant Capital Improvement, it being understood and agreed that Tenant shall not be required to repair any Tenant Capital Improvement, provided that the Leased Property is rebuilt in a manner reasonably satisfactory to Landlord), to substantially the

same condition as existed immediately before such damage and (ii) such damage shall not terminate this Master Lease.

(b) If Tenant restores the affected Leased Property and the cost of the repair or restoration exceeds the amount of proceeds received from the insurance required to be carried hereunder, Tenant shall provide Landlord with evidence reasonably acceptable to Landlord that Tenant has available to it any excess amounts needed to restore such Facility. Such excess amounts necessary to restore such Facility shall be paid by Tenant.

(c) If Tenant has not restored the affected Leased Property and gaming operations has not recommenced by the date that is the third anniversary of the date of any casualty, all remaining insurance proceeds shall be paid to and retained by Landlord free and clear of any claim by or through Tenant.

(d) In the event neither Landlord nor Tenant is required or elects to repair and restore the Leased Property, all insurance proceeds, other than proceeds reasonably attributed to any Tenant Capital Improvements (and, subject to no Event of Default having occurred and being continuing, any business interruption proceeds in excess of Tenant's Rent obligations hereunder), which proceeds shall be and remain the property of Tenant, shall be paid to and retained by Landlord free and clear of any claim by or through Tenant except as otherwise specifically provided below in this Article XIV.

14.3 No Abatement of Rent. This Master Lease shall remain in full force and effect and Tenant's obligation to pay the Rent and all other charges required by this Master Lease shall remain unabated during the period required for adjusting insurance, satisfying Legal Requirements, repair and restoration. Upon the occurrence of any casualty that has a negative impact on Net Revenue, the Percentage Rent shall continue during the period required to make all necessary repairs at the same rate then in effect immediately prior to the occurrence of such casualty and until such time as the affected Leased Property is rebuilt and gaming operations have recommenced thereon (or such time as this Master Lease has been terminated as to the affected Leased Property).

14.4 Waiver. Tenant waives any statutory rights of termination which may arise by reason of any damage or destruction of the Leased Property but such waiver shall not affect any contractual rights granted to Tenant under this Article XIV.

14.5 Insurance Proceeds Paid to Facility Mortgagee. Notwithstanding anything herein to the contrary, in the event that any Facility Mortgagee is entitled to any insurance proceeds, or any portion thereof, under the terms of any Facility Mortgage, such proceeds shall be applied, held and/or disbursed in accordance with the terms of the Facility Mortgage. In the event that the Facility Mortgagee elects, or is required under the applicable Debt Agreement, to apply the insurance proceeds to the indebtedness secured by the Facility Mortgage, then Tenant shall not be obligated to repair or restore the Facility and Landlord shall either (i) refinance with a replacement Facility Mortgage (or otherwise fund) the amount of insurance proceeds applied to Facility Mortgage indebtedness within twelve (12) months of such application (in which case Tenant shall be obligated to restore the Facility upon receipt of such proceeds), or (ii) sell to Tenant the Leased Property consisting of such Facility (and Tenant shall

be entitled to retain any remaining insurance proceeds) in exchange for a payment equal to the greater of (1) the difference between (a) the value of such Facility immediately prior to such casualty, based on the average fair market value of similar real estate in the areas surrounding such Facility, and (b) the amount of insurance proceeds retained by the Facility Mortgagee, and (2) the value of such Facility after such casualty, based on the average fair market value of similar real estate in the areas surrounding such Facility.

14.6 Termination of Master Lease; Abatement of Rent. In the event this Master Lease is terminated as to an affected Leased Property pursuant to Section 1.4 (with respect to the date the Term terminates in respect of a Barge-Based Facility, a "Barge-Based Facility Termination Date"), Section 8.2 (in respect of Tenant being in jeopardy of losing a Gaming License or Landlord being in jeopardy of failing to comply with a regulatory requirement material to the continued operation of a Facility, each such occurrence, a "Section 8.2 Event"), Section 14.5 (in the event Facility Mortgagee elects to apply insurance proceeds to pay down indebtedness secured by a Facility Mortgage following the damage to or destruction of all or any portion of the Leased Property or such prepayment is required under the applicable Debt Agreement) or Section 15.5 (as provided therein), then (i) the Base Rent due hereunder from and after the effective date of such termination shall be reduced by an amount determined by multiplying a fraction, the numerator of which shall be the Adjusted Revenue for the affected Leased Property and the denominator of which shall be the Adjusted Revenue for all of the Leased Property then subject to the terms of this Master Lease (in each case, as of the relevant Barge-Based Facility Termination Date, Section 8.2 Event, Casualty Event or Taking) by the Base Rent payable under this Master Lease immediately prior to the effective date of the termination of this Master Lease as to the affected Leased Property and (ii) Landlord shall retain any claim which Landlord may have against Tenant for failure to insure such Leased Property as required by Article XIII.

ARTICLE XV

15.1 Condemnation.

(a) Total Taking. If the Leased Property of a Facility are totally and permanently taken by Condemnation (a "**Taking**"), this Master Lease shall terminate with respect to such Facility as of the day before the Date of Taking for such Facility.

(b) Partial Taking. If a portion of the Leased Property of, and any Tenant Capital Improvements to, a Facility are taken by Condemnation, this Master Lease shall remain in effect if the affected Facility is not thereby rendered Unsuitable for Its Primary Intended Use, but if such Facility is thereby rendered Unsuitable for Its Primary Intended Use, this Master Lease shall terminate with respect to such Facility as of the day before the Date of Taking for such Facility.

(c) Restoration. If there is a partial Taking of the Leased Property of, and any Tenant Capital Improvements to, a Facility and this Master Lease remains in full force and effect with respect to such Facility, Landlord shall make available to Tenant the portion of the Award applicable to restoration of the Leased Property (excluding any Tenant Capital Improvements, it being understood and agreed that Tenant shall not be required to repair or restore any Tenant

Capital Improvements, provided that the Leased Property is restored in a manner reasonably satisfactory to Landlord), and Tenant shall accomplish all necessary restoration whether or not the amount provided by the Condemnor for restoration is sufficient and the Base Rent shall be reduced by such amount as may be agreed upon by Landlord and Tenant or, if they are unable to reach such an agreement within a period of thirty (30) days after the occurrence of the Taking, then the Base Rent for such Facility shall be proportionately reduced, based on the proportion of the Facility that was subject to the partial Taking and pursuant to the formula set forth in Section 14.6 hereof. Tenant shall restore such Leased Property (as nearly as possible under the circumstances) to a complete architectural unit of the same general character and condition as such Leased Property existing immediately prior to such Taking.

15.2 Award Distribution. Except as set forth below (and to the extent provided in Section 15.1(c) hereof), the entire Award shall belong to and be paid to Landlord. Tenant shall, however, be entitled to pursue its own claim with respect to the Taking for Tenant's lost profits value and moving expenses and, the portion of the Award, if any, allocated to any Tenant Capital Improvements (subject to Tenant's restoring the Leased Property not subject to a Taking in a manner reasonably satisfactory to Landlord) and Tenant's Property shall be and remain the property of Tenant free of any claim thereto by Landlord.

15.3 Temporary Taking. The taking of the Leased Property, or any part thereof, shall constitute a taking by Condemnation only when the use and occupancy by the taking authority has continued for longer than 180 consecutive days. During any shorter period, which shall be a temporary taking, all the provisions of this Master Lease shall remain in full force and effect and the Award allocable to the Term shall be paid to Tenant.

15.4 Condemnation Awards Paid to Facility Mortgagee. Notwithstanding anything herein to the contrary, in the event that any Facility Mortgagee is entitled to any Condemnation Award, or any portion thereof, under the terms of any Facility Mortgage or related financing agreement, such award shall be applied, held and/or disbursed in accordance with the terms of the Facility Mortgage or related financing agreement. In the event that the Facility Mortgagee elects to apply the Condemnation Award to the indebtedness secured by the Facility Mortgage in the case of a Taking as to which the restoration provisions apply (or the related financing agreement requires such application), Landlord shall either (i) within ninety (90) days of the notice from the Facility Mortgagee make available to Tenant for restoration of such Leased Property funds (either through refinance or otherwise) equal to the amount applied by the Facility Mortgagee or applicable to restoration of the Leased Property, or (ii) sell to Tenant the portion of the Leased Property consisting of the Facility that is not subject to the Taking in exchange for a payment equal to the greater of (1) the difference between (a) the value of such Facility immediately prior to such Taking, based on the average fair market value of similar real estate in the areas surrounding such Facility, and (b) the amount of the Condemnation Award retained by the Facility Mortgagee, and (2) the value of the remaining portion of such Facility after such Taking, based on the average fair market value of similar real estate in the areas surrounding such Facility.

15.5 Termination of Master Lease; Abatement of Rent. In the event this Master Lease is terminated with respect to the affected portion of the Leased Property as a result of a Taking (or pursuant to Section 15.4 hereof as a result of a Facility Mortgagee electing to

apply a Condemnation Award to the indebtedness secured by the Facility Mortgage), the Base Rent due hereunder from and after the effective date of such termination shall be reduced by an amount determined in the same manner as set forth in Section 14.6 hereof.

ARTICLE XVI

16.1 Events of Default. Any one or more of the following shall constitute an "**Event of Default**":

(a) (i) Tenant shall fail to pay any installment of Rent within two (2) Business Days of when due and such failure is not cured by Tenant within one (1) Business Day after notice from Landlord of Tenant's failure to pay such installment of Rent when due (and such notice of failure from Landlord may be given any time after such installment is more than one (1) Business Day late);

(ii) Tenant shall fail on any two separate occasions in the same Fiscal Year to pay any installment of Rent within two (2) Business Days;

(iii) Tenant shall fail on any occasion to pay any installment of Rent within five (5) Business Days of when due; or

(iv) Tenant shall fail to pay any Additional Charge within five (5) Business Days after notice from Landlord of Tenant's failure to make such payment of such Additional Charge when due (and such notice of failure from Landlord may be given any time after such payment is more than one (1) Business Day late);

(b) a default shall occur under any Guaranty or other instrument executed by Tenant or an Affiliate of Tenant in favor of Landlord or an Affiliate of Landlord (excluding, however, the Distribution Agreement and the Distribution Agreement Ancillary Documents), where the default is not cured within any applicable grace period set forth therein or, if no cure periods are provided, within 15 days after notice from Landlord (or in the case of a breach of Paragraph 8 of the Guaranty, the cure periods provided herein with respect to such action or omission);

(c) Tenant or any Guarantor shall:

(i) admit in writing its inability to pay its debts generally as they become due;

(ii) file a petition in bankruptcy or a petition to take advantage of any insolvency act;

(iii) make an assignment for the benefit of its creditors;

(iv) consent to the appointment of a receiver of itself or of the whole or any substantial part of its property; or

(v) file a petition or answer seeking reorganization or arrangement under the Federal bankruptcy laws or any other applicable law or statute of the United States of America or any state thereof;

(d) Tenant or any Guarantor shall be adjudicated as bankrupt or a court of competent jurisdiction shall enter an order or decree appointing, without the consent of Tenant or any Guarantor, a receiver of Tenant or any Guarantor or of the whole or substantially all of the Tenant's or any Guarantor's property, or approving a petition filed against Tenant or any Guarantor seeking reorganization or arrangement of Tenant or any Guarantor under the Federal bankruptcy laws or any other applicable law or statute of the United States of America or any state thereof, and such judgment, order or decree shall not be vacated or set aside or stayed within sixty (60) days from the date of the entry thereof;

(e) Tenant or any Guarantor shall be liquidated or dissolved (except that any Guarantor may be liquidated or dissolved into another Guarantor or the Tenant or so long as its assets are distributed following such liquidation or dissolution to another Guarantor or Tenant) or Tenant is in default of the provisions set forth in Section 22.1 below;

(f) the estate or interest of Tenant in the Leased Property or any part thereof shall be levied upon or attached in any proceeding relating to more than $1,000,000 and the same shall not be vacated, discharged or stayed pending appeal (or bonded or otherwise similarly secured payment) within the later of ninety (90) days after commencement thereof or thirty (30) days after receipt by Tenant of notice thereof from Landlord; <u>provided</u>, <u>however</u>, that such notice shall be in lieu of and not in addition to any notice required under applicable law;

(g) except as a result of material damage, destruction or Condemnation, Tenant voluntarily ceases operations for its Primary Intended Use at a Facility and such event would reasonably be expected to have a material adverse effect on Tenant, the Facilities, or on the Leased Property, in each case, taken as a whole;

(h) any of the representations or warranties made by Tenant hereunder or by any Guarantor in a Guaranty proves to be untrue when made in any material respect which materially and adversely affects Landlord;

(i) any applicable license or other agreements material to a Facility's operation for its Primary Intended Use are at any time terminated or revoked or suspended for more than thirty (30) days (and causes cessation of gaming activity at a Facility) and such termination, revocation or suspension is not stayed pending appeal and would reasonably be expected to have a material adverse effect on Tenant, the Facilities, or on the Leased Property, taken as a whole;

(j) except to a permitted assignee pursuant to Section 22.2 or a permitted subtenant or Subsidiary that joins as a Guarantor to the Guaranty pursuant to Section 22.3, or with respect to the granting of a permitted pledge hereunder to a Permitted Leasehold Mortgagee, the sale or transfer, without Landlord's consent, of all or any portion of any Gaming License or similar certificate or license relating to the Leased Property;

(k) Tenant or any Guarantor, by its acts or omissions, causes the occurrence of a default under any provision (to the extent Tenant has knowledge of such provision and Tenant's or such Guarantor's obligations with respect thereto) of any Facility Mortgage, related documents or obligations thereunder by which Tenant is bound in accordance with Section 31.1 or has agreed under the terms of this Master Lease to be bound, which default is not cured within the applicable time period, if the effect of such default is to cause, or to permit the holder or holders of that Facility Mortgage or Indebtedness secured by that Facility Mortgage (or a trustee or agent on behalf of such holder or holders), to cause, that Facility Mortgage (or the Indebtedness secured thereby) to become or be declared due and payable (or redeemable) prior to its stated maturity (excluding in any case any default related to the financial performance of Tenant or any Guarantor),

(l) (x) a breach by Tenant of Section 23.3(a) hereof for two consecutive Test Periods ending on the last day of two consecutive Fiscal Quarters or (y) a breach of Section 23.3(b) hereof;

(m) any event or condition occurs that (i) results in any Material Indebtedness becoming due prior to its stated maturity or (ii) enables or permits (with all applicable grace periods, if any, having expired) the holder or holders of any Material Indebtedness or any trustee or agent on its or their behalf to cause any Material Indebtedness to become due, or to require the prepayment, repurchase, redemption or defeasance thereof, prior to its scheduled maturity or exercise any other remedy (other than any prepayment, repurchase, or redemption, arising out of or relating to a change of control or asset sale or any redemption, repurchase, conversion or settlement with respect to any Indebtedness convertible into Equity Interests pursuant to its terms unless such redemption, repurchase, conversion or settlement results from a default thereunder or an event that would otherwise constitute an Event of Default, provided that failure to consummate any such required prepayment, redemption, repurchase, conversion or settlement under any Material Indebtedness shall constitute an Event of Default), or (ii) the Tenant or any Guarantor shall fail to pay the principal of any Material Indebtedness at the stated final maturity thereof (provided that this clause (m) shall not apply to secured Indebtedness that becomes due as a result of the voluntary sale or transfer of the property or assets securing such Indebtedness if such sale or transfer is not prohibited hereby and under the documents providing for such Indebtedness);

(n) if Tenant shall fail to observe or perform any other term, covenant or condition of this Master Lease and such failure is not cured by Tenant within thirty (30) days after notice thereof from Landlord, unless such failure cannot with due diligence be cured within a period of thirty (30) days, in which case such failure shall not be deemed to be an Event of Default if Tenant proceeds promptly and with due diligence to cure the failure and diligently completes the curing thereof within one hundred twenty (120) days after such notice from Landlord; provided, however, that such notice shall be in lieu of and not in addition to any notice required under applicable law;

(o) if Tenant or any Guarantor shall fail to pay, bond, escrow or otherwise similarly secure payment of one or more final judgments aggregating in excess of the product of (i) $100 million and (ii) the CPI Increase (and only to the extent not covered by insurance),

which judgments are not discharged or effectively waived or stayed for a period of 45 consecutive days; and

(p) an assignment of Tenant's interest in this Master Lease (including pursuant to a Change in Control) shall have occurred without the consent of Landlord to the extent such consent is required under Article XXII.

No Event of Default (other than a failure to make payment of money) shall be deemed to exist under Section 16.1 during any time the curing thereof is prevented by an Unavoidable Delay, provided that upon the cessation of the Unavoidable Delay, Tenant remedies the default without further delay.

16.2 Certain Remedies. If an Event of Default shall have occurred and be continuing, Landlord may (a) terminate this Master Lease by giving Tenant no less than ten (10) days' notice of such termination and the Term shall terminate and all rights of Tenant under this Master Lease shall cease, (b) seek damages as provided in Section 16.3 hereof, and/or (c) exercise any other right or remedy at law or in equity available to Landlord as a result of any Event of Default. Tenant shall pay as Additional Charges all costs and expenses incurred by or on behalf of Landlord, including reasonable attorneys' fees and expenses, as a result of any Event of Default hereunder. If an Event of Default shall have occurred and be continuing, whether or not this Master Lease has been terminated pursuant to the first sentence of this Section 16.2, Tenant shall, to the extent permitted by law (including applicable Gaming Regulations), if required by Landlord to do so, immediately surrender to Landlord possession of all or any portion of the Leased Property (including any Tenant Capital Improvements of the Facilities) as to which Landlord has so demanded and quit the same and Landlord may, to the extent permitted by law (including applicable Gaming Regulations), enter upon and repossess such Leased Property and any Capital Improvement thereto by reasonable force, summary proceedings, ejectment or otherwise, and, to the extent permitted by law (including applicable Gaming Regulations), may remove Tenant and all other Persons and any of Tenant's Property from such Leased Property (including any such Tenant Capital Improvement thereto).

16.3 Damages. None of (i) the termination of this Master Lease, (ii) the repossession of the Leased Property (including any Capital Improvements to any Facility), (iii) the failure of Landlord, notwithstanding reasonable good faith efforts, to relet the Leased Property or any portion thereof, (iv) the reletting of all or any portion of the Leased Property, or (v) the inability of Landlord to collect or receive any rentals due upon any such reletting, shall relieve Tenant of its liabilities and obligations hereunder, all of which shall survive any such termination, repossession or reletting. If any such termination of this Master Lease occurs (whether or not Landlord terminates Tenant's right to possession of the Leased Property), Tenant shall forthwith pay to Landlord all Rent due and payable under this Master Lease to and including the date of such termination. Thereafter:

Tenant shall forthwith pay to Landlord, at Landlord's option, as and for liquidated and agreed current damages for the occurrence of an Event of Default, either:

(A) the sum of:

(i) the worth at the time of award of the unpaid Rent which had been earned at the time of termination to the extent not previously paid by Tenant under this Section 16.3;

(ii) the worth at the time of award of the amount by which the unpaid Rent which would have been earned after termination until the time of award exceeds the amount of such rental loss that Tenant proves could have been reasonably avoided;

(iii) the worth at the time of award of the amount by which the unpaid Rent for the balance of the Term after the time of award exceeds the amount of such rental loss that Tenant proves could be reasonably avoided, plus

(iv) any other amount necessary to compensate Landlord for all the detriment proximately caused by Tenant's failure to perform its obligations under this Master Lease or which in the ordinary course of things would be likely to result therefrom.

As used in clauses (i) and (ii) above, the "worth at the time of award" shall be computed by allowing interest at the Overdue Rate. As used in clause (iii) above, the "worth at the time of award" shall be computed by discounting such amount at the discount rate of the Federal Reserve Bank of New York at the time of award plus one percent (1%) and reducing such amount by the portion of the unpaid Rent that Tenant proves could be reasonably avoided. For purposes of determining the worth at the time of the award, Percentage Rent that would have been payable for the remainder of the Term shall be deemed to be the greater of (y) the same as the Percentage Rent for the then current Lease Year or, if not determinable, the immediately preceding Lease Year; and (z) such other amount as Landlord shall demonstrate could reasonably have been earned (assuming Net Revenues will have not been impacted by any of the conditions that contributed to the Event of Default).

or

(B) if Landlord chooses not to terminate Tenant's right to possession of the Leased Property (whether or not Landlord terminates the Master Lease), each installment of said Rent and other sums payable by Tenant to Landlord under this Master Lease as the same becomes due and payable, together with interest at the Overdue Rate from the date when due until paid, and Landlord may enforce, by action or otherwise, any other term or covenant of this Master Lease (and Landlord may at any time thereafter terminate Tenant's right to possession of the Leased Property and seek damages under subparagraph (A) hereof, to the extent not already paid for by Tenant under this subparagraph (B) hereof).

16.4 Receiver. Upon the occurrence and continuance of an Event of Default, and upon commencement of proceedings to enforce the rights of Landlord hereunder, but subject

to any limitations of applicable law, Landlord shall be entitled, as a matter of right, to the appointment of a receiver or receivers acceptable to Landlord of the Leased Property and of the revenues, earnings, income, products and profits thereof, pending the outcome of such proceedings, with such powers as the court making such appointment shall confer.

16.5 Waiver. If Landlord initiates judicial proceedings or if this Master Lease is terminated by Landlord pursuant to this Article XVI, Tenant waives, to the extent permitted by applicable law, (i) any right of redemption, re-entry or repossession; and (ii) the benefit of any laws now or hereafter in force exempting property from liability for rent or for debt.

16.6 Application of Funds. Any payments received by Landlord under any of the provisions of this Master Lease during the existence or continuance of any Event of Default which are made to Landlord rather than Tenant due to the existence of an Event of Default shall be applied to Tenant's obligations in the order which Landlord may reasonably determine or as may be prescribed by the laws of the State.

ARTICLE XVII

17.1 Permitted Leasehold Mortgagees.

(a) On one or more occasions without Landlord's prior consent Tenant may mortgage or otherwise encumber Tenant's estate in and to the Leased Property (the "**Leasehold Estate**") to a Permitted Leasehold Mortgagee under one or more Permitted Leasehold Mortgages (provided there shall be no more than three (3) Permitted Leasehold Mortgagees hereunder at any one time) and pledge its right, title and interest under this Master Lease as security for such Permitted Leasehold Mortgages or any Debt Agreement secured thereby; provided, that no Person shall be considered a Permitted Leasehold Mortgagee unless (1) such Person delivers to Landlord a written agreement (in form and substance reasonably satisfactory to Landlord) providing (i) that (unless this Lease has been terminated as to a particular Facility) such Permitted Leasehold Mortgagee and any lenders for whom it acts as representative, agent or trustee, will not use or dispose of any Gaming License for use at a location other than at the Facility to which such Gaming License relates as of the date such Person becomes a Permitted Leasehold Mortgagee (or, in the case of any Facility added to the Master Lease after such date, as of the date that such Facility is added to the Master Lease), and (ii) an express acknowledgement that, in the event of the exercise by the Permitted Leasehold Mortgagee of its rights under the Permitted Leasehold Mortgage, the Permitted Leasehold Mortgagee shall be required to (except for a transfer that meets the requirements of Section 22.2(iii)) secure the approval of Landlord to the replacement of Tenant with respect to the affected portion of the Leased Property and contain the Permitted Leasehold Mortgagee's acknowledgment that such approval may be granted or withheld by Landlord in accordance with the provisions of Article XXII of this Master Lease, and (2) the underlying Permitted Leasehold Mortgage includes an express acknowledgement that any exercise of remedies thereunder that would affect the Leasehold Estate shall be subject to the terms of the Master Lease.

(b) Notice to Landlord.

(i) (1) If Tenant shall, on one or more occasions, mortgage Tenant's Leasehold Estate and if the holder of such Permitted Leasehold Mortgage shall provide Landlord with written notice of such Permitted Leasehold Mortgage together with a true copy of such Permitted Leasehold Mortgage and the name and address of the Permitted Leasehold Mortgagee, Landlord and Tenant agree that, following receipt of such written notice by Landlord, the provisions of this Section 17.1 shall apply in respect to each such Permitted Leasehold Mortgage.

(2) In the event of any assignment of a Permitted Leasehold Mortgage or in the event of a change of address of a Permitted Leasehold Mortgagee or of an assignee of such Mortgage, written notice of the new name and address shall be provided to Landlord.

(ii) Landlord shall promptly upon receipt of a communication purporting to constitute the notice provided for by subsection (b)(i) above acknowledge by an instrument in recordable form receipt of such communication as constituting the notice provided for by subsection (b)(i) above and confirming the status of the Permitted Leasehold Mortgagee as such or, in the alternative, notify the Tenant and the Permitted Leasehold Mortgagee of the rejection of such communication as not conforming with the provisions of this Section 17.1 and specify the specific basis of such rejection.

(iii) After Landlord has received the notice provided for by subsection (b)(i) above, the Tenant, upon being requested to do so by Landlord, shall with reasonable promptness provide Landlord with copies of the note or other obligation secured by such Permitted Leasehold Mortgage and of any other documents pertinent to the Permitted Leasehold Mortgage as specified by the Landlord. If requested to do so by Landlord, Tenant shall thereafter also provide the Landlord from time to time with a copy of each amendment or other modification or supplement to such instruments. All recorded documents shall be accompanied by the appropriate recording stamp or other certification of the custodian of the relevant recording office as to their authenticity as true and correct copies of official records and all nonrecorded documents shall be accompanied by a certification by Tenant that such documents are true and correct copies of the originals. From time to time upon being requested to do so by Landlord, Tenant shall also notify Landlord of the date and place of recording and other pertinent recording data with respect to such instruments as have been recorded.

(c) Default Notice. Landlord, upon providing Tenant any notice of: (i) default under this Master Lease or (ii) a termination of this Master Lease, shall at the same time provide a copy of such notice to every Permitted Leasehold Mortgagee for which notice has been properly provided to Landlord pursuant to Section 17.1(b) hereof. No such notice by Landlord to Tenant shall be deemed to have been duly given unless and until a copy thereof has been sent, in the manner prescribed in Section 35.1 of this Master Lease, to every Permitted Leasehold Mortgagee for which notice has been properly provided to Landlord pursuant to Section 17.1(b) hereof. From and after such notice has been sent to a Permitted Leasehold Mortgagee, such Permitted Leasehold Mortgagee shall have the same period, after the giving of such notice upon its remedying any default or acts or omissions which are the subject matter of

such notice or causing the same to be remedied, as is given Tenant after the giving of such notice to Tenant, plus in each instance, the additional periods of time specified in subsections (d) and (e) of this Section 17.1 to remedy, commence remedying or cause to be remedied the defaults or acts or omissions which are the subject matter of such notice specified in any such notice. Landlord shall accept such performance by or at the instigation of such Permitted Leasehold Mortgagee as if the same had been done by Tenant. Tenant authorizes each Permitted Leasehold Mortgagee (to the extent such action is authorized under the applicable Debt Agreement) to take any such action at such Permitted Leasehold Mortgagee's option and does hereby authorize entry upon the premises by the Permitted Leasehold Mortgagee for such purpose.

(d) Notice to Permitted Leasehold Mortgagee. Anything contained in this Master Lease to the contrary notwithstanding, if any default shall occur which entitles Landlord to terminate this Master Lease, Landlord shall have no right to terminate this Master Lease on account of such default unless, following the expiration of the period of time given Tenant to cure such default or the act or omission which gave rise to such default, Landlord shall notify every Permitted Leasehold Mortgagee for which notice has been properly provided to Landlord pursuant to Section 17.1(b) hereof of Landlord's intent to so terminate at least five (5) Business Days in advance of the proposed effective date of such termination if such default is capable of being cured by the payment of money, and at least thirty (30) Business Days in advance of the proposed effective date of such termination if such default is not capable of being cured by the payment of money ("**Termination Notice**"). The provisions of subsection (e) below of this Section 17.1 shall apply if, during such five (5) or thirty (30) Business Days (as the case may be) Termination Notice period, any Permitted Leasehold Mortgagee shall:

(1) notify Landlord of such Permitted Leasehold Mortgagee's desire to nullify such Termination Notice; and

(2) pay or cause to be paid all Rent, Additional Charges, and other payments then due and in arrears as specified in the Termination Notice to such Permitted Leasehold Mortgagee and which may become due during such five (5) or thirty (30) Business Day (as the case may be) period; and

(3) comply or in good faith, with reasonable diligence and continuity, commence to comply with all nonmonetary requirements of this Master Lease then in default and reasonably susceptible of being complied with by such Permitted Leasehold Mortgagee, provided, however, that such Permitted Leasehold Mortgagee shall not be required during such thirty (30) Business Day period to cure or commence to cure any default consisting of Tenant's failure to satisfy and discharge any lien, charge or encumbrance against the Tenant's interest in this Master Lease or the Leased Property, or any of Tenant's other assets junior in priority to the lien of the mortgage or other security documents held by such Permitted Leasehold Mortgagee.

(e) Procedure on Default.

(i) If Landlord shall elect to terminate this Master Lease by reason of any Event of Default of Tenant that has occurred and is continuing, and a Permitted

Leasehold Mortgagee shall have proceeded in the manner provided for by subsection (d) of this Section 17.1, the specified date for the termination of this Master Lease as fixed by Landlord in its Termination Notice shall be extended for a period of six (6) months provided that such Permitted Leasehold Mortgagee shall, during such six-month period:

(1) Pay or cause to be paid the Rent, Additional Charges and other monetary obligations of Tenant under this Master Lease as the same become due, and continue its good faith efforts to perform or cause to be performed all of Tenant's other obligations under this Master Lease, excepting (A) obligations of Tenant to satisfy or otherwise discharge any lien, charge or encumbrance against Tenant's interest in this Master Lease or the Leased Property or any of Tenant's other assets junior in priority to the lien of the mortgage or other security documents held by such Permitted Leasehold Mortgagee and (B) past nonmonetary obligations then in default and not reasonably susceptible of being cured by such Permitted Leasehold Mortgagee; and

(2) if not validly enjoined or stayed pursuant to a bankruptcy or insolvency proceeding or other judicial order, diligently continue to pursue acquiring or selling Tenant's interest in this Master Lease and the Leased Property by foreclosure of the Permitted Leasehold Mortgage or other appropriate means and diligently prosecute the same to completion.

(ii) If at the end of such six (6) month period such Permitted Leasehold Mortgagee is complying with subsection (e)(i), this Master Lease shall not then terminate, and the time for completion by such Permitted Leasehold Mortgagee of its proceedings shall continue so long as such Permitted Leasehold Mortgagee is validly enjoined or stayed pursuant to a bankruptcy or insolvency proceeding or other judicial order and if so enjoined or stayed, thereafter for so long as such Permitted Leasehold Mortgagee proceeds to complete steps to acquire or sell Tenant's interest in this Master Lease by foreclosure of the Permitted Leasehold Mortgage or by other appropriate means with reasonable diligence and continuity but not to exceed three (3) months after the Permitted Leasehold Mortgagee is no longer so enjoined or stayed from prosecuting the same and in no event longer than twenty-four (24) months from the date of Landlord's initial notification to Permitted Leasehold Mortgagee pursuant to Section 17.1(d) hereof. Nothing in this subsection (e) of this Section 17.1, however, shall be construed to extend this Master Lease beyond the original term thereof as extended by any options to extend the term of this Master Lease properly exercised by Tenant or a Permitted Leasehold Mortgagee in accordance with Section 1.4, nor to require a Permitted Leasehold Mortgagee to continue such foreclosure proceeding after the default has been cured. If the default shall be cured pursuant to the terms and within the time periods allowed in subsections (d) and (e) of this Section 17.1 and the Permitted Leasehold Mortgagee shall discontinue such foreclosure proceedings, this Lease shall continue in full force and effect as if Tenant had not defaulted under this Lease.

(iii) If a Permitted Leasehold Mortgagee is complying with subsection (e)(i) of this Section 17.1, upon the acquisition of Tenant's Leasehold Estate herein by a Discretionary Transferee this Master Lease shall continue in full force and effect as if

Tenant had not defaulted under this Master Lease, provided that such Discretionary Transferee cures all outstanding defaults that can be cured through the payment of money and all other defaults that are reasonably susceptible of being cured.

(iv) For the proposes of this Section 17.1, the making of a Permitted Leasehold Mortgage shall not be deemed to constitute an assignment or transfer of this Master Lease nor of the Leasehold Estate hereby created, nor shall any Permitted Leasehold Mortgagee, as such, be deemed to be an assignee or transferee of this Master Lease or of the Leasehold Estate hereby created so as to require such Permitted Leasehold Mortgagee, as such, to assume the performance of any of the terms, covenants or conditions on the part of the Tenant to be performed hereunder; but the purchaser at any sale of this Master Lease (including a Permitted Leasehold Mortgagee if it is the purchaser at foreclosure) and of the Leasehold Estate hereby created in any proceedings for the foreclosure of any Permitted Leasehold Mortgage, or the assignee or transferee of this Master Lease and of the Leasehold Estate hereby created under any instrument of assignment or transfer in lieu of the foreclosure of any Permitted Leasehold Mortgage shall be subject to Article XXII hereof (including the requirement that such purchaser assume the performance of the terms, covenants or conditions on the part of the Tenant to be performed hereunder and meet the qualifications of Discretionary Transferee or be reasonably consented to be Landlord in accordance with Section 22.2(i) hereof).

(v) Any Permitted Leasehold Mortgagee or other acquirer of the Leasehold Estate of Tenant pursuant to foreclosure, assignment in lieu of foreclosure or other proceedings in accordance with the requirements of Section 22.2(iii) of this Master Lease may, upon acquiring Tenant's Leasehold Estate, without further consent of Landlord, sell and assign the Leasehold Estate in accordance with the requirements of Section 22.2(iii) of this Master Lease and enter into Permitted Leasehold Mortgages in the same manner as the original Tenant, subject to the terms hereof.

(vi) Notwithstanding any other provisions of this Master Lease, any sale of this Master Lease and of the Leasehold Estate hereby created in any proceedings for the foreclosure of any Permitted Leasehold Mortgage, or the assignment or transfer of this Master Lease and of the Leasehold Estate hereby created in lieu of the foreclosure of any Permitted Leasehold Mortgage shall be deemed to be a permitted sale, transfer or assignment of this Master Lease and of the Leasehold Estate hereby created to the extent that the successor tenant under this Master Lease is a Discretionary Transferee and the transfer otherwise complies with the requirements of Section 22.2(iii) of this Master Lease or the transferee is reasonably consented to by Landlord in accordance with Section 22.2(i) hereof.

(f) New Lease. In the event of the termination of this Master Lease other than due to a default as to which the Permitted Leasehold Mortgagee had the opportunity, but did not, cure the default as set forth in Sections (d) and (e) above, Landlord shall provide each Permitted Leasehold Mortgagee with written notice that this Master Lease has been terminated ("**Notice of Termination**"), together with a statement of all sums which would at that time be due under this Master Lease but for such termination, and of all other defaults, if any, then known to Landlord. Landlord agrees to enter into a new lease ("**New Lease**") of the Leased

Property with such Permitted Leasehold Mortgagee or its Permitted Leasehold Mortgagee Designee (in each case if a Discretionary Transferee) for the remainder of the term of this Master Lease, effective as of the date of termination, at the rent and additional rent, and upon the terms, covenants and conditions (including all options to renew but excluding requirements which have already been fulfilled) of this Master Lease, provided:

(i) Such Permitted Leasehold Mortgagee or its Permitted Leasehold Mortgage Designee shall make a binding, written, irrevocable commitment to Landlord for such New Lease within thirty (30) days after the date such Permitted Leasehold Mortgagee receives Landlord's Notice of Termination of this Master Lease given pursuant to this subsection (f);

(ii) Such Permitted Leasehold Mortgagee or its Permitted Leasehold Mortgagee Designee shall pay or cause to be paid to Landlord at the time of the execution and delivery of such New Lease, any and all sums which would at the time of execution and delivery thereof be due pursuant to this Master Lease but for such termination and, in addition thereto, all reasonable expenses, including reasonable attorney's fees, which Landlord shall have incurred by reason of such termination and the execution and delivery of the New Lease and which have not otherwise been received by Landlord from Tenant or other party in interest under Tenant; and

(iii) Such Permitted Leasehold Mortgagee or its Permitted Leasehold Mortgagee Designee shall agree to remedy any of Tenant's defaults of which said Permitted Leasehold Mortgagee was notified by Landlord's Notice of Termination (or in any subsequent notice) and which can be cured through the payment of money or are reasonably susceptible of being cured by Permitted Leasehold Mortgagee or its Permitted Leasehold Mortgagee Designee.

(g) New Lease Priorities. If more than one Permitted Leasehold Mortgagee shall request a New Lease pursuant to subsection (f)(i) of this Section 17.1, Landlord shall enter into such New Lease with the Permitted Leasehold Mortgagee whose mortgage is senior in lien, or with its Permitted Leasehold Mortgagee Designee acting for the benefit of such Permitted Leasehold Mortgagee prior in lien foreclosing on Tenant's interest in this Master Lease. Landlord, without liability to Tenant or any Permitted Leasehold Mortgagee with an adverse claim, may rely upon a title insurance policy issued by a reputable title insurance company as the basis for determining the appropriate Permitted Leasehold Mortgagee who is entitled to such New Lease.

(h) Permitted Leasehold Mortgagee Need Not Cure Specified Defaults. Nothing herein contained shall require any Permitted Leasehold Mortgagee as a condition to its exercise of the right hereunder to cure any default of Tenant not reasonably susceptible of being cured by such Permitted Leasehold Mortgagee or its Permitted Leasehold Mortgagee Designee (including but not limited to the default referred to in Section 16.1(c), (d), (e), (f) (if the levy or attachment is in favor of such Permitted Leasehold Mortgagee (provided such levy is extinguished upon foreclosure or similar proceeding or in a transfer in lieu of any such foreclosure) or is junior to the lien of such Permitted Leasehold Mortgagee and would be extinguished by the foreclosure of the Permitted Leasehold Mortgage that is held by such

Permitted Leasehold Mortgagee), (m) (as related to the Indebtedness secured by a Permitted Leasehold Mortgage that is junior to the lien of the Permitted Leasehold Mortgagee and such junior lien would be extinguished by the foreclosure of the Permitted Leasehold Mortgage that is held by such Permitted Leasehold Mortgagee) or (o) (if the judgment is in favor of a Permitted Leasehold Mortgagee other than a Permitted Leasehold Mortgagee holding a Permitted Leasehold Mortgage that is senior to the lien of such Permitted Leasehold Mortgagee) and any other sections of this Master Lease which may impose conditions of default not susceptible to being cured by a Permitted Leasehold Mortgagee, or a subsequent owner of the Leasehold Estate through foreclosure hereof), in order to comply with the provisions of subsections (d) and (e) of this Section 17.1, or as a condition of entering into the New Lease provided for by subsection (f) of this Section 17.1.

(i) Casualty Loss. A standard mortgagee clause naming each Permitted Leasehold Mortgagee for which notice has been properly provided to Landlord pursuant to Section 17.1(b) hereof may be added to any and all insurance policies required to be carried by Tenant hereunder on condition that the insurance proceeds are to be applied in the manner specified in this Master Lease and the Permitted Leasehold Mortgage shall so provide; except that the Permitted Leasehold Mortgage may provide a manner for the disposition of such proceeds, if any, otherwise payable directly to the Tenant (but not such proceeds, if any, payable jointly to the Landlord and the Tenant or to the Landlord, to the Facility Mortgagee or to a third-party escrowee) pursuant to the provisions of this Master Lease.

(j) Arbitration; Legal Proceedings. Landlord shall give prompt notice to each Permitted Leasehold Mortgagee (for which notice has been properly provided to Landlord pursuant to Section 17.1(b) hereof) of any arbitration or legal proceedings between Landlord and Tenant involving obligations under this Master Lease.

(k) No Merger. So long as any Permitted Leasehold Mortgage is in existence, unless all Permitted Leasehold Mortgagees for which notice has been properly provided to Landlord pursuant to Section 17.1(b) hereof shall otherwise expressly consent in writing, the fee title to the Leased Property and the Leasehold Estate of Tenant therein created by this Master Lease shall not merge but shall remain separate and distinct, notwithstanding the acquisition of said fee title and said Leasehold Estate by Landlord or by Tenant or by a third party, by purchase or otherwise.

(l) Notices. Notices from Landlord to the Permitted Leasehold Mortgagee for which notice has been properly provided to Landlord pursuant to Section 17.1(b) hereof shall be provided in the method provided in Section 35.1 hereof to the address or fax number furnished Landlord pursuant to subsection (b) of this Section 17.1, and those from the Permitted Leasehold Mortgagee to Landlord shall be mailed to the address designated pursuant to the provisions of Section 35.1 hereof. Such notices, demands and requests shall be given in the manner described in Section 17.1 and 35.1 and shall in all respects be governed by the provisions of those sections.

(m) Limitation of Liability. Notwithstanding any other provision hereof to the contrary, (i) Landlord agrees that any Permitted Leasehold Mortgagee's liability to Landlord in its capacity as Permitted Leasehold Mortgagee hereunder howsoever arising shall be limited to and enforceable only against such Permitted Leasehold Mortgagee's interest in the Leasehold

Estate and the other collateral granted to such Permitted Leasehold Mortgagee to secure the obligations under its Debt Agreement, and (ii) each Permitted Leasehold Mortgagee agrees that Landlord's liability to such Permitted Leasehold Mortgagee hereunder howsoever arising shall be limited to and enforceable only against Landlord's interest in the Leased Property, and no recourse against Landlord shall be had against any other assets of Landlord whatsoever.

(n) Sale Procedure. If an Event of Default shall have occurred and be continuing, the Permitted Leasehold Mortgagee for which notice has been properly provided to Landlord pursuant to Section 17.1(b) hereof with the most senior lien on the Leasehold Estate shall have the right to make all determinations and agreements on behalf of Tenant under Article XXXVI (including, without limitation, requesting that the sale process described in Article XXXVI be commenced, the determination and agreement of the Gaming Assets FMV, the Successor Tenant Rent, and the potential Successor Tenants that should be included in the process, and negotiation with such Successor Tenants), in each case, in accordance with and subject to the terms and provisions of Article XXXVI, including without limitation the requirement that Successor Tenant meet the qualifications of Discretionary Transferee.

(o) Third Party Beneficiary. Each Permitted Leasehold Mortgagee (for so long as such Permitted Leasehold Mortgagee holds a Permitted Leasehold Mortgage) is an intended third-party beneficiary of this Article XVII entitled to enforce the same as if a party to this Master Lease.

17.2 Landlord's Right to Cure Tenant's Default. If Tenant shall fail to make any payment or to perform any act required to be made or performed hereunder when due or within any cure period provided for herein, Landlord, without waiving or releasing any obligation or default, may, but shall be under no obligation to, make such payment or perform such act for the account and at the expense of Tenant, and may, to the extent permitted by law, enter upon the Leased Property for such purpose and take all such action thereon as, in Landlord's opinion, may be necessary or appropriate therefor. No such entry shall be deemed an eviction of Tenant. All sums so paid by Landlord and all costs and expenses, including reasonable attorneys' fees and expenses, so incurred, together with interest thereon at the Overdue Rate from the date on which such sums or expenses are paid or incurred by Landlord, shall be paid by Tenant to Landlord on demand as an Additional Charge.

17.3 Landlord's Right to Cure Debt Agreement. Tenant agrees that each and any agreement related to Material Indebtedness and any Debt Agreement (or the principal or controlling agreement relating to such Material Indebtedness or series of related Debt Agreements) will include a provision requiring the lender or lenders thereunder (or the Representative of such lenders) to provide a copy to Landlord of any notices issued by such lenders or the Representative of such Lenders to Tenant of a Specified Debt Agreement Default. In addition, Tenant agrees that it will ensure that any such agreement related to Material Indebtedness and any Debt Agreement (or the principal or controlling agreement relating to such Material Indebtedness or series of related Debt Agreements) includes a provision with the effect that should Tenant fail to make any payment or to perform any act required to be made or performed under an agreement related to Material Indebtedness or under the Debt Agreement when due or within any cure period provided for therein (if any), Landlord may cure any such default by making such payment to the applicable lenders or Representative or otherwise

performing such acts within the cure period thereunder (if any) for the account of Tenant, to the extent such default is susceptible to cure by Landlord; provided that Landlord's right to cure such default shall not be any greater than the rights of the obligors under such Material Indebtedness or Debt Agreement to cure such default. Landlord and Tenant agree that all sums so paid by Landlord and all costs and expenses, including reasonable attorneys' fees and expenses, so incurred, together with interest thereon at the Overdue Rate from the date on which such sums or expenses are paid or incurred by Landlord, shall be for the account of Tenant and paid by Tenant to Landlord on demand.

ARTICLE XVIII

18.1 Sale of the Leased Property. Landlord shall not voluntarily sell all or portions of the Leased Property during the Term without the prior written consent of Tenant, which consent may not be unreasonably withheld. Notwithstanding the foregoing, Tenant's consent shall not be required for (A) any transfer to a Facility Mortgagee contemplated under Article XXXI hereof which may include, without limitation, a transfer by foreclosure brought by the Facility Mortgagee or a transfer by deed in lieu of foreclosure (and the first subsequent sale by such Facility Mortgagee to the extent the Facility Mortgagee has been diligently attempting to expedite such first subsequent sale from the time it initiated foreclosure proceedings taking into account the interest of such Facility Mortgagee to maximize the proceeds of such sale), (B) a sale by Landlord of all of the Leased Property to a single buyer or group of buyers, other than to an operator, or an Affiliate of an operator, of Gaming Facilities (provided that Landlord shall be permitted to sell all of the Leased Property to a real estate investment trust even if such real estate investment trust is an Affiliate of an operator), (C) a merger transaction or sale by Landlord or GLP involving all of the Facilities, other than with an operator, or an Affiliate of an operator, of Gaming Facilities (provided that Landlord or GLP shall be permitted to merge with or sell all of the Leased Property to a real estate investment trust even if such real estate investment trust is an Affiliate of an operator), (D) a sale/leaseback transaction by Landlord with respect to any or all of the Leased Properties for financing purposes, (E) any sale of all or a portion of the Leased Property or the Facilities that does not change the identity of the Landlord hereunder, including without limitation a participating interest in Landlord's interest under this Master Lease or a sale of Landlord's reversionary interest in the Leased Property, or (F) a sale or transfer to an Affiliate of GLP or a joint venture entity in which GLP or its Affiliate is the managing member or partner. Any sale by Landlord of all or any portion of the Leased Property pursuant to this Section 18.1 shall be subject in each instance to all of the rights of Tenant under this Master Lease and, to the extent necessary, any purchaser or successor Landlord and/or other controlling persons must be approved by all applicable gaming regulatory agencies to ensure that there is no material impact on the validity of any of the Gaming Licenses or the ability of Tenant to continue to use the Facilities for gaming activities in substantially the same manner as immediately prior to Landlord's sale.

ARTICLE XIX

19.1 Holding Over. If Tenant shall for any reason remain in possession of the Leased Property of a Facility after the expiration or earlier termination of the Term without the consent, or other than at the request, of Landlord, such possession shall be as a month-to-month tenant during which time Tenant shall pay as Base Rent each month twice the monthly Base Rent

applicable to the prior Lease Year for such Facility, together with all Percentage Rent and Additional Charges and all other sums payable by Tenant pursuant to this Master Lease. During such period of month-to-month tenancy, Tenant shall be obligated to perform and observe all of the terms, covenants and conditions of this Master Lease, but shall have no rights hereunder other than the right, to the extent given by law to month-to-month tenancies, to continue its occupancy and use of the Leased Property of, and/or any Tenant Capital Improvements to, such Facility. Nothing contained herein shall constitute the consent, express or implied, of Landlord to the holding over of Tenant after the expiration or earlier termination of this Master Lease.

ARTICLE XX

20.1 Risk of Loss. The risk of loss or of decrease in the enjoyment and beneficial use of the Leased Property as a consequence of the damage or destruction thereof by fire, the elements, casualties, thefts, riots, wars or otherwise, or in consequence of foreclosures, attachments, levies or executions (other than by Landlord and Persons claiming from, through or under Landlord) is assumed by Tenant, and except as otherwise provided herein no such event shall entitle Tenant to any abatement of Rent.

ARTICLE XXI

21.1 General Indemnification. In addition to the other indemnities contained herein, and notwithstanding the existence of any insurance carried by or for the benefit of Landlord or Tenant, and without regard to the policy limits of any such insurance, Tenant shall protect, indemnify, save harmless and defend Landlord from and against all liabilities, obligations, claims, damages penalties, causes of action, costs and expenses, including reasonable attorneys', consultants' and experts' fees and expenses, imposed upon or incurred by or asserted against Landlord by reason of: (i) any accident, injury to or death of Persons or loss of or damage to property occurring on or about the Leased Property or adjoining sidewalks under the control of Tenant; (ii) any use, misuse, non-use, condition, maintenance or repair by Tenant of the Leased Property; (iii) any failure on the part of Tenant to perform or comply with any of the terms of this Master Lease; (iv) the non-performance of any of the terms and provisions of any and all existing and future subleases of the Leased Property to be performed by any party thereunder; (v) any claim for malpractice, negligence or misconduct committed by any Person on or working from the Leased Property; and (vi) the violation by Tenant of any Legal Requirement. Any amounts which become payable by Tenant under this Article shall be paid within ten (10) days after liability therefor is determined by a final non appealable judgment or settlement or other agreement of the parties, and if not timely paid shall bear interest at the Overdue Rate from the date of such determination to the date of payment. Tenant, at its sole cost and expense, shall contest, resist and defend any such claim, action or proceeding asserted or instituted against Landlord. For purposes of this Article XXI, any acts or omissions of Tenant, or by employees, agents, assignees, contractors, subcontractors or others acting for or on behalf of Tenant (whether or not they are negligent, intentional, willful or unlawful), shall be strictly attributable to Tenant.

ARTICLE XXII

22.1 Subletting and Assignment. Tenant shall not, without Landlord's prior written consent, which, except as specifically set forth herein, may be withheld in Landlord's sole and absolute discretion, voluntarily or by operation of law assign (which term includes any transfer, sale, encumbering, pledge or other transfer or hypothecation) this Master Lease, sublet all or any part of the Leased Property of any Facility or engage the services of any Person (other than an Affiliate of Tenant that is also a Guarantor) for the management or operation of any Facility (provided that the foregoing shall not restrict a transferee of Tenant from retaining a manager necessary for such transferee's satisfying the requirement set forth in clause (a)(1) of the definition of "Discretionary Transferee"). Tenant acknowledges that Landlord is relying upon the expertise of Tenant in the operation of the Facilities and that Landlord entered into this Master Lease with the expectation that Tenant would remain in and operate such Facilities during the entire Term and for that reason, except as set forth herein, Landlord retains sole and absolute discretion in approving or disapproving any assignment or sublease. Any Change in Control shall constitute an assignment of Tenant's interest in this Master Lease within the meaning of this Article XXII and the provisions requiring consent contained herein shall apply.

22.2 Permitted Assignments. Notwithstanding the foregoing, and subject to Section 40.1, Tenant may:

(i) with Landlord's prior written consent, which consent shall not be unreasonably withheld, allow to occur or undergo a Change in Control (including without limitation a transfer or assignment of this Master Lease to any third party in conjunction with a sale by Tenant of all or substantially all of Tenant's assets relating to the Facilities);

(ii) without Landlord's prior written consent, assign this Master Lease or sublease the Leased Property to Tenant's Parent, a wholly-owned Subsidiary of Tenant's Parent or a wholly-owned Subsidiary of Tenant if all of the following are first satisfied: (w) such Affiliate becomes a party to the Guaranty as a Guarantor and in the case of an assignment of this Master Lease, becomes party to and bound by this Master Lease; (x) Tenant remains fully liable hereunder; (y) the use of the Leased Property continues to comply with the requirements of this Master Lease; and (z) Landlord in its reasonable discretion shall have approved the form and content of all documents for such assignment or sublease and received an executed counterpart thereof; and

(iii) without Landlord's prior written consent:

(w) undergo a Change in Control of the type referred to in clause (i)(a) of the definition of Change of Control (such Change in Control, a "**Tenant Parent COC**") if a Person acquiring such beneficial ownership or control (1) is a Discretionary Transferee and (2) the Parent Company of such Discretionary Transferee, if any, has become a Guarantor and provided a Guaranty on terms reasonably satisfactory to Landlord or, if such Discretionary Transferee does not have a Parent Company, such Discretionary Transferee has become a Guarantor and provided a Guaranty on terms reasonably satisfactory to Landlord;

(x) undergo a Change in Control whereby a Person acquires beneficial ownership and control of 100% of the Equity Interests in Tenant in connection with a Change of Control that does not constitute a Tenant Parent COC or a Foreclosure COC (such Change in Control, a "**Tenant COC**") if (1) such Person is a Discretionary Transferee, (2) the Parent Company of such Discretionary Transferee, if any, has become a Guarantor and provided a Guaranty on terms reasonably satisfactory to Landlord or, if such Discretionary Transferee does not have a Parent Company, such Discretionary Transferee has become a Guarantor and provided a Guaranty on terms reasonably satisfactory to Landlord, and (3) the Adjusted Revenue to Rent Ratio with respect to all of the Facilities (determined at the proposed effective time of the Change in Control) for the then most recently preceding four (4) fiscal quarters for which financial statements are available is at least 1.4:1;

(y) assign this Master Lease to any Person in an assignment that does not constitute a Foreclosure Assignment if (1) such Person is a Discretionary Transferee, (2) such Discretionary Transferee agrees in writing to assume the obligations of the Tenant under this Master Lease without amendment or modification other than as provided below, (3) the Parent Company of such Discretionary Transferee, if any, has become a Guarantor and provided a Guaranty on terms reasonably satisfactory to Landlord or, if such Discretionary Transferee does not have a Parent Company, such Discretionary Transferee has become a Guarantor and provided a Guaranty on terms reasonably satisfactory to Landlord, and (4) the Adjusted Revenue to Rent Ratio with respect to all of the Facilities (determined at the proposed effective time of the assignment) for the then most recently preceding four (4) fiscal quarters for which financial statements are available is at least 1.4:1; or

(z) assign this Master Lease by way of foreclosure of the Leasehold Estate or an assignment-in-lieu of foreclosure to any Person (any such assignment, a "**Foreclosure Assignment**") or undergo a Change in Control whereby a Person acquires beneficial ownership and control of 100% of the Equity Interests in Tenant as a result of the purchase at a foreclosure on a permitted pledge of the Equity Interests in Tenant or the first subsequent sale or Change in Control whereby a Person so acquires beneficial ownership and control of 100% of the Equity Interests in Tenant or this Master Lease is assigned to a Person, in each case, effected by a Permitted Leasehold Mortgagee after a foreclosure (or an assignment-in-lieu of foreclosure), to the extent such Permitted Leasehold Mortgagee has been diligently attempting to expedite such first subsequent sale from the time it has initiated foreclosure proceedings (any such Change in Control, a "**Foreclosure COC**") if (1) such Person is a Discretionary Transferee, (2) in the case of any Foreclosure Assignment, if such Discretionary Transferee is not a Permitted Leasehold Mortgagee Foreclosing Party such Discretionary Transferee agrees in writing to assume the obligations of the Tenant under this Master Lease without amendment or modification other than as provided below

(which written assumption, in the case of a Permitted Leasehold Mortgagee Foreclosing Party, may be made by a Subsidiary of a Permitted Leasehold Mortgagee or a Permitted Leasehold Mortgagee Designee) and (3) if such Discretionary Transferee is not a Permitted Leasehold Mortgagee Foreclosing Party, the Parent Company of such Discretionary Transferee, if any, has become a Guarantor and provided a Guaranty on terms reasonably satisfactory to Landlord or, if such Discretionary Transferee does not have a Parent Company, such Discretionary Transferee has become a Guarantor and provided a Guaranty on terms reasonably satisfactory to Landlord;

provided that no such Change of Control or assignment referred to in this Section 22.2(b)(iii) shall be permitted without Landlord's prior written consent unless, and in which case such consent shall not be unreasonably withheld, (A) the use of the Leased Property at the time of such Change in Control or assignment and immediately after giving effect thereto is permitted by Section 7.2 hereof, and (B) Landlord in its reasonable discretion shall have approved the form and content of all documents for such assignment and assumption and received an executed counterpart thereof (provided no such approval shall be required in the case of a Tenant Parent COC or a Tenant COC, so long as (A) Tenant remains obligated under the Master Lease and the Guaranty remains in effect except with respect to any release of Tenant's Parent permitted thereunder, (B) the requirements for a Guaranty from the Parent Company or Discretionary Transferee under clause (w) or (x) are met, and (C) any modifications to this Master Lease required pursuant to the next succeeding paragraph are made); and

(iv) without Landlord's prior written consent, pledge or mortgage its Leasehold Estate to a Permitted Leasehold Mortgagee and permit a pledge of the equity interests in Tenant to be pledged to a Permitted Leasehold Mortgagee.

Upon the effectiveness of any Change in Control or assignment permitted pursuant to this Section 22.2, such Discretionary Transferee (and its Parent Company) and Landlord shall make such amendments and other modifications to this Master Lease as are reasonably requested by either party to give effect to such Change in Control or assignment and such technical amendments as may be necessary or appropriate in the reasonable opinion of such requesting party in connection with such Change in Control or assignment including, without limitation, changes to the definition of Change in Control to substitute the Parent Company (or, if the Discretionary Transferee does not have a Parent Company, the Discretionary Transferee) for Tenant's Parent therein and the provisions of this Master Lease regarding delivery of financial statements and other reporting requirements with respect to Tenant's Parent. After giving effect to any such Change of Control or assignment, unless the context otherwise requires, references to Tenant and Tenant's Parent hereunder shall be deemed to refer to the Discretionary Transferee or its Parent Company, as applicable.

22.3 Permitted Sublease Agreements. Notwithstanding the provisions of Section 22.1, but subject to compliance with the provisions of this Section 22.3 and of Section 40.1, (a) provided that no Event of Default shall have occurred and be continuing, Tenant shall be permitted to sublease gaming operations to a wholly-owned Subsidiary that becomes a Guarantor by executing the Guaranty in form and substance reasonably satisfactory to Landlord,

(b) the sublease agreements in effect as of the Commencement Date, all of which are identified on Schedule 1C hereto, shall be permitted without any further consent from Landlord, and (c) provided that no Event of Default shall have occurred and be continuing, Tenant may enter into any sublease agreement without the prior written consent of Landlord, provided, further, that, (i) in either of clause (b) or (c), the subleased space pursuant to such sublease will not be used for gaming purposes (and any such space sublet for any gaming use will require Landlord's prior written consent, which consent may not be unreasonably withheld), except to the extent expressly provided to the contrary on Schedule 1C; (ii) all sublease agreements under clauses (b) and (c) of this Section 22.3 are made in the normal course of the Primary Intended Use and to concessionaires or other third party users or operators of portions of the Leased Property in furtherance of the Primary Intended Use, except to the extent expressly provided to the contrary on Schedule 1C; (iii) each sublease agreement under this Section 22.3 include a provision providing Landlord audit rights (subject to reasonable confidentiality obligations) to the fullest extent necessary to determine Net Revenues hereunder, and (iv) Landlord shall have the right to reasonably approve the identity of any subtenants under this Section 22.3 that will be operating all or portions of the Leased Property for its Primary Intended Use to ensure that all are adequately capitalized and competent and experienced for the operations which they will be conducting. After an Event of Default has occurred and while it is continuing, Landlord may collect rents from any subtenant and apply the net amount collected to the Rent, but no such collection shall be deemed (i) a waiver by Landlord of any of the provisions of this Master Lease, (ii) the acceptance by Landlord of such subtenant as a tenant or (iii) release Tenant from the future performance of its obligations hereunder. If reasonably requested by Tenant in connection with a sublease permitted under clause (c) above, Landlord and such sublessee shall enter into a subordination, non-disturbance and attornment agreement with respect to such sublease in a form reasonably satisfactory to Landlord (and if a Facility Mortgage is then in effect, Landlord shall use reasonable efforts to cause the Facility Mortgagee to enter into such subordination, non-disturbance and attornment agreement.

22.4 Required Assignment and Subletting Provisions. Any assignment and/or Sublease must provide that:

(i) in the case of a Sublease, it shall be subject and subordinate to all of the terms and conditions of this Master Lease;

(ii) the use of the applicable Facility (or portion thereof) shall not conflict with any Legal Requirement or any other provision of this Master Lease;

(iii) except as otherwise provided herein, no Subtenant or assignee shall be permitted to further sublet all or any part of the applicable Leased Property or assign this Master Lease or its sublease except insofar as the same would be permitted if it were a sublease by Tenant under this Master Lease (it being understood that any subtenant under Section 22.3(a) may pledge and mortgage its subleasehold estate (or allow the pledge of its equity interests) to a Permitted Leasehold Mortgagee);

(iv) in the case of a Sublease, in the event of cancellation or termination of this Master Lease for any reason whatsoever or of the surrender of this Master Lease (whether voluntary, involuntary or by operation of law) prior to the

expiration date of such Sublease, including extensions and renewals granted thereunder, then, subject to Article XXXVI, at Landlord's option, the Subtenant shall make full and complete attornment to Landlord for the balance of the term of the Sublease, which attornment shall be evidenced by an agreement in form and substance satisfactory to Landlord and which the Subtenant shall execute and deliver within five (5) days after request by Landlord and the Subtenant shall waive the provisions of any law now or hereafter in effect which may give the Subtenant any right of election to terminate the Sublease or to surrender possession in the event any proceeding is brought by Landlord to terminate this Master Lease; and

(v) in the event the Subtenant receives a written notice from Landlord stating that this Master Lease has been cancelled, surrendered or terminated, then, subject to Article XXXVI, the Subtenant shall thereafter be obligated to pay all rentals accruing under said sublease directly to Landlord (or as Landlord shall so direct); all rentals received from the Subtenant by Landlord shall be credited against the amounts owing by Tenant under this Master Lease.

22.5 Costs. Tenant shall reimburse Landlord for Landlord's reasonable costs and expenses incurred in conjunction with the processing and documentation of any assignment, subletting or management arrangement, including reasonable attorneys', architects', engineers' or other consultants' fees whether or not such sublease, assignment or management agreement is actually consummated.

22.6 No Release of Tenant's Obligations; Exception. No assignment (other than a permitted transfer pursuant to Section 22.2(i) or Section 22.2(iii) hereof), subletting or management agreement shall relieve Tenant of its obligation to pay the Rent and to perform all of the other obligations to be performed by Tenant hereunder. The liability of Tenant and any immediate and remote successor in interest of Tenant (by assignment or otherwise), and the due performance of the obligations of this Master Lease on Tenant's part to be performed or observed, shall not in any way be discharged, released or impaired by any (i) agreement which modifies any of the rights or obligations of the parties under this Master Lease (unless such parties are party to such agreement), (ii) stipulation which extends the time within which an obligation under this Master Lease is to be performed, (iii) waiver of the performance of an obligation required under this Master Lease that is not entered into for the benefit of Tenant or such successor, or (iv) failure to enforce any of the obligations set forth in this Master Lease, provided that Tenant shall not be responsible for any additional obligations or liability arising as the result of any modification or amendment of this Master Lease by Landlord and any assignee of Tenant that is not an Affiliate of Tenant.

ARTICLE XXIII

23.1 Officer's Certificates and Financial Statements.

(a) Officer's Certificate. Each of Landlord and Tenant shall, at any time and from time to time upon receipt of not less than ten (10) Business Days' prior written request from the other party hereto, furnish an Officer's Certificate certifying (i) that this Master Lease is unmodified and in full force and effect, or that this Master Lease is in full force and effect as

modified and setting forth the modifications; (ii) the dates to which the Rent has been paid; (iii) whether or not, to its actual knowledge, such party or the other party hereto is in default in the performance of any covenant, agreement or condition contained in this Master Lease (together with back-up calculation and information reasonably necessary to support such determination) and, if so, specifying each such default of which such party may have knowledge; and (iv) responses to such other questions or statements of fact as such other party, any ground or underlying landlord, any purchaser or any current or prospective Facility Mortgagee or Permitted Leasehold Mortgagee shall reasonably request. Landlord's or Tenant's failure to deliver such statement within such time shall constitute an acknowledgement by such failing party that, to such party's knowledge, (x) this Master Lease is unmodified and in full force and effect except as may be represented to the contrary by the other party; (y) the other party is not in default in the performance of any covenant, agreement or condition contained in this Master Lease; and (z) the other matters set forth in such request, if any, are true and correct. Any such certificate furnished pursuant to this Article may be relied upon by the receiving party and any current or prospective Facility Mortgagee, ground or underlying landlord or purchaser of the Leased Property. Each Guarantor or Tenant, as the case may be, shall deliver a written notice within two (2) Business Days of obtaining knowledge of the occurrence of a default hereunder. Such notice shall include a detailed description of the default and the actions such Guarantor or Tenant has taken or shall take, if any, to remedy such default.

(b) Statements. Tenant shall furnish the following statements to Landlord:

(i) Within sixty-five (65) days after the end of Tenant Parent's Fiscal Years (commencing with the Fiscal Year ending December 31, 2013) or concurrently with the filing by Tenant's Parent of its annual report on Form 10-K with the SEC, whichever is earlier: (x) Tenant's Parent's Financial Statements; and (y) a certificate, executed by the chief financial officer or treasurer of the Tenant's Parent (a) certifying that no default has occurred under this Master Lease or, if such a default has occurred, specifying the nature and extent thereof and any corrective action taken or proposed to be taken with respect thereto and (b) setting forth the calculation of the financial covenants set forth in Section 23.3 hereof in reasonable detail as of such Fiscal Year (commencing with the Fiscal Year ending December 31, 2014); and (z) a report with respect to Tenant's Parent's Financial Statements from Tenant's Parent's accountants, which report shall be unqualified as to going concern and scope of audit of Tenant's Parent and its Subsidiaries (excluding any qualification as to going concern relating to any debt maturities in the twelve month period following the date of such audit or any projected financial performance or covenant default in any Material Indebtedness or this Master Lease in such twelve month period) and shall provide in substance that (a) such consolidated financial statements present fairly the consolidated financial position of Tenant's Parent and its Subsidiaries as at the dates indicated and the results of their operations and cash flow for the periods indicated in conformity with GAAP and (b) that the examination by Tenant's Parent's accountants in connection with such Financial Statements has been made in accordance with generally accepted auditing standards;

(ii) Within forty-five (45) days after the end of each of the first three (3) fiscal quarters of the Tenant's Parent's Fiscal Year (commencing with the fiscal quarter ending March 31, 2014) or concurrently with the filing by Tenant's Parent of its

quarterly report on Form 10-Q with the SEC, whichever is earlier, a copy of Tenant's Parent's Financial Statements for such period, together with a certificate, executed by the chief financial officer or treasurer of Tenant's Parent (i) certifying that no default has occurred or, if such a default has occurred, specifying the nature and extent thereof and any corrective action taken or proposed to be taken with respect thereto, (ii) setting forth the calculation of the financial covenants set forth in Section 23.3 hereof in reasonable detail as of such quarter, to the extent one complete Test Period has been completed which has commenced following the date of this Master Lease and (iii) and certifying that such Financial Statements fairly present, in all material respects, the financial position and results of operations of Tenant's Parent and its Subsidiaries on a consolidated basis in accordance with GAAP (subject to normal year end audit adjustments and the absence of footnotes);

(iii) Promptly following Landlord's request from time to time, (a) five-year forecasts of Tenant's income statement and balance sheet covering such quarterly and annual periods as may be reasonably requested by Landlord, and in a format consistent with Tenant Parent's quarterly and annual financial statements filed with the SEC, and such additional financial information and projections as may be reasonably requested by Landlord in connection with syndications, private placements, or public offerings of GLP's or Landlord's debt securities or loans or equity or hybrid securities and (b) such additional information and unaudited quarterly financial information concerning the Leased Property and Tenant as Landlord or GLP may require for its on-going filings with the SEC under both the Securities Act and the Securities Exchange Act of 1934, as amended, including, but not limited to 10-Q Quarterly Reports, 10-K Annual Reports and registration statements to be filed by Landlord or GLP during the Term of this Master Lease, the Internal Revenue Service (including in respect of GLP's qualification as a "real estate investment trust" (within the meaning of Section 856(a) of the Code)) and any other federal, state or local regulatory agency with jurisdiction over GLP or its Subsidiaries subject to Section 23.1(c) below);

(iv) Within thirty-five (35) days after the end of each calendar month, a copy of Tenant's income statement for such month and Tenant's balance sheet as of end of such month (which may be subject to quarterly and year-end adjustments and the absence of footnotes; provided, however, that with respect to each calendar quarter, Tenant shall provide such financial reports for the final month thereof as soon as is reasonably practicable following the closing of the books for such month and in sufficient time so that Landlord or its Affiliate is able to include the operational results for the entire quarter in its current Form 10-Q or Form 10-K (or supplemental report filed in connection therewith);

(v) Prompt Notice to Landlord of any action, proposal or investigation by any agency or entity, or complaint to such agency or entity, (any of which is called a "**Proceeding**"), known to Tenant, the result of which Proceeding would reasonably be expected to be to revoke or suspend or terminate or modify in a way adverse to Tenant, or fail to renew or fully continue in effect, any license or certificate or operating authority pursuant to which Tenant carries on any part of the Primary Intended Use of all or any portion of the Leased Property;

(vi) As soon as it is prepared and in no event later than sixty (60) days after the end of each Fiscal Year, a capital and operating budget for each Facility for that Fiscal Year; and

(vii) Tenant further agrees to provide the financial and operational reports to be delivered to Landlord under this Master Lease in such electronic format(s) as may reasonably be required by Landlord from time to time in order to (i) facilitate Landlord's internal financial and reporting database and (ii) permit Landlord to calculate any rent, fee or other payments due under Ground Leases. Tenant also agrees that Landlord shall have audit rights with respect to such information to the extent required to confirm Tenant's compliance with the Master Lease terms (including, without limitation, calculation of Net Revenues).

(c) Notwithstanding the foregoing, Tenant shall not be obligated (1) to provide information or assistance that could give Landlord or its Affiliates a "competitive" advantage with respect to markets in which GLP and Tenant or Tenant's Parent might be competing at any time (it being understood that Landlord shall retain audit rights with respect to such information to the extent required to confirm Tenant's compliance with the Master Lease terms (and GLP's compliance with Securities Exchange Commission, Internal Revenue Service and other legal and regulatory requirements) and provided that appropriate measures are in place to ensure that only Landlord's auditors and attorneys (and not Landlord or GLP) are provided access to such information) or (2) to provide information that is subject to the quality assurance immunity or is subject to attorney-client privilege or the attorney work product doctrine.

23.2 **Public Offering Information.** Tenant specifically agrees that Landlord may include financial information and such information concerning the operation of the Facilities (1) which is publicly available or (2) the inclusion of which is approved by Tenant in writing, which approval may not be unreasonably withheld, in offering memoranda or prospectuses or confidential information memoranda, or similar publications or marketing materials, rating agency presentations, investor presentations or disclosure documents in connection with syndications, private placements or public offerings of GLP's or Landlord's securities or loans or securities or loans of any direct or indirect parent entity of Landlord, and any other reporting requirements under applicable federal and State laws, including those of any successor to Landlord, provided that, to the extent such information is not publicly available, the recipients thereof shall be obligated to maintain the confidentiality thereof and to comply with all federal, state and other securities laws applicable with respect to such information. Unless otherwise agreed by Tenant, neither Landlord nor GLP shall revise or change the wording of information previously publicly disclosed by Tenant and furnished to Landlord or GLP or any direct or indirect parent entity of Landlord pursuant to Section 23.1 or this Section 23.2 and Landlord's Form 10-Q or Form 10-K (or supplemental report filed in connection therewith) shall not disclose the operational results of the Facilities prior to Tenant's Parent's, Tenant's or its Affiliate's public disclosure thereof so long as Tenant's Parent, Tenant or such Affiliate reports such information in a timely manner consistent with historical practices and SEC disclosure requirements. Tenant agrees to provide such other reasonable information and, if necessary, participation in road shows and other presentations at Landlord or GLP's sole cost and expense, with respect to Tenant and its Leased Property to facilitate a public or private debt or equity offering or syndication by Landlord or GLP or any direct or indirect parent entity of Landlord or

GLP or to satisfy GLP's or Landlord's SEC disclosure requirements or the disclosure requirements of any direct or indirect parent entity of Landlord or GLP. In this regard, Landlord shall provide to Tenant a copy of any information prepared by Landlord to be published, and Tenant shall have a reasonable period of time (not to exceed three (3) Business Days) after receipt of such information to notify Landlord of any corrections.

23.3 **Financial Covenants.** (a) Tenant on a consolidated basis with respect to all of the Facilities shall maintain an Adjusted Revenue to Rent Ratio determined on the last day of any fiscal quarter on a cumulative basis for the preceding Test Period (commencing with the Test Period ending on December 31, 2014) of at least 1.1:1.

(b) In the event that Tenant does not satisfy at any time the Adjusted Revenue to Rent Ratio set forth in Section 23.3(a), Tenant's Parent shall not be permitted to make any Restricted Payment until Tenant is in compliance with such ratio in a subsequent period.

23.4 **Landlord Obligations.** Landlord acknowledges and agrees that certain of the information contained in the Financial Statements and/or in the Financials may be non-public financial or operational information with respect to Tenant and/or the Leased Property. Landlord further agrees (i) to maintain the confidentiality of such non-public information; provided, however, Landlord shall have the right to share such information with GLP and their respective officers, employees, directors, Facility Mortgagee, agents and lenders party to material debt instruments entered into by GLP or Landlord, actual or prospective arrangers, underwriters, investors or lenders with respect to Indebtedness or Equity Interests that may be issued by GLP or Landlord, rating agencies, accountants, attorneys and other consultants (the "**Landlord Representatives**"), provided that such Landlord Representative is advised of the confidential nature of such information and agrees, to the extent such information is not publicly available, to maintain the confidentiality thereof and to comply with all federal, state and other securities laws applicable with respect to such information and (ii) that neither it nor any Landlord Representative shall be permitted to engage in any transactions with respect to the stock or other equity or debt securities or syndicated loans of Tenant or Tenant's Parent based on any such non-public information provided by or on behalf of Landlord or GLP (provided that this provision shall not govern the provision of information by Tenant or Tenant's Parent). In addition to the foregoing, Landlord agrees that, upon request of Tenant, it shall from time to time provide such information as may be reasonably requested by Tenant with respect to Landlord's capital structure and/or any financing secured by this Master Lease or the Leased Property in connection with Tenant's review of the treatment of this Master Lease under GAAP. In connection therewith, Tenant agrees to maintain the confidentiality of any such non-public information; provided, however, Tenant shall have the right to share such information with Tenant's Parent and their respective officers, employees, directors, Permitted Leasehold Mortgagees, agents and lenders party to material debt instruments entered into by Tenant or Tenant's Parent, actual or prospective arrangers, underwriters, investors or lenders with respect to Indebtedness or Equity Interests that may be issued by Tenant or Tenant's Parent, rating agencies, accountants, attorneys and other consultants (the "**Tenant Representatives**") so long as such Tenant Representative is advised of the confidential nature of such information and agrees, to the extent such information is not publicly available, (i) to maintain the confidentiality thereof and to comply with all federal, state and other securities laws applicable with respect to such information and (ii) that such Tenant Representative shall not engage in any transactions with respect to the stock or other

equity or debt securities or syndicated loans of GLP or Landlord based on any such non-public information provided by or on behalf of Tenant or Tenant's Parent (provided that this provision shall not govern the provision of information by Landlord or GLP).

ARTICLE XXIV

24.1 **Landlord's Right to Inspect.** Upon reasonable advance notice to Tenant, Tenant shall permit Landlord and its authorized representatives to inspect its Leased Property during usual business hours. Landlord shall take care to minimize disturbance of the operations on the Leased Property, except in the case of emergency.

ARTICLE XXV

25.1 **No Waiver.** No delay, omission, failure by Landlord to insist upon the strict performance of any term hereof or to exercise any right, power or remedy hereunder and no acceptance of full or partial payment of Rent during the continuance of any default or Event of Default shall impair any such right or constitute a waiver of any such breach or of any such term. No waiver of any breach shall affect or alter this Master Lease, which shall continue in full force and effect with respect to any other then existing or subsequent breach.

ARTICLE XXVI

26.1 **Remedies Cumulative.** To the extent permitted by law, each legal, equitable or contractual right, power and remedy of Landlord now or hereafter provided either in this Master Lease or by statute or otherwise shall be cumulative and concurrent and shall be in addition to every other right, power and remedy and the exercise or beginning of the exercise by Landlord of any one or more of such rights, powers and remedies shall not preclude the simultaneous or subsequent exercise by Landlord of any or all of such other rights, powers and remedies.

ARTICLE XXVII

27.1 **Acceptance of Surrender.** No surrender to Landlord of this Master Lease or of any Leased Property or any part thereof, or of any interest therein, shall be valid or effective unless agreed to and accepted in writing by Landlord, and no act by Landlord or any representative or agent of Landlord, other than such a written acceptance by Landlord, shall constitute an acceptance of any such surrender.

ARTICLE XXVIII

28.1 **No Merger.** There shall be no merger of this Master Lease or of the leasehold estate created hereby by reason of the fact that the same Person may acquire, own or hold, directly or indirectly, (i) this Master Lease or the leasehold estate created hereby or any interest in this Master Lease or such leasehold estate and (ii) the fee estate in the Leased Property.

ARTICLE XXIX

29.1 **Conveyance by Landlord.** If Landlord or any successor owner of the Leased Property shall convey the Leased Property in accordance with the terms of this Master Lease other than as security for a debt, and the grantee or transferee expressly assumes all obligations of Landlord arising after the date of the conveyance, Landlord or such successor owner, as the case may be, shall thereupon be released from all future liabilities and obligations of the Landlord under this Master Lease arising or accruing from and after the date of such conveyance or other transfer and all such future liabilities and obligations shall thereupon be binding upon the new owner.

ARTICLE XXX

30.1 **Quiet Enjoyment.** So long as Tenant shall pay the Rent as the same becomes due and shall fully comply with all of the terms of this Master Lease and fully perform its obligations hereunder, Tenant shall peaceably and quietly have, hold and enjoy the Leased Property for the Term, free of any claim or other action by Landlord or anyone claiming by, through or under Landlord, but subject to all liens and encumbrances of record as of the Commencement Date or thereafter provided for in this Master Lease or consented to by Tenant. No failure by Landlord to comply with the foregoing covenant shall give Tenant any right to cancel or terminate this Master Lease or abate, reduce or make a deduction from or offset against the Rent or any other sum payable under this Master Lease, or to fail to perform any other obligation of Tenant hereunder. Notwithstanding the foregoing, Tenant shall have the right, by separate and independent action to pursue any claim it may have against Landlord as a result of a breach by Landlord of the covenant of quiet enjoyment contained in this Article.

ARTICLE XXXI

31.1 **Landlord's Financing.** Without the consent of Tenant, Landlord may from time to time, directly or indirectly, create or otherwise cause to exist any Facility Mortgage upon the Leased Property or any portion thereof or interest therein; provided, however, if Tenant has not consented to any such Facility Mortgage entered into by Landlord after the Commencement Date, Tenant's obligations with respect thereto shall be subject to the limitations set forth in Section 31.3. This Master Lease is and at all times shall be subject and subordinate to any such Facility Mortgage which may now or hereafter affect the Leased Property or any portion thereof or interest therein and to all renewals, modifications, consolidations, replacements, restatements and extensions thereof or any parts or portions thereof; provided, however, that the subjection and subordination of this Master Lease and Tenant's leasehold interest hereunder to any Facility Mortgage shall be conditioned upon the execution by the holder of each Facility Mortgage and delivery to Tenant of a nondisturbance and attornment agreement substantially in the form attached hereto as Exhibit F-1 (provided that upon the request of Landlord such nondisturbance and attornment agreement shall also incorporate subordination provisions referenced above, as contemplated below, and be in substantially the form attached hereto as Exhibit F-2, and be executed by Tenant as well as Landlord), which will bind such holder of such Facility Mortgage and its successors and assigns as well as any person who acquires any portion of the Leased Property in a foreclosure or similar proceeding or in a transfer in lieu of any such foreclosure or a successor owner of the Leased Property (each, a

"**Foreclosure Purchaser**") and which provides that so long as there is not then outstanding and continuing an Event of Default under this Master Lease, the holder of such Facility Mortgage, and any Foreclosure Purchaser shall disturb neither Tenant's leasehold interest or possession of the Leased Property in accordance with the terms hereof, nor any of its rights, privileges and options, and shall give effect to this Master Lease, including the provisions of Article XVII which benefit any Permitted Leasehold Mortgagee (as if such Facility Mortgagee or Foreclosure Purchaser were the landlord under this Master Lease (it being understood that if an Event of Default has occurred and is continuing at such time such parties shall be subject to the terms and provisions hereof concerning the exercise of rights and remedies upon such Event of Default including the provisions of Articles XVI and XXXVI)). In connection with the foregoing and at the request of Landlord, Tenant shall promptly execute a subordination, nondisturbance and attornment agreement, in form and substance substantially in the form of Exhibit F-2 or otherwise reasonably satisfactory to Tenant, and the Facility Mortgagee or prospective Facility Mortgagee, as the case may be, which will incorporate the terms set forth in the preceding sentence. Except for the documents described in the preceding sentences, this provision shall be self-operative and no further instrument of subordination shall be required to give it full force and effect. If, in connection with obtaining any Facility Mortgage for the Leased Property or any portion thereof or interest therein, a Facility Mortgagee or prospective Facility Mortgagee shall request (A) reasonable cooperation from Tenant, Tenant shall provide the same at no cost or expense to Tenant, it being understood and agreed that Landlord shall be required to reimburse Tenant for all such costs and expenses so incurred by Tenant, including, but not limited to, its reasonable attorneys' fees, or (B) reasonable amendments or modifications to this Master Lease as a condition thereto, Tenant hereby agrees to execute and deliver the same so long as any such amendments or modifications do not (i) increase Tenant's monetary obligations under this Master Lease, (ii) adversely increase Tenant's non-monetary obligations under this Master Lease in any material respect, or (iii) diminish Tenant's rights under this Master Lease in any material respect.

31.2 **Attornment.** If Landlord's interest in the Leased Property or any portion thereof or interest therein is sold, conveyed or terminated upon the exercise of any remedy provided for in any Facility Mortgage Documents (or in lieu of such exercise), or otherwise by operation of law: (a) at the request and option of the new owner or superior lessor, as the case may be, Tenant shall attorn to and recognize the new owner or superior lessor as Tenant's "landlord" under this Master Lease or enter into a new lease substantially in the form of this Master Lease with the new owner or superior lessor, and Tenant shall take such actions to confirm the foregoing within ten (10) days after request; and (b) the new owner or superior lessor shall not be (i) liable for any act or omission of Landlord under this Master Lease occurring prior to such sale, conveyance or termination; (ii) subject to any offset, abatement or reduction of rent because of any default of Landlord under this Master Lease occurring prior to such sale, conveyance or termination; (iii) bound by any previous modification or amendment to this Master Lease or any previous prepayment of more than one month's rent, unless such modification, amendment or prepayment shall have been approved in writing by such Facility Mortgagee (to the extent such approval was required at the time of such amendment or modification or prepayment under the terms of the applicable Facility Mortgage Documents) or, in the case of such prepayment, such prepayment of rent has actually been delivered to such new owner or superior lessor or in either case, such modification, amendment or prepayment occurred before Landlord provided Tenant with notice of the Facility Mortgage and the identity and

address of the Facility Mortgagee; or (iv) liable for any security deposit or other collateral deposited or delivered to Landlord pursuant to this Master Lease unless such security deposit or other collateral has actually been delivered to such new owner or superior lessor.

31.3 **Compliance with Facility Mortgage Documents.** (a) Tenant acknowledges that any Facility Mortgage Documents executed by Landlord or any Affiliate of Landlord may impose certain obligations on the "borrower" or other counterparty thereunder to comply with or cause the operator and/or lessee of a Facility to comply with all representations, covenants and warranties contained therein relating to such Facility and the operator and/or lessee of such Facility, including, covenants relating to (i) the maintenance and repair of such Facility; (ii) maintenance and submission of financial records and accounts of the operation of such Facility and related financial and other information regarding the operator and/or lessee of such Facility and such Facility itself; (iii) the procurement of insurance policies with respect to such Facility; and (iv) without limiting the foregoing, compliance with all applicable Legal Requirements relating to such Facility and the operation of the Business thereof. For so long as any Facility Mortgages encumber the Leased Property or any portion thereof or interest therein, Tenant covenants and agrees, at its sole cost and expense and for the express benefit of Landlord, to operate the applicable Facility(ies) in strict compliance with the terms and conditions of the Facility Mortgage Documents (other than payment of any indebtedness evidenced or secured thereby) and to timely perform all of the obligations of Landlord relating thereto, or to the extent that any of such duties and obligations may not properly be performed by Tenant, Tenant shall cooperate with and assist Landlord in the performance thereof (other than payment of any indebtedness evidenced or secured thereby); provided, however, notwithstanding the foregoing, this Section 31.3(a) shall not be deemed to, and shall not, impose on Tenant obligations which (i) increase Tenant's monetary obligations under this Master Lease, (ii) adversely increase Tenant's non-monetary obligations under this Master Lease in any material respect, or (iii) diminish Tenant's rights under this Master Lease in any material respect. For purposes of the foregoing, any proposed implementation of new financial covenants shall be deemed to diminish Tenant's rights under this Master Lease in a material respect (it being understood that Landlord may agree to such financial covenants in any Facility Mortgage Documents and such financial covenants will not impose obligations on Tenant). If any new Facility Mortgage Documents to be executed by Landlord or any Affiliate of Landlord would impose on Tenant any obligations under this Section 31.3(a), Landlord shall provide copies of the same to Tenant for informational purposes (but not for Tenant's approval) prior to the execution and delivery thereof by Landlord or any Affiliate of Landlord; provided, however, that neither Landlord nor its Affiliates shall enter into any new Facility Mortgage Documents imposing obligations on Tenant with respect to impounds that are more restrictive than obligations imposed on Tenant pursuant to this Master Lease.

(b) Without limiting or expanding Tenant's obligations pursuant to Section 31.3(a), during the Term of this Master Lease, Tenant acknowledges and agrees that, except as expressly provided elsewhere in this Master Lease, it shall undertake at its own cost and expense the performance of any and all repairs, replacements, capital improvements, maintenance items and all other requirements relating to the condition of a Facility that are required by any Facility Mortgage Documents or by Facility Mortgagee, and Tenant shall be solely responsible and hereby covenants to fund and maintain any and all impound, escrow or other reserve or similar accounts required under any Facility Mortgage Documents as security for or otherwise relating

to any operating expenses of a Facility, including any capital repair or replacement reserves and/or impounds or escrow accounts for taxes or insurance premiums (each a "**Facility Mortgage Reserve Account**"); provided, however, this Section 31.3(b) shall not (i) increase Tenant's monetary obligations under this Master Lease, (ii) adversely increase Tenant's non-monetary obligations under this Master Lease in any material respect, (iii) diminish Tenant's rights under this Master Lease in any material respect, or (iv) impose obligations to fund such reserve or similar accounts in excess of amounts required under this Master Lease in respect of reserve or similar accounts under the circumstances required under this Master Lease; and provided further, that any amounts which Tenant is required to fund into a Facility Mortgage Reserve Account with respect to satisfaction of any repair or replacement reserve requirements imposed by a Facility Mortgagee or Facility Mortgage Documents shall be credited on a dollar for dollar basis against the mandatory expenditure obligations of Tenant for such applicable Facility(ies) under Section 9.1(e). During the Term of this Master Lease and provided that no Event of Default shall have occurred and be continuing hereunder, Tenant shall, subject to the terms and conditions of such Facility Mortgage Reserve Account and the requirements of the Facility Mortgagee(s) thereunder (and the related Facility Mortgage Documents), have access to and the right to apply or use (including for reimbursement) to the same extent as Landlord all monies held in each such Facility Mortgage Reserve Account for the purposes and subject to the limitations for which such Facility Mortgage Reserve Account is maintained, and Landlord agrees to reasonably cooperate with Tenant in connection therewith. Landlord hereby acknowledges that funds deposited by Tenant in any Facility Mortgage Reserve Account are the property of Tenant and Landlord is obligated to return the portion of such funds not previously released to Tenant within fifteen (15) days following the earlier of (x) the expiration or earlier termination of this Master Lease with respect to such applicable Facility, (y) the maturity or earlier prepayment of the applicable Facility Mortgage and obligations secured thereby, or (z) an involuntary prepayment or deemed prepayment arising out of the acceleration of the amounts due to a Facility Mortgagee or secured under a Facility Mortgage as a result of the exercise of remedies under the applicable Facility Mortgage or Facility Mortgage Documents; provided, however, that the foregoing shall not be deemed or construed to limit or prohibit Landlord's right to bring any damage claim against Tenant for any breach of its obligations under this Master Lease that may have resulted in the loss of any impound funds held by a Facility Mortgagee.

ARTICLE XXXII

32.1 **Hazardous Substances.** Tenant shall not allow any Hazardous Substance to be located in, on, under or about the Leased Property or incorporated in any Facility; provided, however, that Hazardous Substances may be brought, kept, used or disposed of in, on or about the Leased Property in quantities and for purposes similar to those brought, kept, used or disposed of in, on or about similar facilities used for purposes similar to the Primary Intended Use or in connection with the construction of facilities similar to the applicable Facility or to the extent in existence at any Facility and which are brought, kept, used and disposed of in strict compliance with Legal Requirements. Tenant shall not allow the Leased Property to be used as a waste disposal site or for the manufacturing, handling, storage, distribution or disposal of any Hazardous Substance other than in the ordinary course of the business conducted at the Leased Property and in compliance with applicable Legal Requirements.

32.2 **Notices.** Tenant shall provide to Landlord, within five (5) Business Days after Tenant's receipt thereof, a copy of any notice, or notification with respect to, (i) any violation of a Legal Requirement relating to Hazardous Substances located in, on, or under the Leased Property or any adjacent property; (ii) any enforcement, cleanup, removal, or other governmental or regulatory action instituted, completed or threatened with respect to the Leased Property; (iii) any claim made or threatened by any Person against Tenant or the Leased Property relating to damage, contribution, cost recovery, compensation, loss, or injury resulting from or claimed to result from any Hazardous Substance; and (iv) any reports made to any federal, state or local environmental agency arising out of or in connection with any Hazardous Substance in, on, under or removed from the Leased Property, including any complaints, notices, warnings or asserted violations in connection therewith.

32.3 **Remediation.** If Tenant becomes aware of a violation of any Legal Requirement relating to any Hazardous Substance in, on, under or about the Leased Property or any adjacent property, or if Tenant, Landlord or the Leased Property becomes subject to any order of any federal, state or local agency to repair, close, detoxify, decontaminate or otherwise remediate the Leased Property, Tenant shall immediately notify Landlord of such event and, at its sole cost and expense, cure such violation or effect such repair, closure, detoxification, decontamination or other remediation. If Tenant fails to implement and diligently pursue any such cure, repair, closure, detoxification, decontamination or other remediation, Landlord shall have the right, but not the obligation, to carry out such action and to recover from Tenant all of Landlord's costs and expenses incurred in connection therewith.

32.4 **Indemnity.** Tenant shall indemnify, defend, protect, save, hold harmless, and reimburse Landlord for, from and against any and all costs, losses (including, losses of use or economic benefit or diminution in value), liabilities, damages, assessments, lawsuits, deficiencies, demands, claims and expenses (collectively, "**Environmental Costs**") (whether or not arising out of third-party claims and regardless of whether liability without fault is imposed, or sought to be imposed, on Landlord) incurred in connection with, arising out of, resulting from or incident to, directly or indirectly, before (except to the extent first discovered after the end of the Term) or during (but not after) the Term or such portion thereof during which the Leased Property is leased to Tenant (i) the production, use, generation, storage, treatment, transporting, disposal, discharge, release or other handling or disposition of any Hazardous Substances from, in, on or about the Leased Property (collectively, "**Handling**"), including the effects of such Handling of any Hazardous Substances on any Person or property within or outside the boundaries of the Leased Property, (ii) the presence of any Hazardous Substances in, on, under or about the Leased Property and (iii) the violation of any Environmental Law. "Environmental Costs" include interest, costs of response, removal, remedial action, containment, cleanup, investigation, design, engineering and construction, damages (including actual and consequential damages) for personal injuries and for injury to, destruction of or loss of property or natural resources, relocation or replacement costs, penalties, fines, charges or expenses, attorney's fees, expert fees, consultation fees, and court costs, and all amounts paid in investigating, defending or settling any of the foregoing.

Without limiting the scope or generality of the foregoing, Tenant expressly agrees that, in the event of a breach by Tenant in its obligations under this Section 32.4 which is not cured within any applicable cure period. Tenant shall reimburse Landlord for any and all

reasonable costs and expenses incurred by Landlord in connection with, arising out of, resulting from or incident to, directly or indirectly, before (with respect to any period of time in which Tenant or its Affiliate was in possession and control of the applicable Leased Property) or during (but not after) the Term or such portion thereof during which the Leased Property is leased to Tenant of the following:

(a) In investigating any and all matters relating to the Handling of any Hazardous Substances, in, on, from, under or about the Leased Property;

(b) In bringing the Leased Property into compliance with all Legal Requirements; and

(c) Removing, treating, storing, transporting, cleaning-up and/or disposing of any Hazardous Substances used, stored, generated, released or disposed of in, on, from, under or about the Leased Property or off-site other than in the ordinary course of the business conducted at the Leased Property and in compliance with applicable Legal Requirements.

If any claim is made by Landlord for reimbursement for Environmental Costs incurred by it hereunder, Tenant agrees to pay such claim promptly, and in any event to pay such claim within sixty (60) calendar days after receipt by Tenant of written notice thereof and any amount not so paid within such thirty calendar day period shall bear interest at the Overdue Rate from the date due to the date paid in full.

32.5 **Environmental Inspections.** In the event Landlord has a reasonable basis to believe that Tenant is in breach of its obligations under the Article XXXIV, Landlord shall have the right, from time to time, during normal business hours and upon not less than five (5) days written notice to Tenant, except in the case of an emergency in which event no notice shall be required, to conduct an inspection of the Leased Property to determine the existence or presence of Hazardous Substances on or about the Leased Property. Landlord shall have the right to enter and inspect the Leased Property, conduct any testing, sampling and analyses it deems necessary and shall have the right to inspect materials brought into the Leased Property. Landlord may, in its discretion, retain such experts to conduct the inspection, perform the tests referred to herein, and to prepare a written report in connection therewith. All reasonable costs and expenses incurred by Landlord under this Section shall be paid on demand as Additional Charges by Tenant to Landlord. Failure to conduct an environmental inspection or to detect unfavorable conditions if such inspection is conducted shall in no fashion be intended as a release of any liability for environmental conditions subsequently determined to be associated with or to have occurred during Tenant's tenancy. Tenant shall remain liable for any environmental condition related to or having occurred during its tenancy regardless of when such conditions are discovered and regardless of whether or not Landlord conducts an environmental inspection at the termination of this Master Lease. The obligations set forth in this Article shall survive the expiration or earlier termination of this Master Lease.

ARTICLE XXXIII

33.1 **Memorandum of Lease.** Landlord and Tenant shall enter into one or more short form memoranda of this Master Lease, in form suitable for recording in each county

or other applicable location in which the Leased Property is located. Tenant shall pay all costs and expenses of recording any such memorandum and shall fully cooperate with Landlord in removing from record any such memorandum upon the expiration or earlier termination of the Term with respect to the applicable Facility.

33.2 **Estoppels.**

(a) Tenant Estoppels. Tenant agrees that it shall, at any time and from time to time (but not more than four (4) times in any calendar year) upon not less than ten (10) business days' prior notice by Landlord, execute, acknowledge and deliver to Landlord a statement in writing certifying that this Master Lease is unmodified and in full force and effect (or if there have been any modifications, that this Master Lease is in full force and effect as modified and stating the modifications), the Rent and Additional Charges payable directly to Landlord hereunder and the dates to which the Rent and Additional Charges payable to Landlord have been paid, that the address for notices to be sent to Tenant is as set forth in this Master Lease, stating whether or not Landlord is, to Tenant's knowledge, in default in keeping, observing or performing any term, covenant, agreement, provision, condition or limitation contained in this Master Lease and, if in default, specifying each such default, the commencement date and expiration date for the current term, that Tenant is in possession of the Leased Property, and any other matters reasonably requested by Landlord; it being intended that any such statement delivered pursuant to this Section 33.2(a) may be relied upon by Landlord or any prospective purchaser of the Leased Property or any lender to GLP or Landlord (or any agent or trustee for any such lender), mortgagee or any assignee of any mortgagee upon the Leased Property or such lender or agent or trustee.

(b) Landlord Estoppels. Landlord agrees that it shall, at any time and from time to time (but not more than four (4) times in any calendar year) upon not less than ten (10) business days' prior notice by Tenant, execute, acknowledge and deliver to Tenant a statement in writing certifying that this Master Lease is unmodified and in full force and effect (or if there have been any modifications, that this Master Lease is in full force and effect as modified and stating the modifications), the Rent and Additional Charges payable directly to Landlord hereunder and the dates to which the Rent and such Additional Charges have been paid, that the address for notices to be sent to Landlord is as set forth in this Master Lease, stating whether or not, to Landlord's knowledge, Tenant is in default in keeping, observing or performing any term, covenant, agreement, provision, condition or limitation contained in this Master Lease and, if in default, specifying each such default, the commencement date and expiration date for the current term, that Tenant is in possession of the Leased Property, and any other matters reasonably requested by Tenant; it being intended that any such statement delivered pursuant to this Section 33.2(b) may be relied upon by Tenant or any lender to Tenant or Tenant's Parent (or any agent or trustee for such lenders), or any prospective assignee, subtenant or Transferee of Tenant.

33.3 **Tenant Financing**. If, in connection with granting any Permitted Leasehold Mortgage or entering into a Debt Agreement, Tenant shall reasonably request (A) reasonable cooperation from Landlord, Landlord shall provide the same at no cost or expense to Landlord, it being understood and agreed that Tenant shall be required to reimburse Landlord for all such costs and expenses so incurred by Landlord, including, but not limited to, its reasonable attorneys' fees, or (B) reasonable amendments or modifications to this Master

Lease as a condition thereto, Landlord hereby agrees to execute and deliver the same so long as any such amendments or modifications do not (i) increase Landlord's monetary obligations under this Master Lease, (ii) adversely increase Landlord's non-monetary obligations under this Master Lease in any material respect, (iii) diminish Landlord's rights under this Master Lease in any material respect, or (iv) adversely impact the value of the Leased Property.

33.4 **Iowa Casino.** It is acknowledged and agreed that the Gaming License of Tenant or its Subsidiaries applicable to the Iowa Casino is expected to terminate or lapse, and that Tenant and its Subsidiaries will not be permitted to operate the Iowa Casino at and following the time of such termination or lapse. Accordingly, the parties hereto hereby agree that, notwithstanding anything in this Master Lease to the contrary, the ceasing of operations at the Iowa Casino due to the cessation of a Gaming License applicable to the Iowa Casino or the termination of a Gaming License applicable to the Iowa Casino shall not result in any Event of Default, any breach or violation of any provision of this Master Lease, any obligation to sell any assets or property or Gaming License, any obligation to seek to obtain, re-obtain or otherwise acquire or apply for a right or license to operate or manage the Iowa Casino or any other obligation hereunder with respect to the Iowa Casino. Upon the ceasing of operations at the Iowa Casino due to cessation of a Gaming License applicable to the Iowa Casino, the Rent hereunder shall be automatically reduced in accordance with Schedule 1D, effective as of the next monthly installment of Rent filing such cessation.

ARTICLE XXXIV

34.1 **Expert Valuation Process.**

(a) In the event that the opinion of an "Expert" is required under this Master Lease and Landlord and Tenant have not been able to reach agreement on such Person after at least ten (10) days of good faith negotiations, then either party shall each have the right to seek appointment of the Expert by the "Appointing Authority," as defined below, by writing to the Appointing Authority and asking it to serve as the Appointing Authority and appoint the Expert. The Appointing Authority shall appoint an Expert who is independent of the parties and has at least ten (10) years of experience valuing commercial real estate and/or in leasing or other matters, as applicable with respect to any of the matters to be determined by the Expert.

(b) The Appointing Authority shall be (i) the Institute for Conflict Prevention and Resolution (also known as, and shall defined herein as, the "**CPR Institute**"), unless it is unable to serve, in which case the Appointing Authority shall be (ii) the American Arbitration Association ("**AAA**") under its Arbitrator Select Program for non-administered arbitrations or whatever AAA process is in effect at the time for the appointment of arbitrators in cases not administered by the AAA, unless it is unable to serve, in which case (iii) the parties shall have the right to apply to any court of competent jurisdiction to appoint an Appointing Authority or an Expert in accordance with the court's power to appoint arbitrators. The CPR Institute and the AAA shall each be considered unable to serve if it no longer exists, or if it no longer provides neutral appointment services, or if it does not confirm (in form or substance) that it will serve as the Appointing Authority within thirty (30) days after receiving a written request from either

Landlord or Tenant to serve as the Appointing Authority, or if, despite agreeing to serve as the Appointing Authority, it does not confirm its Expert appointment within sixty (60) after receiving such written request. The Appointing Authority's appointment of the Expert shall be final and binding upon the parties. The Appointing Authority shall have no power or authority except to appoint the Expert, and no rules of the Appointing Authority shall be applied to the valuation or other determination of the Expert other than the rules necessary for the appointment of the Expert.

(c) Once the Expert is finally selected, either by agreement of the parties or by confirmation to the parties from the Appointing Authority, the Expert will determine the matter in question, by proceeding as follows:

(i) In the case of an Expert required for purpose of Section 1.4, each of Landlord and Tenant shall have ten (10) days to submit to the Expert its position as to the remaining useful life of the applicable Barge-Based Facility and any materials it wishes the Expert to consider when determining the remaining useful life of the applicable Barge-Based Facility. The Expert, in his or her sole discretion, shall consider any and all materials that he or she deems relevant to making such determination, except that there shall be no live hearings and the parties shall not be permitted to take discovery. The Expert may submit written questions or information requests to the parties, and the parties may respond with written materials within a time frame agreed by the parties or, absent agreement by the parties, set by the Expert. The Expert shall render his or her determination of the remaining useful life of the applicable Barge-Based Facility in writing and it shall be final and binding on the parties.

(ii) In the case of an Expert required for any other purpose, including without limitation under Section 13.2 and Section 36.2(a) hereof, each of Landlord and Tenant shall have a period of ten (10) days to submit to the Expert its position as to the Maximum Foreseeable Loss, as to the replacement cost of the Facilities as of the date of the expiration of this Master Lease and as to the appropriate per annum yield for leases between owners and operators of Gaming Facilities at the time in question (or as to any other matter to be resolved by an Expert hereunder), as the case may be, and any materials each of Landlord and Tenant wishes the Expert to consider when determining such Maximum Foreseeable Loss, replacement cost of the Facilities and the appropriate per annum yield for leases between owners and operators of Gaming Facilities (or as to any other matter to be resolved by an Expert hereunder), and the Expert will make the relevant determination, by a "baseball arbitration" proceeding with the Expert limited to awarding only one or the other of the two positions submitted (and not any position in between or other compromise or ruling not consistent with one of the two positions submitted, except that in the case of a determination in respect of a dispute under Section 36.2(a), the Expert in its discretion may choose the position of one party with respect to the replacement cost of the Facilities as of the date of the expiration of this Master Lease and the position of the other party with respect to the appropriate per annum yield for leases between owners and operators of Gaming Facilities at the time in question), which shall then be binding on the parties hereto. The Expert, in his or her sole discretion, shall consider any and all materials that he or she deems relevant, except that there shall be no live hearings and the parties shall not be permitted to take discovery. The Expert may

submit written questions or information requests to the parties, and the parties may respond with written materials within a time frame agreed by the parties or, absent agreement by the parties, set by the Expert

(d) All communications between a party and either the Appointing Authority or the Expert shall also be copied to the other party. The parties shall cooperate in good faith to facilitate the valuation or other determination by the Expert.

(e) The costs of any Appointing Authority or Expert engaged under Section 34.1(c)(i) of this Master Lease shall be shared equally by Landlord and Tenant. If Landlord pays such Expert or Appointing Authority, fifty percent (50%) of such costs shall be Additional Charges hereunder and if Tenant pays such Expert or Appointing Authority, fifty percent (50%) of such costs shall be a credit against the next Rent payment hereunder. The costs of any Appointing Authority or Expert engaged with respect to any issue under Section 34.1(c)(ii) of this Master Lease shall be borne by the party against whom the Expert rules on such issue. If Landlord pays such Expert or Appointing Authority and is the prevailing party, such costs shall be Additional Charges hereunder and if Tenant pays such Expert or Appointing Authority and is the prevailing party, such costs shall be a credit against the next Rent payment hereunder.

ARTICLE XXXV

35.1 **Notices.** Any notice, request or other communication to be given by any party hereunder shall be in writing and shall be sent by registered or certified mail, postage prepaid and return receipt requested, by hand delivery or express courier service, by facsimile transmission or by an overnight express service to the following address:

To Tenant:	Attention: Fax Number:
	825 Berkshire Blvd., Suite 200 Wyomissing, Pennsylvania 19610
	Attention:
With a copy to: (that shall not constitute notice)	Fax Number:
	Attention:
To Landlord:	Fax Number:
	825 Berkshire Blvd., Suite 400 Wyomissing, Pennsylvania 19610
	Attention:

And with copy to (which shall not constitute notice):	Fax Number:

or to such other address as either party may hereafter designate. Notice shall be deemed to have been given on the date of delivery if such delivery is made on a Business Day, or if not, on the first Business Day after delivery. If delivery is refused, Notice shall be deemed to have been given on the date delivery was first attempted. Notice sent by facsimile transmission shall be deemed given upon confirmation that such Notice was received at the number specified above or in a Notice to the sender.

ARTICLE XXXVI

36.1 **Transfer of Tenant's Property and Operational Control of the Facilities.** Upon the written request (an "**End of Term Gaming Asset Transfer Notice**") of Landlord either immediately prior to or in connection with the expiration or earlier termination of the Term, or of Tenant in connection with a termination of this Master Lease that occurs (i) either on the last date of the Initial Term or the last date of any Renewal Term, or (ii) in the event Landlord exercises its right to terminate this Master Lease or repossess the Leased Property in accordance with the terms of this Master Lease and, provided in each of the foregoing clauses (i) or (ii) that Tenant complies with the provisions of Section 36.3, Tenant shall transfer (or cause to be transferred) upon the expiration of the Term, or as soon thereafter as Landlord shall request, the business operations (which will include a two (2) year transition license for tradenames and trademarks used at the Facilities) conducted by Tenant and its Subsidiaries at the Facilities (including, for the avoidance of doubt, all Tenant's Property relating to each of the Facilities) to a successor lessee or operator (or lessees or operators) of the Facilities (collectively, the "**Successor Tenant**") designated pursuant to Section 36.2 for consideration to be received by Tenant (or its Subsidiaries) from the Successor Tenant in an amount equal to the fair market value of such business operations (which will include a two (2) year transition license for tradenames and trademarks used at the Facilities) conducted at the Facilities and Tenant's Property (including any Tenant Capital Improvements not funded by Landlord in accordance with Section 10.3) (the "**Gaming Assets FMV**") as negotiated and agreed by Tenant and the Successor Tenant; provided, however, that in the event an End of Term Gaming Asset Transfer Notice is delivered hereunder, then notwithstanding the expiration or earlier termination of the Term, until such time that Tenant transfers the business operations (which will include a two (2) year transition license for tradenames and trademarks used at the Facilities) conducted at the Facilities and Tenant's Property to a Successor Tenant, Tenant shall (or shall cause its Subsidiaries to) continue to (and Landlord shall permit Tenant to maintain possession of the Leased Property to the extent necessary to) operate the Facilities in accordance with the applicable terms of this Master Lease and the course and manner in which Tenant (or its Subsidiaries) has operated the Facilities prior to the end of the Term (including, but not limited to, the payment of Rent hereunder). If Tenant and a potential Successor Tenant designated by Landlord cannot agree on the Gaming Assets FMV within a reasonable time not to exceed thirty (30) days after receipt of an End of Term Gaming Asset Transfer Notice hereunder, then such Gaming Assets FMV shall be determined, and Tenant's transfer of Tenant's Property to a

Successor Tenant in consideration for a payment in such amount shall be determined and transferred, in accordance with the provisions of Section 36.2.

36.2 **Determination of Successor Lessee and Gaming Assets FMV.**

If not effected pursuant to Section 36.1, then the determination of the Gaming Assets FMV and the transfer of Tenant's Property to a Successor Tenant in consideration for the Gaming Assets FMV shall be effected by (i) first, determining in accordance with Section 36.2(a) the rent that Landlord would be entitled to receive from Successor Tenant assuming a lease term of ten (10) years (the "**Successor Tenant Rent**") pursuant to a lease agreement containing substantially the same terms and conditions of this Master Lease (other than, in the case of a new lease at the end of the final Renewal Term, the terms of this Article XXXVI, which will not be included in such new lease), (ii) second, identifying and designating in accordance with the terms of Section 36.2(b), a pool of qualified potential Successor Tenants (each, a "**Qualified Successor Tenant**") prepared to lease the Facilities at the Successor Tenant Rent and to bid for the business operations (which will include a two (2) year transition license for tradenames and trademarks used at the Facilities) conducted at the Facilities and Tenant's Property, and (iii) third, in accordance with the terms of Section 36.2(c), determining the highest price a Qualified Successor Tenant would agree to pay for Tenant's Property and setting such highest price as the Gaming Assets FMV in exchange for which Tenant shall be required to transfer Tenant's Property and Landlord will enter into a lease with such Qualified Successor Tenant on substantially the same terms and conditions of this Master Lease (other than, in the case of a new lease at the end of the final Renewal Term, the terms of this Article XXXVI, which will not be included in such new lease) through the remaining term of this Master Lease (assuming that this Master Lease will not have terminated prior to its natural expiration at the end of the final Renewal Term) or ten (10) years, whichever is greater for a rent calculated pursuant to Section 36.2(a) hereof. Notwithstanding anything in the contrary in this Article XXXVI, the transfer of Tenant's Property will be conditioned upon the approval of the applicable regulatory agencies of the transfer of the Gaming Licenses and any other gaming assets to the Successor Tenant and/or the issuance of new gaming licenses as required by applicable Gaming Regulations and the relevant regulatory agencies both with respect to operating and suitability criterion, as the case may be.

(a) Determining Successor Tenant Rent. Landlord and Tenant shall first attempt to agree on the amount of Successor Tenant Rent that it will be assumed Landlord will be entitled to receive for a term of ten (10) years and pursuant to a lease containing substantially the same terms and conditions of this Master Lease (other than, in the case of a new lease at the end of the final Renewal Term, the terms of this Article XXXVI, which will not be included in such new lease). If Landlord and Tenant cannot agree on the Successor Tenant Rent amount within a reasonable time not to exceed sixty (60) days after receipt of an End of Term Gaming Asset Transfer Notice hereunder, then the Successor Tenant Rent shall be set as follows:

(i) for the period preceding the last day of the calendar month in which the thirty-fifth (35^{th}) anniversary of the Commencement Date occurs, then the annual Successor Tenant Rent shall be an amount equal to the annual Rent that would have accrued under the terms of this Master Lease for such period (assuming the Master Lease will have not been terminated prior to its natural expiration); and

(ii) for the period following the last day of the calendar month in which the thirty-fifth (35^{th}) anniversary of the Commencement Date occurs, then the Successor Tenant Rent shall be calculated in the same manner as Rent is calculated under this Master Lease (and based on the average Net Revenues for the trailing five (5) year period), except that the annual Building Base Rent component of Base Rent shall be the product of (a) the replacement cost of the Facilities as of the date of expiration of this Master Lease as determined by an Expert pursuant to Section 34.1(c)(ii), and (b) an appropriate per annum yield for leases between owners and operators of Gaming Facilities at the time in question as determined by an Expert pursuant to Section 34.1(c)(ii).

(b) Designating Potential Successor Tenants. Landlord will select one and Tenant will select three (for a total of four) potential Successor Tenants prepared to lease the Facilities for the Successor Tenant Rent, each of whom must meet the criteria established for a Discretionary Transferee (and none of whom may be Tenant or an Affiliate of Tenant (it being understood and agreed that there shall be no restriction on Landlord or any Affiliate of Landlord from being a potential Successor Tenant), except in the case of termination of the Master Lease on the last day of the calendar month in which the thirty-fifth (35th) anniversary of the Commencement Date occurs). Landlord and Tenant must designate their proposed Qualified Successor Tenants within thirty (30) days after receipt of an End of Term Gaming Asset Transfer Notice hereunder.

(c) Determining Gaming Assets FMV. Tenant will have a three (3) month period to negotiate an acceptable sales price for Tenant's Property with one of the four Qualified Successor Tenants, which three (3) month period will commence immediately upon the conclusion of the steps set forth above in Section 36.2(b). If Tenant does not reach an agreement prior to the end of such three (3) month period, Landlord shall conduct an auction for Tenant's Property among the four potential successor lessees, and Tenant will be required to transfer Tenant's Property to the highest bidder.

36.3 Operation Transfer. Upon designation of a Successor Tenant (pursuant to either Section 36.1 or 36.2, as the case may be), Tenant shall reasonably cooperate and take all actions reasonably necessary (including providing all reasonable assistance to Successor Tenant) to effectuate the transfer of operational control of the Facilities to Successor Tenant in an orderly manner so as to minimize to the maximum extent possible any disruption to the continued orderly operation of the Facilities for Its Primary Intended Use. Notwithstanding the expiration or earlier termination of the Term and anything to the contrary herein, unless Landlord consents to the contrary, until such time that Tenant transfers Tenant's Property and operational control of the Facilities to a Successor Tenant in accordance with the provisions of this Article XXXVI, Tenant shall (or shall cause its Subsidiaries to) continue to (and Landlord shall permit Tenant to maintain possession of the Leased Property to the extent necessary to) operate the Facilities in accordance with the applicable terms of this Master Lease and the course and manner in which Tenant (or its Subsidiaries) has operated the Facilities prior to the end of the Term (including, but not limited to, the payment of Rent hereunder). Concurrently with the transfer of Tenant's Property to Successor Tenant, Landlord and Successor Tenant shall execute a new master lease in accordance with the terms as set forth in the final clause of the first sentence of Section 36.2 hereof.

ARTICLE XXXVII

37.1 Attorneys' Fees. If Landlord or Tenant brings an action or other proceeding against the other to enforce or interpret any of the terms, covenants or conditions hereof or any instrument executed pursuant to this Master Lease, or by reason of any breach or default hereunder or thereunder, the party prevailing in any such action or proceeding and any appeal thereupon shall be paid all of its costs and reasonable outside attorneys' fees incurred therein. In addition to the foregoing and other provisions of this Master Lease that specifically require Tenant to reimburse, pay or indemnify against Landlord's attorneys' fees, Tenant shall pay, as Additional Charges, all of Landlord's reasonable outside attorneys' fees incurred in connection with the enforcement of this Master Lease, including reasonable attorneys' fees incurred in connection the review, negotiation or documentation of any subletting, assignment, or management arrangement or any consent requested in connection therewith, and the collection of past due Rent.

ARTICLE XXXVIII

38.1 Brokers. Tenant warrants that it has not had any contact or dealings with any Person or real estate broker which would give rise to the payment of any fee or brokerage commission in connection with this Master Lease, and Tenant shall indemnify, protect, hold harmless and defend Landlord from and against any liability with respect to any fee or brokerage commission arising out of any act or omission of Tenant. Landlord warrants that it has not had any contact or dealings with any Person or real estate broker which would give rise to the payment of any fee or brokerage commission in connection with this Master Lease, and Landlord shall indemnify, protect, hold harmless and defend Tenant from and against any liability with respect to any fee or brokerage commission arising out of any act or omission of Landlord.

ARTICLE XXXIX

39.1 Anti-Terrorism Representations. Tenant hereby represents and warrants that neither Tenant, nor, to the knowledge of Tenant, any persons or entities holding any legal or beneficial interest whatsoever in Tenant, are (i) the target of any sanctions program that is established by Executive Order of the President or published by the Office of Foreign Assets Control, U.S. Department of the Treasury ("**OFAC**"); (ii) designated by the President or OFAC pursuant to the Trading with the Enemy Act, 50 U.S.C. App. § 5, the International Emergency Economic Powers Act, 50 U.S.C. §§ 1701-06, the Patriot Act, Public Law 107-56, Executive Order 13224 (September 23, 2001) or any Executive Order of the President issued pursuant to such statutes; or (iii) named on the following list that is published by OFAC: "List of Specially Designated Nationals and Blocked Persons" (collectively, "**Prohibited Persons**"). Tenant hereby represents and warrants to Landlord that no funds tendered to Landlord by Tenant under the terms of this Master Lease are or will be directly or indirectly derived from activities that may contravene U.S. federal, state or international laws and regulations, including anti-money laundering laws. If the foregoing representations are untrue at any time during the Term and Landlord suffers actual damages as a result thereof, an Event of Default will be deemed to have occurred, without the necessity of notice to Tenant.

Tenant will not during the Term of this Master Lease knowingly engage in any transactions or dealings, or knowingly be otherwise associated with, any Prohibited Persons in connection with the use or occupancy of the Leased Property. A breach of the representations contained in this Section 39.1 by Tenant as a result of which Landlord suffers actual damages shall constitute a material breach of this Master Lease and shall entitle Landlord to any and all remedies available hereunder, or at law or in equity.

ARTICLE XL

40.1 GLP REIT Protection. (a) The parties hereto intend that Rent and other amounts paid by Tenant hereunder will qualify as "rents from real property" within the meaning of Section 856(d) of the Code, or any similar or successor provision thereto and this Agreement shall be interpreted consistent with this intent.

(b) Anything contained in this Master Lease to the contrary notwithstanding, Tenant shall not without Landlord's advance written consent (which consent shall not be unreasonably withheld) (i) sublet, assign or enter into a management arrangement for the Leased Property on any basis such that the rental or other amounts to be paid by the subtenant, assignee or manager thereunder would be based, in whole or in part, on either (x) the income or profits derived by the business activities of the subtenant, assignee or manager or (y) any other formula such that any portion of any amount received by Landlord would fail to qualify as “rents from real property” within the meaning of Section 856(d) of the Code, or any similar or successor provision thereto; (ii) furnish or render any services to the subtenant, assignee or manager or manage or operate the Leased Property so subleased, assigned or managed; (iii) sublet, assign or enter into a management arrangement for the Leased Property to any Person (other than a “taxable REIT subsidiary” (within the meaning of Section 856(l) of the Code) of GLP) in which Tenant, Landlord or GLP owns an interest, directly or indirectly (by applying constructive ownership rules set forth in Section 856(d)(5) of the Code); or (iv) sublet, assign or enter into a management arrangement for the Leased Property in any other manner which could cause any portion of the amounts received by Landlord pursuant to this Master Lease or any sublease to fail to qualify as “rents from real property” within the meaning of Section 856(d) of the Code, or any similar or successor provision thereto, or which could cause any other income of Landlord to fail to qualify as income described in Section 856(c)(2) of the Code. The requirements of this Section 40.1(a) shall likewise apply to any further subleasing by any subtenant.

(c) Anything contained in this Master Lease to the contrary notwithstanding, the parties acknowledge and agree that Landlord, in its sole discretion, may assign this Master Lease or any interest herein to another Person (including without limitation, a “taxable REIT subsidiary” (within the meaning of Section 856(l) of the Code)) in order to maintain Landlord’s status as a “real estate investment trust” (within the meaning of Section 856(a) of the Code); provided, however, Landlord shall be required to (i) comply with any applicable legal requirements related to such transfer and (ii) give Tenant notice of any such assignment; and provided, further, that any such assignment shall be subject to all of the rights of Tenant hereunder.

(d) Anything contained in this Master Lease to the contrary notwithstanding, upon request of Landlord, Tenant shall cooperate with Landlord in good faith and at no cost or

expense to Tenant, and provide such documentation and/or information as may be in Tenant’s possession or under Tenant’s control and otherwise readily available to Tenant as shall be reasonably requested by Landlord in connection with verification of GLP’s “real estate investment trust” (within the meaning of Section 856(a) of the Code) compliance requirements. Anything contained in this Master Lease to the contrary notwithstanding, Tenant shall take such reasonable action as may be requested by Landlord from time to time in order to ensure compliance with the Internal Revenue Service requirement that Rent allocable for purposes of Section 856 of the Code to personal property, if any, at the beginning and end of a calendar year does not exceed 15% of the total Rent due hereunder as long as such compliance does not (i) increase Tenant’s monetary obligations under this Master Lease or (ii) materially and adversely increase Tenant’s nonmonetary obligations under this Master Lease or (iii) materially diminish Tenant’s rights under this Master Lease.

ARTICLE XLI

41.1 **Survival.** Anything contained in this Master Lease to the contrary notwithstanding, all claims against, and liabilities and indemnities of Tenant or Landlord arising prior to the expiration or earlier termination of the Term shall survive such expiration or termination.

41.2 **Severability.** If any term or provision of this Master Lease or any application thereof shall be held invalid or unenforceable, the remainder of this Master Lease and any other application of such term or provision shall not be affected thereby.

41.3 **Non-Recourse.** Tenant specifically agrees to look solely to the Leased Property for recovery of any judgment from Landlord (and Landlord’s liability hereunder shall be limited solely to its interest in the Leased Property, and no recourse under or in respect of this Master Lease shall be had against any other assets of Landlord whatsoever). It is specifically agreed that no constituent partner in Landlord or officer or employee of Landlord shall ever be personally liable for any such judgment or for the payment of any monetary obligation to Tenant. The provision contained in the foregoing sentence is not intended to, and shall not, limit any right that Tenant might otherwise have to obtain injunctive relief against Landlord, or any action not involving the personal liability of Landlord. Furthermore, except as otherwise expressly provided herein, in no event shall Landlord ever be liable to Tenant for any indirect or consequential damages suffered by Tenant from whatever cause.

41.4 **Successors and Assigns.** This Master Lease shall be binding upon Landlord and its successors and assigns and, subject to the provisions of Article XXII, upon Tenant and its successors and assigns.

41.5 **Governing Law.** THIS MASTER LEASE WAS NEGOTIATED IN THE STATE OF NEW YORK, WHICH STATE THE PARTIES AGREE HAS A SUBSTANTIAL RELATIONSHIP TO THE PARTIES AND TO THE UNDERLYING TRANSACTION EMBODIED HEREBY. ACCORDINGLY, IN ALL RESPECTS THIS MASTER LEASE (AND ANY AGREEMENT FORMED PURSUANT TO THE TERMS HEREOF) SHALL BE GOVERNED BY, AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE STATE OF NEW YORK (WITHOUT REGARD OF

PRINCIPLES OR CONFLICTS OF LAW) AND ANY APPLICABLE LAWS OF THE UNITED STATES OF AMERICA, EXCEPT THAT ALL PROVISIONS HEREOF RELATING TO THE CREATION OF THE LEASEHOLD ESTATE AND ALL REMEDIES SET FORTH IN ARTICLE XVI RELATING TO RECOVERY OF POSSESSION OF THE LEASED PROPERTY OF ANY FACILITY (SUCH AS AN ACTION FOR UNLAWFUL DETAINER OR OTHER SIMILAR ACTION) SHALL BE CONSTRUED AND ENFORCED ACCORDING TO, AND GOVERNED BY, THE LAWS OF THE STATE. [STATE SPECIFIC PROVISIONS TO BE ADDED IF NECESSARY FOR CERTAIN JURISDICTIONS.](1)

41.6 **Waiver of Trial by Jury.** EACH OF LANDLORD AND TENANT ACKNOWLEDGES THAT IT HAS HAD THE ADVICE OF COUNSEL OF ITS CHOICE WITH RESPECT TO ITS RIGHTS TO TRIAL BY JURY UNDER THE CONSTITUTION OF THE UNITED STATES AND THE STATE. EACH OF LANDLORD AND TENANT HEREBY EXPRESSLY WAIVES ANY RIGHT TO TRIAL BY JURY OF ANY CLAIM, DEMAND, ACTION OR CAUSE OF ACTION (i) ARISING UNDER THIS MASTER LEASE (OR ANY AGREEMENT FORMED PURSUANT TO THE TERMS HEREOF) OR (ii) IN ANY MANNER CONNECTED WITH OR RELATED OR INCIDENTAL TO THE DEALINGS OF LANDLORD AND TENANT WITH RESPECT TO THIS MASTER LEASE (OR ANY AGREEMENT FORMED PURSUANT TO THE TERMS HEREOF) OR ANY OTHER INSTRUMENT, DOCUMENT OR AGREEMENT EXECUTED OR DELIVERED IN CONNECTION HEREWITH, OR THE TRANSACTIONS RELATED HERETO OR THERETO, IN EACH CASE WHETHER NOW EXISTING OR HEREINAFTER ARISING, AND WHETHER SOUNDING IN CONTRACT OR TORT OR OTHERWISE; EACH OF LANDLORD AND TENANT HEREBY AGREES AND CONSENTS THAT ANY SUCH CLAIM, DEMAND, ACTION OR CAUSE OF ACTION SHALL BE DECIDED BY A COURT TRIAL WITHOUT A JURY, AND THAT EITHER PARTY MAY FILE A COPY OF THIS SECTION WITH ANY COURT AS CONCLUSIVE EVIDENCE OF THE CONSENT OF EACH SUCH PARTY TO THE WAIVER OF ITS RIGHT TO TRIAL BY JURY.

41.7 **Entire Agreement.** This Master Lease and the Exhibits and Schedules hereto constitute the entire and final agreement of the parties with respect to the subject matter hereof, and may not be changed or modified except by an agreement in writing signed by the parties and, with respect to the provisions set forth in Section 40.1, no such change or modification shall be effective without the explicit reference to such section by number and paragraph. Landlord and Tenant hereby agree that all prior or contemporaneous oral understandings, agreements or negotiations relative to the leasing of the Leased Property are merged into and revoked by this Master Lease.

41.8 **Headings.** All titles and headings to sections, subsections, paragraphs or other divisions of this Master Lease are only for the convenience of the parties and shall not be construed to have any effect or meaning with respect to the other contents of such sections, subsections, paragraphs or other divisions, such other content being controlling as to the agreement among the parties hereto.

(1) To be reviewed by Local Counsel.

41.9 **Counterparts.** This Master Lease may be executed in any number of counterparts, each of which shall be a valid and binding original, but all of which together shall constitute one and the same instrument.

41.10 **Interpretation.** Both Landlord and Tenant have been represented by counsel and this Master Lease and every provision hereof has been freely and fairly negotiated. Consequently, all provisions of this Master Lease shall be interpreted according to their fair meaning and shall not be strictly construed against any party.

41.11 **Time of Essence.** TIME IS OF THE ESSENCE OF THIS MASTER LEASE AND EACH PROVISION HEREOF IN WHICH TIME OF PERFORMANCE IS ESTABLISHED.

41.12 **Further Assurances.** The parties agree to promptly sign all documents reasonably requested to give effect to the provisions of this Master Lease. In addition, Landlord agrees to, at Tenant's sole cost and expense, reasonably cooperate with all applicable gaming authorities in connection with the administration of their regulatory jurisdiction over Tenant's Parent, Tenant and its Subsidiaries, including the provision of such documents and other information as may be requested by such gaming authorities relating to Tenant or any of its Subsidiaries or to this Master Lease and which are within Landlord's reasonable control to obtain and provide.

SIGNATURES ON FOLLOWING PAGE

IN WITNESS WHEREOF, this Master Lease has been executed by Landlord and Tenant as of the date first written above.

LANDLORD:

GLP CAPITAL, L.P.

By: ______________________________
Name:
Title:

TENANT:

PENN TENANT, LLC

By: ______________________________
Name:
Title:

EXHIBIT A

LIST OF FACILITIES

Facility Name	Facility Address	Use
Argosy Casino Alton	**#1 Piasa Street** **Alton, Illinois**	**Dockside Gaming**
Argosy Casino Riverside	**777 Argosy Parkway**	**Dockside Gaming**

	Riverside, Missouri	
Argosy Casino Sioux City	**100 Larson Park Road** **Sioux City, Iowa**	**Dockside Gaming**
Boomtown Casino	**676 Bayview Avenue** **Biloxi, Mississippi**	**Dockside Gaming**
Hollywood Casino Aurora	**1 W. New York Street** **Aurora, Illinois**	**Dockside Gaming**
Hollywood Casino Bangor	**500 Main Street** **Bangor, Maine**	**Land-based Gaming and Harness Racing**
Hollywood Casino Baton Rouge	**1717 River Road N** **Baton Rouge, Louisiana**	**Dockside Gaming**
Hollywood Casino Bay St. Louis	**711 Hollywood Blvd.** **Bay St. Louis, Mississippi**	**Land-based Gaming**
Hollywood Casino at Charles Town Races	**750 Hollywood Drive** **Charles Town, West Virginia**	**Land-based Gaming and Thoroughbred Racing**
Hollywood Casino Columbus	**200 Georgesville Road** **Columbus, Ohio**	**Land-based Gaming**
Hollywood Casino Joliet	**777 Hollywood Blvd.** **Joliet, Illinois**	**Dockside gaming**
Hollywood Casino Lawrenceburg	**777 Hollywood Blvd.** **Lawrenceburg, Indiana**	**Dockside Gaming**
Hollywood Casino Penn National Race Course	**777 Hollywood Blvd.** **Grantville, Pennsylvania**	**Land-based Gaming and Thoroughbred Racing**
Hollywood Casino Perryville	**1201 Chesapeake Overlook Pkwy** **Perryville, MD**	**Land-based Gaming**
Hollywood Casino St. Louis	**777 Casino Center Drive** **Maryland Heights, Missouri**	**Dockside Gaming**
Hollywood Casino Toledo	**1968 Miami Street** **Toledo, Ohio**	**Land-based Gaming**
Hollywood Casino Tunica	**1150 Casino Strip Resort Blvd.** **Robinsonville, Mississippi**	**Dockside Gaming**
M Resort Spa Casino	**12300 Las Vegas Blvd. South** **Henderson, Nevada**	**Land-based Gaming**
Zia Park Casino	**3901 West Millen Drive** **Hobbs, New Mexico**	**Land-based Gaming and Thoroughbred Racing**

DEVELOPMENT FACILITIES

Facility Name	Facility Address	Use
Hollywood Gaming at Dayton Raceway	**4701 Wagner Ford Road** **Dayton, Ohio**	**Land-based Gaming and Harness Racing**
Hollywood Gaming at Mahoning Valley Race Course	**655 North Canfield-Niles Road** **Youngstown, Ohio**	**Land-based Gaming and Thoroughbred Racing**

EXHIBIT B

LEGAL DESCRIPTIONS

[Legal descriptions for each parcel will be attached.]

EXHIBIT C

FORM OF DEVELOPMENT AGREEMENT

EXHIBIT D

GAMING LICENSES

EXHIBIT E

FORM OF GUARANTY

This **GUARANTY OF MASTER LEASE** (this "**Guaranty**"), is made and entered into as of the day of , 201 by and between Penn National Gaming, Inc., a Pennsylvania corporation, , a and , a (each, "**Guarantor**", and collectively, the "**Guarantors**"), and GLP Capital, L.P. ("**Landlord**").

RECITALS

A. Landlord and Penn Tenant, LLC ("**Tenant**"), have entered into that certain Master Lease dated of even date herewith (as may be amended, restated, supplemented, waived or otherwise modified from time to time, the "**Master Lease**"). All capitalized terms used and not otherwise defined herein shall have the same meanings given such terms in the Master Lease.

B. Each Guarantor is an affiliate of the Tenant, will derive substantial benefits from the Master Lease and acknowledges and agrees that this Guaranty is given in accordance with the requirements of the Master Lease and that Landlord would not have been willing to enter into the Master Lease unless such Guarantor was willing to execute and deliver this Guaranty.

AGREEMENTS

NOW, THEREFORE, in consideration of Landlord entering into the Master Lease with Tenant, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each Guarantor agrees as follows:

1. Guaranty. In consideration of the benefit derived or to be derived by it therefrom, as to the Master Lease, from and after the Commencement Date thereof, each Guarantor hereby unconditionally and irrevocably guarantees, as a primary obligor and not merely as a surety, (i) the payment when due of all Rent and all other sums payable by Tenant under the Master Lease, and (ii) the faithful and prompt performance when due of each and every one of the terms, conditions and covenants to be kept and performed by Tenant and its Affiliates under the Master Lease, including without limitation all indemnification obligations, insurance obligations, and all obligations to operate, rebuild, restore or replace any facilities or improvements now or hereafter located on the Leased Property covered by the Master Lease (collectively, the "**Obligations**"). In the event of the failure of Tenant to pay any such Rent or other sums, or to render any other performance required of Tenant and its Affiliates under the Master Lease, when due or within any applicable cure period, each Guarantor shall forthwith perform or cause to be performed all provisions of the Master Lease to be performed by Tenant and its Affiliates thereunder, and pay all reasonable costs of collection or enforcement and other damages that may result from the non-performance thereof to the full extent provided under the Master Lease. As to the Obligations, each Guarantor's liability under this Guaranty is without limit except as provided in Section 12 hereof. Each Guarantor agrees that its guarantee provided herein constitutes a guarantee of payment when due and not of collection.

2. Survival of Obligations. The obligations of each Guarantor under this Guaranty shall survive and continue in full force and effect notwithstanding:

(a) any amendment, modification, or extension of the Master Lease pursuant to its terms;

(b) any compromise, release, consent, extension, indulgence or other action or inaction in respect of any terms of the Master Lease or any other guarantor;

(c) any substitution or release, in whole or in part, of any security for this Guaranty which a Landlord may hold at any time;

(d) any exercise or non-exercise by a Landlord of any right, power or remedy under or in respect of the Master Lease or any security held by Landlord with respect thereto, or any waiver of any such right, power or remedy;

(e) any bankruptcy, insolvency, reorganization, arrangement, adjustment, composition, liquidation, or the like of Tenant or any other guarantor;

(f) any limitation of Tenant's liability under the Master Lease or any limitation of Tenant's liability thereunder which may now or hereafter be imposed by any statute, regulation or rule of law, or any illegality, irregularity, invalidity or unenforceability, in whole or in part, of the Master Lease or any term thereof;

(g) subject to Section 13 hereof, any sale, lease, or transfer of all or any part of any interest in any Facility or any or all of the assets of Tenant to any other person, firm or entity other than to Landlord;

(h) any act or omission by Landlord with respect to any of the security instruments or any failure to file, record or otherwise perfect any of the same;

(i) any extensions of time for performance under the Master Lease;

(j) the release of Tenant from performance or observation of any of the agreements, covenants, terms or conditions contained in the Master Lease by operation of law or otherwise;

(k) the fact that Tenant may or may not be personally liable, in whole or in part, under the terms of the Master Lease to pay any money judgment;

(l) the failure to give Guarantor any notice of acceptance, default or otherwise;

(m) any other guaranty now or hereafter executed by Guarantor or anyone else in connection with the Master Lease;

(n) any rights, powers or privileges Landlord may now or hereafter have against any other person, entity or collateral; or

(o) any other circumstances, whether or not Guarantor had notice or knowledge thereof.

3. Primary Liability. The liability of Guarantor with respect to the Master Lease shall be primary, direct and immediate, and Landlord may proceed against Guarantor: (a) prior to or in lieu of proceeding against Tenant, its assets, any security deposit, or any other guarantor; and (b) prior to or in lieu of pursuing any other rights or remedies available to Landlord. All rights and remedies afforded to Landlord by reason of this Guaranty or by law are separate, independent and cumulative, and the exercise of any rights or remedies shall not in any way limit, restrict or prejudice the exercise of any other rights or remedies.

In the event of any default under the Master Lease, a separate action or actions may be brought and prosecuted against Guarantor whether or not Tenant is joined therein or a separate action or actions are brought against Tenant. Landlord may maintain successive actions for other defaults. Landlord’s rights hereunder shall not be exhausted by its exercise of any of its rights or remedies or by any such action or by any number of successive actions until and unless all indebtedness and Obligations the payment and performance of which are hereby guaranteed have been paid and fully performed.

4. Obligations Not Affected. In such manner, upon such terms and at such times as Landlord in its sole discretion deems necessary or expedient, and without notice to any Guarantor, Landlord may: (a) amend, alter, compromise, accelerate, extend or change the time or manner for the payment or the performance of any Obligation hereby guaranteed; (b) extend, amend or terminate the Master Lease; or (c) release Tenant by consent to any assignment (or otherwise) as to all or any portion of the Obligations hereby guaranteed, in each case pursuant to the terms of the Master Lease. Any exercise or non-exercise by Landlord of any right hereby given Landlord, dealing by Landlord with any Guarantor or any other guarantor, Tenant or any other person, or change, impairment, release or suspension of any right or remedy of Landlord against any person including Tenant and any other guarantor will not affect any of the Obligations of any Guarantor hereunder or give any Guarantor any recourse or offset against Landlord.

5. Waiver. With respect to the Master Lease, each Guarantor hereby waives and relinquishes all rights and remedies accorded by applicable law to sureties and/or guarantors or any other accommodation parties, under any statutory provisions, common law or any other provision of law, custom or practice, and agrees not to assert or take advantage of any such rights or remedies including, but not limited to:

(a) any right to require Landlord to proceed against Tenant or any other person or to proceed against or exhaust any security held by Landlord at any time or to pursue any other remedy in Landlord’s power before proceeding against such Guarantor or to require that Landlord cause a marshaling of Tenant’s assets or the assets, if any, given as collateral for this Guaranty or to proceed against Tenant and/or any collateral, including collateral, if any, given to secure such Guarantor’s obligation under this Guaranty, held by Landlord at any time or in any particular order;

(b) any defense that may arise by reason of the incapacity or lack of authority of any other person or persons;

(c) notice of the existence, creation or incurring of any new or additional indebtedness or obligation or of any action or non-action on the part of Tenant, Landlord, any creditor of Tenant or such Guarantor or on the part of any other person whomsoever under this or any other instrument in connection with any obligation or evidence of indebtedness held by Landlord or in connection with any obligation hereby guaranteed;

(d) any defense based upon an election of remedies by Landlord which destroys or otherwise impairs the subrogation rights of such Guarantor or the right of such Guarantor to proceed against Tenant for reimbursement, or both;

(e) any defense based upon any statute or rule of law which provides that the obligation of a surety must be neither larger in amount nor in other respects more burdensome than that of the principal;

(f) any duty on the part of Landlord to disclose to such Guarantor any facts Landlord may now or hereafter know about Tenant, regardless of whether Landlord has reason to believe that any such facts materially increase the risk beyond that which such Guarantor intends to assume or has reason to believe that such facts are unknown to such Guarantor or has a reasonable opportunity to communicate such facts to Guarantor, it being understood and agreed that such Guarantor is fully responsible for being and keeping informed of the financial condition of Tenant and of all circumstances bearing on the risk of non-payment or non-performance of any Obligations or indebtedness hereby guaranteed;

(g) any defense arising because of Landlord’s election, in any proceeding instituted under the federal Bankruptcy Code, of the application of Section 1111(b)(2) of the federal Bankruptcy Code;

(h) any defense based on any borrowing or grant of a security interest under Section 364 of the federal Bankruptcy Code; and

(i) all rights and remedies accorded by applicable law to guarantors, including without limitation, any extension of time conferred by any law now or hereafter in effect and any requirement or notice of acceptance of this Guaranty or any other notice to which the undersigned may now or hereafter be entitled to the extent such waiver of notice is permitted by applicable law.

6. Information. Each Guarantor assumes all responsibility for being and keeping itself informed of the financial condition and assets of the Tenant and each other Guarantor, and of all other circumstances bearing upon the risk of nonpayment of the Obligations and the nature, scope and extent of the risks that

such Guarantor assumes and incurs hereunder and agrees that the Landlord will not have any duty to advise such Guarantor of information known to regarding such circumstances or risks.

7. No Subrogation. Until all Obligations of Tenant under the Master Lease have been satisfied and discharged in full, Guarantor shall have no right of subrogation and waives any right to enforce any remedy which Landlord now has or may hereafter have against Tenant and any benefit of, and any right to participate in, any security now or hereafter held by Landlord with respect to the Master Lease.

8. Agreement to Comply with terms of Master Lease. Each Guarantor hereby agrees (a) to comply with all terms of the Master Lease applicable to it, (b) that it shall take no action, and that it shall not omit to take any action, which action or omission, as applicable, would cause a breach of the terms of the Master Lease and (c) that it shall not commence an involuntary proceeding or file an involuntary petition in any court of competent jurisdiction seeking (i) relief in respect of the Tenant or any of its Subsidiaries, or of a substantial part of the property or assets of the Tenant or any of its Subsidiaries, under Title 11 of the United States Code, as now constituted or hereafter amended, or any other federal, state or foreign bankruptcy, insolvency, receivership or similar law or (ii) the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for the Tenant or any of its Subsidiaries or for a substantial part of the property or assets of the Tenant or any of its Subsidiaries.

9. Agreement to Pay; Contribution; Subordination. Without limitation of any other right of the Landlord at law or in equity, upon the failure of Tenant to pay any Obligation when and as the same shall become due, each Guarantor hereby promises to and will forthwith pay, or cause to be paid, to the Landlord in cash the amount of such unpaid Obligation. Each Guarantor hereby unconditionally and irrevocably agrees that in the event any payment shall be required to be made to the Landlord under this Guaranty, such Guarantor will contribute, to the maximum extent permitted by law, such amounts to each other Guarantor so as to maximize the aggregate amount paid to the Landlord in respect of this Guaranty and in respect of the Master Lease. Upon payment by any Guarantor of any sums to the Landlord as provided above, all rights of such Guarantor against the Tenant or any other Guarantor arising as a result thereof by way of subrogation, contribution, reimbursement, indemnity or otherwise shall be subject to the limitations set forth in this Section 9. If for any reason whatsoever Tenant or any Guarantor now or hereafter becomes indebted to any Guarantor or any Affiliate of any Guarantor, such indebtedness and all interest thereon shall at all times be subordinate to Tenant's obligation to Landlord to pay as and when due in accordance with the terms of the Master Lease the guaranteed Obligations, it being understood that each Guarantor and each Affiliate of any Guarantor shall be permitted to receive payments from the Tenant or any Guarantor on account of such obligations except during the continuance of an Event of Default under the Master Lease relating to failure to pay amounts due under the Master Lease. During any time in which an Event of Default relating to failure to pay amounts due under the Master Lease has occurred and is continuing under the Master Lease (and provided that Guarantor has received written notice thereof), Guarantor agrees to make no claim for such indebtedness that does not recite that such claim is expressly subordinate to Landlord's rights and remedies under the Master Lease.

10. Application of Payments. With respect to the Master Lease, and with or without notice to Guarantor, Landlord, in Landlord's sole discretion and at any time and from time to time and in such manner and upon such terms as Landlord deems appropriate, may (a) apply any or all payments or recoveries following the occurrence and during the continuance of an Event of Default from Tenant or from any other guarantor under any other instrument or realized from

any security, in such manner and order of priority as Landlord may determine, to any indebtedness or other obligation of Tenant with respect to the Master Lease and whether or not such indebtedness or other obligation is guaranteed hereby or is otherwise secured, and (b) refund to Tenant any payment received by Landlord under the Master Lease.

11. Guaranty Default. Upon the failure of any Guarantor to pay the amounts required to be paid hereunder when due following the occurrence and during the continuance of an Event of Default under the Master Lease,

> Landlord shall have the right to bring such actions at law or inequity, including appropriate injunctive relief, as it deems appropriate to compel compliance, payment or deposit, and among other remedies to recover its reasonable attorneys' fees in any proceeding, including any appeal therefrom and any post judgment proceedings.

12. Maximum Liability. Each Guarantor and, by its acceptance of the guarantees provided herein, the Landlord, hereby confirms that it is the intention of all such persons that the guarantees provided herein and the obligations of each Guarantor hereunder not constitute a fraudulent transfer or conveyance for purposes of the United States Bankruptcy Code or any other federal, state or foreign bankruptcy, insolvency, receivership or similar law, the Uniform Fraudulent Conveyance Act, the Uniform Fraudulent Transfer Act or any similar foreign, federal or state law to the extent applicable to the guarantees provided herein and the obligations of each Guarantor hereunder. To effectuate the foregoing intention, the Landlord hereby irrevocably agrees that the obligations of each Guarantor under this Guaranty shall be limited to the maximum amount as will result in such obligations not constituting a fraudulent transfer or conveyance.

13. Release. A Guarantor shall automatically be released from its obligations hereunder upon the consummation of any transaction permitted by the Master Lease, the result of which is that such Guarantor ceases to be a Subsidiary of the Tenant or in the case of Tenant's Parent, the Tenant ceases to be a Subsidiary of Tenant's Parent and ceases to be owned by Tenant's Parent; provided that the Landlord shall have consented to such transaction to the extent such consent is required by the terms of the Master Lease; and provided further that a Change of Control (and any transaction related thereto) shall not be deemed to be permitted by the Master Lease without Landlord consent except to the extent any actual or deemed assignment under the Master Lease relating to such Change of Control is permitted under the Master Lease.

14. Additional Guarantors. Upon the execution and delivery by the Landlord and any subsidiary of the Tenant that is required to become a party hereto pursuant to the Master Lease of an instrument in the form of Appendix A hereto, such subsidiary shall become a Guarantor hereunder with the same force and effect as if originally named as a Guarantor herein. The execution and delivery of any such instrument shall not require the consent of any other party to this Guaranty. The rights and obligations of each party to this Guaranty shall remain in full force and effect notwithstanding the addition of any new party to this Guaranty.

15. Notices. Any notice, request or other communication to be given by any party hereunder shall be in writing and shall be sent by registered or certified mail, postage prepaid

and return receipt requested, by hand delivery or express courier service, by facsimile transmission or by an overnight express service to the following address:

To any Guarantor:

With a copy to:
(that shall not constitute notice)

And with a copy to:
(that shall not constitute notice)

To Landlord: [GLP CAPITAL, L.P.]

And with a copy to
(which shall not constitute notice):

or to such other address as either party may hereafter designate. Notice shall be deemed to have been given on the date of delivery if such delivery is made on a Business Day, or if not, on the first Business Day after delivery. If delivery is refused, Notice shall be deemed to have been given on the date delivery was first attempted. Notice sent by facsimile transmission shall be deemed given upon confirmation that such Notice was received at the number specified above or in a Notice to the sender.

16. Miscellaneous.

(a) No term, condition or provision of this Guaranty may be waived except by an express written instrument to that effect signed by Landlord. No waiver of any term, condition or provision of this Guaranty will be deemed a waiver of any other term, condition or provision, irrespective of similarity, or constitute a continuing waiver of the same term, condition or provision, unless otherwise expressly provided. No term, condition or provision of this Guaranty may be amended or modified with respect to any Guarantor except by an express written instrument to that effect signed by Landlord and the applicable Guarantor to which such amendment or modification is to be effective.

(b) If any one or more of the terms, conditions or provisions contained in this Guaranty is found in a final award or judgment rendered by any court of competent jurisdiction to be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining terms, conditions and provisions of this Guaranty shall not in any way be affected or impaired thereby, and this Guaranty shall be interpreted and construed as if the invalid, illegal, or unenforceable term, condition or provision had never been contained in this Guaranty.

(c) THIS GUARANTY SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, EXCEPT THAT THE LAWS OF THE STATE SHALL GOVERN THIS AGREEMENT TO THE

EXTENT NECESSARY (I) TO OBTAIN THE BENEFIT OF THE RIGHTS AND REMEDIES SET FORTH HEREIN WITH RESPECT TO ANY OF THE LEASED PROPERTY AND (II) FOR PROCEDURAL REQUIREMENTS WHICH MUST BE GOVERNED BY THE LAWS OF THE STATE. EACH GUARANTOR CONSENTS TO IN PERSONAM JURISDICTION BEFORE THE STATE AND FEDERAL COURTS OF NEW YORK AND AGREES THAT ALL DISPUTES CONCERNING THIS GUARANTY SHALL BE HEARD IN THE STATE AND FEDERAL COURTS LOCATED IN THE STATE OF NEW YORK. EACH GUARANTOR FURTHER CONSENTS TO IN PERSONAM JURISDICTION BEFORE THE STATE AND FEDERAL COURTS OF EACH STATE WITH RESPECT TO ANY ACTION COMMENCED BY LANDLORD SEEKING TO RETAKE POSSESSION OF ANY OR ALL OF THE LEASED PROPERTY IN WHICH GUARANTOR IS REQUIRED TO BE NAMED AS A NECESSARY PARTY. EACH GUARANTOR AGREES THAT SERVICE OF PROCESS MAY BE EFFECTED UPON IT UNDER ANY METHOD PERMISSIBLE UNDER THE LAWS OF THE STATE OF NEW YORK AND IRREVOCABLY WAIVES ANY OBJECTION TO VENUE IN THE STATE AND FEDERAL COURTS LOCATED IN THE STATE OF NEW YORK OR, TO THE EXTENT APPLICABLE IN ACCORDANCE WITH THE TERMS HEREOF, LOCATED IN THE STATE.

(d) EACH OF THE GUARANTORS, BY ITS EXECUTION OF THIS GUARANTY, AND LANDLORD, BY ITS ACCEPTANCE OF THIS GUARANTY, HEREBY WAIVE TRIAL BY JURY AND THE RIGHT THERETO IN ANY ACTION OR PROCEEDING OF ANY KIND ARISING ON, UNDER, OUT OF, BY REASON OF OR RELATING IN ANY WAY TO THIS GUARANTY OR THE INTERPRETATION, BREACH OR ENFORCEMENT THEREOF.

(e) In the event of any suit, action, arbitration or other proceeding to interpret this Guaranty, or to determine or enforce any right or obligation created hereby, the prevailing party in the action shall recover such party's reasonable costs and expenses incurred in connection therewith, including, but not limited to, reasonable attorneys' fees and costs of appeal, post judgment enforcement proceedings (if any) and bankruptcy proceedings (if any). Any court, arbitrator or panel of arbitrators shall, in entering any judgment or making any award in any such suit, action, arbitration or other proceeding, in addition to any and all other relief awarded to such prevailing party, include in such judgment or award such party's reasonable costs and expenses as provided in this Section 16(e).

(f) Each Guarantor (i) represents that it has been represented and advised by counsel in connection with the execution of this Guaranty; (ii) acknowledges receipt of a copy of the Master Lease; and (iii) further represents that such Guarantor has been advised by counsel with respect thereto. This Guaranty shall be construed and interpreted in accordance with the plain meaning of its language, and not for or against such Guarantor or Landlord, and as a whole, giving effect to all of the terms, conditions and provisions hereof.

(g) Except as provided in any other written agreement now or at any time hereafter in force between Landlord and any Guarantor, this Guaranty shall constitute the entire agreement of each Guarantor with Landlord with respect to the subject matter hereof, and no representation, understanding, promise or condition concerning the subject matter hereof will be binding upon Landlord or any Guarantor unless expressed herein.

(h) All stipulations, obligations, liabilities and undertakings under this Guaranty shall be binding upon each Guarantor and its respective successors and assigns and shall inure to the benefit of Landlord and to the benefit of Landlord's successors and assigns.

(i) Whenever the singular shall be used hereunder, it shall be deemed to include the plural (and vice-versa) and reference to one gender shall be construed to include all other genders, including neuter, whenever the context of this Guaranty so requires. Section captions or headings used in the Guaranty are for convenience and reference only, and shall not affect the construction thereof.

[Signature Page to Follow]

EXECUTED as of the date first set forth above.

GUARANTOR:

By:
Name:
Title:

LANDLORD:

By:
Name:
Title:

Appendix A

SUPPLEMENT NO. ______ dated as of ______________ (this "**Supplement**"), to the GUARANTY OF MASTER LEASE (as amended, restated, supplemented or replaced, the "**Guaranty**"), dated as of _____ day of __________, 201_ by and between _____________ , a ________________ , ____________, a ________________ and_____________ , a _________________ (each, "**Guarantor**", and collectively, the "**Guarantors**") and GLP Capital, L.P. ("**Landlord**").

A. Reference is made to that certain Master Lease, dated as of [ ] (the "**Master Lease**"), between Landlord and Penn Tenant, LLC ("**Tenant**").

B. Capitalized terms used herein and not otherwise defined shall have the meanings assigned to such terms in the Guaranty.

C. The Guarantors have entered into the Guaranty in order to induce the Landlord to enter into the Master Lease. Section 14 of the Guaranty provides that additional Subsidiaries of the Tenant may become Guarantors under the Guaranty by execution and delivery of an instrument in the form of this Supplement. The undersigned subsidiary of the Tenant (the "**New Subsidiary**") is executing this Supplement in accordance with the requirements of the Master Lease to become a Guarantor under the Guaranty in order to induce the Tenant to enter into the Master Lease.

Accordingly, the Landlord and the New Subsidiary agree as follows:

SECTION 1. In accordance with Section 14 of the Guaranty, the New Subsidiary by its signature below becomes a Guarantor under the Guaranty with the same force and effect as if originally named therein as a Guarantor, and the New Subsidiary hereby (a) agrees to all the terms and provisions of the Guaranty applicable to it as a Guarantor thereunder, and (b) represents and warrants that the representations and warranties made by it as a Guarantor thereunder are true and correct, in all material respects, on and as of the date hereof. Each reference to a "Guarantor" in the Guaranty shall be deemed to include the New Subsidiary. The Guaranty is hereby incorporated herein by reference.

SECTION 2. The New Subsidiary represents and warrants to the Landlord that this Supplement has been duly authorized, executed and delivered by it and constitutes its legal, valid and binding obligation, enforceable against it in accordance with its terms, subject to (i) the effects of bankruptcy, insolvency, moratorium, reorganization, fraudulent conveyance or other similar laws affecting creditors' rights generally, (ii) general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law) and (iii) implied covenants of good faith and fair dealing.

SECTION 3. This Supplement may be executed in two or more counterparts, each of which shall constitute an original but all of which when taken together shall constitute but one contract. This Supplement shall become effective when (a) the Landlord shall have received a counterpart of this Supplement that bears the signature of the New Subsidiary, and (b) the Landlord has executed a counterpart hereof.

SECTION 4. Except as expressly supplemented hereby, the Guaranty shall remain in full force and effect.

SECTION 5. THIS SUPPLEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES UNDER THIS SUPPLEMENT SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF NEW YORK.

SECTION 6. In the event any one or more of the provisions contained in this Supplement should be held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein and in the Guaranty shall not in any way be affected or impaired thereby. The parties shall endeavor in good-faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

SECTION 7. All communications and notices hereunder shall be in writing and given as provided in Section 15 of the Guaranty.

[SECTION 8. The New Subsidiary agrees to reimburse Landlord for its reasonable out-of-pocket expenses in connection with this Supplement, including the reasonable fees, disbursements and other charges of counsel for Landlord.]

IN WITNESS WHEREOF, the New Subsidiary and the Landlord have duly executed this Supplement to the Guaranty as of the day and year first above written.

[NAME OF NEW SUBSIDIARY]

By: ____________________________
Name:
Title:

[ ],
as Landlord

By: ____________________________
Name:
Title:

EXHIBIT F

FORM OF NONDISTURBANCE AND ATTORNMENT AGREEMENT

Exhibit 10.3

TRANSITION SERVICES AGREEMENT

This Transition Services Agreement (this "Services Agreement") is entered into and effective as of the day of , 2013 (the "Effective Date"), by and between Penn National Gaming, Inc., a Pennsylvania corporation ("Provider"), and Gaming and Leisure Properties, Inc., a Pennsylvania corporation ("Recipient"). Provider and Recipient each may be referred to herein as a "Party" and collectively, as the "Parties."

RECITALS

WHEREAS, the board of directors of Provider has determined that it is in the best interest of Provider to separate the majority of its operating assets and real property assets into two separate publicly traded companies, including an operating entity, Provider, and, through a tax-free spin-off of its real estate assets to holders of its common stock, Recipient, a newly formed, publicly traded real estate investment trust (such separation, the "Separation");

WHEREAS, Provider and Recipient have entered into that certain Separation and Distribution Agreement, dated as of [·], 2013 (the "Separation Agreement"), in order to carry out, effect and consummate the Separation; and

WHEREAS, to facilitate the Separation, Provider and Recipient deem it to be appropriate and in the best interests of Provider and Recipient that Provider provide certain services to Recipient and its Subsidiaries (as defined below) pursuant to the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual promises, covenants, agreements, representations and warranties contained herein, and for other good and valuable consideration the receipt and adequacy of which are hereby acknowledged, the Parties intending to be legally bound hereby agree as follows:

Article 1
Services

1.1 General. In accordance with the provisions hereof, Provider, through its and its Subsidiaries' employees, agents or contractors, shall provide to Recipient and its Subsidiaries (as defined below), and Recipient shall purchase from Provider, the services described in Schedule A (each a "Service" and collectively, the "Services"). In addition to a description of each Service, Schedule A sets forth, where relevant, the maximum level or amount of each Service, applicable performance times and the pricing parameters for each Service. Schedule A may be amended from time to time by written agreement of the Parties. For purposes of this Services Agreement, a "Subsidiary" of any Party means a corporation or other entity of which at least a majority of the voting power or value of equity securities is owned, directly or indirectly, by such Party.

1.2 Quality of Services. Subject to Section 1.3, Provider shall perform each of the Services (i) in a workmanlike and professional manner, (ii) with the same degree of care as it exercises in performing its own functions of a like or similar nature, (iii) utilizing persons of

suitable experience, training and skill, and (iv) in a timely manner in accordance with the provisions of this Services Agreement.

1.3 Level of Service. The Service levels, if any, initially requested by Recipient (the "Initial Service Levels") shall be as set forth on Schedule A. Recipient shall provide Provider with an updated Schedule A at least fifteen (15) days prior to the end of each fiscal quarter indicating the anticipated Service needs of Recipient for the next fiscal quarter (each a "Service Request"). Subject to Section 1.8, Service levels may not be increased from the Initial Service Levels, including the enhancement of any Services or addition of any new Services, without the written agreement of the Parties. To the extent any Services are mischaracterized in Schedule A, Provider and Recipient shall negotiate in good faith to amend Schedule A as appropriate.

1.4 Third Party Services. Each Party acknowledges and agrees that certain of the Services to be provided under this Services Agreement have been, and will continue to be, provided to Recipient by third parties designated by Provider. To the extent so provided, Provider shall use commercially reasonable efforts to cause such third parties to continue to provide such Services to Recipient, consistent with the manner in which such Services had been provided historically to Provider; provided, however, that if any such third party notifies Provider or its Subsidiaries that it is unable or unwilling to provide any such Services, Provider shall promptly notify Recipient in writing and shall use its commercially reasonable efforts to determine the manner in which such Services can best be provided, and, if there is any change to the Services provided as a result, including the level or cost thereof, Provider and Recipient shall negotiate in good faith to amend Schedule A as appropriate.

1.5 Responsible Personnel. Provider and Recipient shall each designate a point of contact for each Service listed on Schedule A to whom any questions related to the Services provided may be directed.

1.6 Consultation. At either Party's reasonable request, the Parties shall meet and discuss the nature, quality and level of Services covered by this Services Agreement and any proposed modifications a Party may wish to make to the Services or other matter set forth herein.

1.7 Monitoring and Reports; Books and Records; Audit Right.

(a) Provider shall maintain books and records in reasonable and customary detail pertaining to the provision of Services pursuant to this Services Agreement. Provider shall make such books and records available for inspection by Recipient or its authorized representatives during normal business hours, upon reasonable notice to Provider, and shall retain such books and records for periods consistent with the retention policies applicable to the Provider's business (or such longer period as reasonably requested in writing by the Recipient).

(b) Upon thirty (30) days' advance notice to Provider, Recipient may audit (or cause an independent third party auditor to audit), during regular business hours and in a manner that complies with the building and security requirements of Provider, the books, records and facilities of Provider pertaining to the provision of Services pursuant to this Services Agreement to the extent necessary to determine Provider's compliance with this Services Agreement or as may otherwise be required to ensure compliance with applicable laws or regulations. Recipient shall have the right to audit such books, records and facilities of Provider once for each twelve (12) month period during the term of this Services Agreement (or on other occasions to the extent required by applicable law or regulations). Any audit under this Section 1.7(b) shall not interfere unreasonably with the operations of Provider. Recipient shall reimburse Provider for any reasonable, documented, out-of-pocket costs incurred in connection with such audit.

1.8 Changes to Services. It is understood and agreed that Provider may from time to time modify, change or enhance the manner, nature and/or quality of any Service provided to Recipient to the extent Provider is making a similar change in the performance of such services for the Provider and its affiliates and provided that any such modification, change or enhancement will not reasonably be expected to materially and negatively affect such Service. Provider shall furnish to Recipient substantially the same notice (in content and timing), if any, as Provider furnishes to its own organization with respect to such modifications, changes or enhancements.

Article 2
Compensation; Billing

2.1 Service Fees. In consideration of providing the Services, Provider will charge Recipient the fees indicated for each Service listed on Schedule A (each, a "Service Fee" and collectively, the "Service Fees"). The Service Fees shall be adjusted proportionately on a quarterly basis in accordance with the Service Request provided by Recipient as provided in Section 1.3.

2.2 Expenses. In addition to the Service Fee, Provider shall also be entitled to charge Recipient for its reasonable documented, out-of-pocket costs and expenses incurred by Provider in providing the Services ("Expenses").

2.3 Invoices. Within thirty (30) days after the end of each calendar month, Provider shall send Recipient an invoice that includes in reasonable detail the Service Fees and Expenses due for Services provided to Recipient for such month. Payments of invoices shall be made by check or wire transfer of immediately available funds to one or more accounts specified in writing by Provider. Payment shall be made within thirty (30) days after the date of receipt of Provider's invoice. All amounts payable to Provider hereunder shall be paid without setoff, deduction, abatement or counterclaim.

2.4 Payment Delay; Finance Charges.

(a) If Recipient fails to make any payment of a material invoice within sixty (60) days from the date such payment was due, Provider shall have the right, at its sole option, upon ten (10) business days' prior written notice (a "Suspension Notice"), to suspend performance of the Services until payment has been received.

(b) With respect to the unpaid amount of any invoice not paid in full within thirty (30) days of receipt, a finance charge of [·]% per month, payable from the date of the invoice to the date payment is received, shall be due and payable to Provider. In addition, Recipient shall indemnify Provider for its costs, including reasonable attorneys' fees and disbursements, incurred to collect any unpaid amount.

(c) Recipient shall not be liable for the payment of any finance charges pursuant to this Section 2.4, and Provider shall not be authorized to suspend performance pursuant to Section 2.4, to the extent, but only to the extent, that Recipient is in good faith disputing the fees or expenses to which such finance charges or performance relates in accordance with Section 12.2.

Article 3
Cooperation and Consents

3.1 General. Each Party shall reasonably cooperate with and provide assistance to the other Party in carrying out the provisions of this Services Agreement. Such cooperation shall include, but not be limited to, exchanging information, providing access to electronic systems used in connection with the Services, making adjustments and obtaining all consents, licenses, sublicenses or approvals necessary to permit each Party to perform its obligations hereunder.

3.2 Transition. At the request of Recipient in contemplation of the termination of any Services hereunder, in whole or in part, Provider shall cooperate with Recipient, at Recipient's expense, in transitioning such Services to Recipient or to any third-party service provider designated by Recipient.

3.3 Consents. Provider will take commercially reasonable efforts to obtain, and to keep and maintain in effect, any third-party licenses and consents necessary to enable it to provide the Services, including those set forth on Schedule 3.3 (the "Consents"). The costs relating to obtaining any such licenses or consents obtained solely for the benefit of Recipient shall be borne by Recipient; provided that Provider shall not incur any such costs without the prior written consent of Recipient. If any such consent is not obtained or maintained, Provider shall promptly notify Recipient in writing and the Parties will reasonably cooperate with one another to achieve a reasonable alternative arrangement with respect thereto.

Article 4
Confidentiality

4.1 Recipient Confidential Information. From and after the Effective Date, subject to Section 4.3 and except as contemplated by or otherwise provided in this Services Agreement or the Separation Agreement, Provider shall not, and shall cause its affiliates and officers, directors, employees, and other agents and representatives, including attorneys, agents, customers, suppliers, contractors, consultants and other representatives of any individual, corporation, partnership, firm, joint venture, association, joint-stock company, trust, unincorporated organization, limited liability company, governmental authority or other entity (a "Person") providing services to Provider (collectively, "Representatives"), not to, directly or indirectly, disclose, reveal, divulge or communicate to any Person other than Representatives of such party or of its affiliates who reasonably need to know such information in providing services to Provider and each Person (other than Recipient and its affiliates) that is an affiliate of Provider immediately after the Effective Time (as defined in the Separation Agreement) (all such Persons together with Provider, the "Provider Group") or use or otherwise exploit for its own benefit or for the benefit of any third Person, any Recipient Confidential Information (as defined below). If any disclosures are made in connection with providing Services to any member of the Provider Group under this Services Agreement or the Separation Agreement, then the Recipient

Confidential Information so disclosed shall be used only as required to perform the Services. Provider shall use the same degree of care to prevent and restrain the unauthorized use or disclosure of the Recipient Confidential Information by any of its Representatives as it currently uses for its own confidential information of a like nature, but in no event less than a reasonable standard of care. For purposes of this Section 4.1, any information, material or documents relating to the businesses currently or formerly conducted, or proposed to be conducted, by Recipient or any of its affiliates (other than any member of the Provider Group) furnished to, or in possession of, Provider, irrespective of the form of communication, and all notes, analyses, compilations, forecasts, data, translations, studies, memoranda or other documents prepared by Provider or its officers, directors and affiliates, that contain or otherwise reflect such information, material or documents is hereinafter referred to as "Recipient Confidential Information." Recipient Confidential Information does not include, and there shall be no obligation hereunder with respect to, information that (i) is or becomes generally available to the public, other than as a result of a disclosure by Provider not otherwise permissible hereunder, (ii) Provider can demonstrate was or became available to Provider from a source other than Recipient or its affiliates or (iii) is developed independently by Provider without reference to the Recipient Confidential Information; provided, however, that, in the case of clause (ii), the source of such information was not known by Provider to be bound by a confidentiality agreement with, or other contractual, legal or fiduciary obligation of confidentiality to, Recipient or any Person (other than any member of the Provider Group) that is an affiliate of Recipient immediately after the Effective Time (all such Persons together with Recipient, the "Recipient Group") with respect to such information.

4.2 Provider Confidential Information. From and after the Effective Date, subject to Section 4.3 and except as contemplated by this Services Agreement or the Separation Agreement, Recipient shall not, and shall cause its affiliates and their respective Representatives, not to, directly or indirectly, disclose, reveal, divulge or communicate to any Person other than Representatives of such party or of its affiliates who reasonably need to know such information in providing services to Recipient or any member of the Recipient Group or use or otherwise exploit for its own benefit or for the benefit of any third Person, any Provider Confidential Information (as defined below). If any disclosures are made in connection with providing Services to any member of the Recipient Group under this Services Agreement or the Separation Agreement, then the Provider Confidential Information so disclosed shall be used only as required to perform the Services. The Recipient Group shall use the same degree of care to prevent and restrain the unauthorized use or disclosure of the Provider Confidential Information by any of their Representatives as they use for their own confidential information of a like nature, but in no event less than a reasonable standard of care. For purposes of this Section 4.2, any information, material or documents relating to the businesses currently or formerly conducted, or proposed to be conducted, by Provider or any of its affiliates (other than any member of the Recipient Group) furnished to, or in possession of, any member of the Recipient Group, irrespective of the form of communication, and all notes, analyses, compilations, forecasts, data, translations, studies, memoranda or other documents prepared by Recipient, any member of the Recipient Group or their respective officers, directors and affiliates, that contain or otherwise reflect such information, material or documents is hereinafter referred to as "Provider Confidential Information." Provider Confidential Information does not include, and there shall be no obligation hereunder with respect to, information that (i) is or becomes generally available to the public, other than as a result of a disclosure by any member of the

Recipient Group not otherwise permissible hereunder, (ii) Recipient can demonstrate was or became available to Recipient from a source other than Provider and its respective affiliates or (iii) is developed independently by such member of the Recipient Group without reference to the Provider Confidential Information; provided, however, that, in the case of clause (ii), the source of such information was not known by Recipient to be bound by a confidentiality agreement with, or other contractual, legal or fiduciary obligation of confidentiality to, Provider or its affiliates with respect to such information.

4.3 Required Disclosure. If Provider or its affiliates, on the one hand, or Recipient or its affiliates, on the other hand, are requested or required (by oral question, interrogatories, requests for information or documents, subpoena, civil investigative demand or similar process) by any governmental authority or pursuant to applicable law to disclose or provide any Recipient Confidential Information or Provider Confidential Information (other than with respect to any such information furnished pursuant to the provisions of Article IV of the Separation Agreement), as applicable, the Person receiving such request or demand shall use commercially reasonable efforts to provide the other Party with written notice of such request or demand as promptly as practicable under the circumstances so that such other Party shall have an opportunity to seek an appropriate protective order. The Party receiving such request or demand agrees to take, and cause its Representatives to take, at the requesting Party's expense, all other reasonable steps necessary to obtain confidential treatment by the applicable recipient. Subject to the foregoing, the Party that receives such a request or demand may thereafter disclose or provide any Recipient Confidential Information or Provider Confidential Information, as the case may be, to the extent required by such law (as so advised by counsel) or by lawful process or such governmental authority.

4.4 Third Party Confidential Information. Each of Provider and Recipient acknowledges that it and the other members of its Group (as defined below) may have in their possession confidential or proprietary information of third Persons that were received under confidentiality or non-disclosure agreements with such third Person prior to the Effective Date. Provider and Recipient each agrees that it will hold, and will cause the other members of its Group and their respective Representatives to hold, in strict confidence the confidential and proprietary information of third Persons to which it or any other member of its respective Group has access, in accordance with the terms of any agreements entered into prior to the Effective Date between or among one (1) or more members of the applicable party's Group and such third Persons. For the purposes of this Services Agreement, "Group" shall mean the Provider Group or the Recipient Group, as the context requires.

Article 5
Intellectual Property

5.1 Recipient Intellectual Property. Except as otherwise agreed by the Parties, all data, software, or other property or assets owned or created by Recipient shall remain the sole and exclusive property and responsibility of Recipient. Provider shall not acquire any rights in any such data, software or other property or assets pursuant to this Services Agreement.

5.2 Provider Intellectual Property. Except as otherwise agreed by the Parties, all data, software or other property or assets which are owned by Provider, including without limitation

derivative works thereof and new data or software created by Provider at Provider's expense pursuant to the provision of Services and all intellectual property rights therein (the "Provider Property"), shall be the sole and exclusive property and responsibility of Provider. Recipient shall not acquire any rights in any Provider Property pursuant to this Services Agreement.

Article 6
Remedies and Limitation of Liability

6.1 Remedies. In the event that any Service performed by Provider hereunder is not performed in accordance with the provisions of Article 1, Recipient's sole remedy shall be, at the election of Recipient either (i) to require Provider to re-perform such Service in accordance with Article 1 without obligation on the part of Recipient to make payment for such performance, (ii) to obtain from Provider a credit in an equivalent amount towards the future purchase of Services, as contemplated by this Services Agreement, or (iii) to require Provider to pay the cost of replacing such Service with a third-party provider. In the event that Recipient elects to replace any Services with a third-party provider, Provider shall be forever released from any liability arising on account of such Service.

6.2 Limitation of Liability.

(a) Provider, its affiliates and their respective controlling persons, if any, directors, officers, employees, agents and permitted assigns (each, a "Provider Party") shall not be liable to Recipient, its affiliates and such entities' directors, officers, employees, agents or permitted assigns (each, a "Recipient Party") for any liabilities, claims, demands, damages, judgments, losses, costs and expenses (including, but not limited to, court costs and reasonable attorneys' fees and amounts paid in settlement) of any kind or nature, whether direct or indirect, (collectively referred to as "Damages") of a Recipient Party resulting from, relating to or arising in connection with this Services Agreement or any of the Services provided hereunder, except to the extent that Damages resulted from (i) acts or omissions of any Provider Party which acts or omissions are the result of gross negligence, willful misconduct or bad faith by such Provider Party or (ii) Provider's breach of its obligations under Article 4 or Article 7 of this Services Agreement.

(b) No Recipient Party shall be liable to any Provider Party for any Damages of a Recipient Party resulting from, relating to or arising in connection with this Services Agreement or any of the Services provided hereunder, except to the extent that Damages resulted from (i) acts or omissions of any Recipient Party which acts or omission are the result of gross negligence, willful misconduct or bad faith by such Recipient Party or (ii) Recipient's breach of its obligations under Article 4 or Article 7 of this Services Agreement.

(c) IN NO EVENT SHALL EITHER PARTY BE LIABLE TO THE OTHER FOR ANY SPECIAL, INDIRECT, PUNITIVE, EXEMPLARY, REMOTE, SPECULATIVE OR SIMILAR DAMAGES IN EXCESS OF COMPENSATORY DAMAGE, HOWEVER CAUSED AND ON ANY THEORY OF LIABILITY (INCLUDING NEGLIGENCE) ARISING IN ANY WAY OUT OF THIS SERVICES AGREEMENT; PROVIDED, HOWEVER, THAT THE FOREGOING LIMITATIONS SHALL NOT LIMIT EITHER PARTY'S INDEMNIFICATION

OBLIGATIONS FOR LIABILITIES WITH RESPECT TO THIRD PARTY CLAIMS, AS SET FORTH IN ARTICLE 7.

(d) Each party agrees that it shall, in all circumstances, use commercially reasonable efforts to mitigate and otherwise minimize its damages and those of its affiliates, whether direct or indirect, due to, resulting from or arising in connection with any failure by the other party to comply fully with its obligations under this Services Agreement.

(e) In no event, whether as a result of breach of contract, indemnity, warranty, tort (including negligence), strict liability, or otherwise, shall the liability of Provider to the Recipient parties for any loss or damage arising out of, or resulting from, this Services Agreement or the furnishing of Services hereunder exceed the aggregate Service Fees actually paid to Provider pursuant to this Services Agreement during the six (6) month period immediately preceding the applicable claim for losses or damages.

Article 7
Indemnification

7.1 General.

(a) Provider shall indemnify and hold harmless Recipient and any Recipient Party against and from all claims, liabilities, damages and expenses payable to third parties arising out of or relating to (i) a breach of Article 4 of this Services Agreement by Provider, (ii) the gross negligence, or willful misconduct of Provider, and (iii) any infringement by Provider of third-party intellectual property in the performance of any Service, in each case, except to the extent that such claims, liabilities, damages or expenses are a result of the breach of this Services Agreement, gross negligence or willful misconduct on the part of the Recipient or Recipient Party.

(b) Recipient shall indemnify and hold harmless Provider and any Provider Party against and from all claims, liabilities, damages and expenses payable to third parties arising out of or relating to (i) a breach of Article 4 of this Services Agreement by Recipient, and (ii) the gross negligence, or willful misconduct of Recipient, in each case, except to the extent that such claims, liabilities, damages or expenses are a result of the breach of this Services Agreement, gross negligence or willful misconduct on the part of the Provider or Provider Party.

7.2 Indemnification Procedures. The provisions of Article V of the Separation Agreement shall govern, mutatis mutandis, claims for indemnification under this Article 7.

Article 8
Independent Contractor

In performing the Services hereunder, Provider and its Subsidiaries shall operate as and have the status of independent contractors. No Party's employees shall be considered employees or agents of the other Party, nor shall the employees of any Party be eligible or entitled to any benefits, perquisites or privileges given or extended to any of the other Party's employees. Nothing contained in this Services Agreement shall be deemed or construed to create a joint

venture or partnership between the parties. No party shall have any power or authority to bind or commit any other party.

Article 9
Compliance With Laws

In the performance of its duties and obligations under this Services Agreement, each Party shall comply with all applicable laws. The Parties shall cooperate fully in obtaining and maintaining in effect all permits and licenses that may be required for the performance of the Services.

Article 10
Term and Termination

10.1 Term. The term of this Services Agreement shall commence on the Effective Date and end on the second anniversary of the Effective Date, unless terminated earlier in whole or in part as provided in Section 10.2.

10.2 Termination of this Services Agreement. This Services Agreement may be terminated:

(a) by the written agreement of the Parties;

(b) by Provider in the event an unpaid invoice resulting in delivery to Recipient of a Suspension Notice under Section 2.4 is not satisfied within sixty (60) days of the date of delivery of such Suspension Notice;

(c) by either Party upon a material breach (other than non-payment of Services Fees or Expenses) by the other Party that is not cured within thirty (30) days after delivery of written notice of such breach from the non-breaching Party;

(d) immediately by either Party, if the other Party: (i) commences a voluntary case or other proceeding seeking bankruptcy protection, liquidation, reorganization, or similar relief or seeks the appointment of a trustee, receiver, liquidator or other similar official of it or the taking of possession by any such official in any involuntary case or other proceeding commenced against it, or makes a general assignment for the benefit of creditors, or fails generally to pay its debts as they become due; or (ii) has an involuntary case or other proceeding commenced against it seeking bankruptcy protection, liquidation, reorganization or other relief with respect to it or substantially all of its debts or seeks the appointment of a trustee, receiver, liquidator, custodian or other similar official for such Party or any substantial part of its property, and such involuntary case or other proceeding remains undismissed for a period of sixty (60) days; or

(e) except as may otherwise be set forth on Schedule A, by Recipient upon not less than thirty (30) days' advance written notice, with respect to all or any part of any Service provided pursuant to this Services Agreement; provided that to the extent there are any break-up costs (including commitments made to or in respect of personnel or third parties due to the requirement to provide the Services and prepaid expenses related to the Services, or costs related to terminating such commitments) incurred by Provider as a result of such termination, Provider

shall use its reasonable best efforts to mitigate such costs and Recipient shall be bear such costs and reimburse Provider in full for the same.

10.3 Effect. In the event of termination of this Services Agreement in its entirety pursuant to this Article 11 or upon the expiration of the term of this Services Agreement, this Services Agreement shall cease to have further force or effect and neither Party shall have any liability to the other Party with respect to this Services Agreement, provided that:

(a) Termination or expiration of this Services Agreement for any reason shall not release a Party from any liability or obligation which already has accrued as of the effective date of such termination or expiration, and shall not constitute a waiver or release of, or otherwise be deemed to adversely affect, any rights, remedies or claims, which a Party may have hereunder at law, equity or otherwise or which may arise out of or in connection with such termination or expiration.

(b) As promptly as practicable following termination of this Services Agreement in its entirety or with respect to any Service to the extent applicable, and the payment by Recipient of all amounts owing hereunder, Provider shall return all reasonably available material, inventory and other property of Recipient held by Provider and shall deliver copies of all of Recipient's records maintained by Provider with regard to the Services in Provider's standard format and media. Provider shall deliver such property and records to such location or locations as reasonably requested by Recipient. Arrangements for shipping, including the cost of freight and insurance, and the reasonable cost of packing incurred by Provider shall be borne by Recipient.

(c) Articles 4, 5, 6, 7, 9, 11, 12 and 13 and this Section 10.3 shall survive any termination or expiration of this Services Agreement and remain in full force and effect.

Article 11
Notices

All notices, demands and other communications required to be given to a Party hereunder shall be in writing and shall be deemed to have been duly given if personally delivered, sent by a nationally recognized overnight courier, transmitted by facsimile, or mailed by registered or certified mail (postage prepaid, return receipt requested) to such Party at the relevant street address, facsimile number or e-mail address set forth below (or at such other street address, facsimile number or e-mail address as such Party may designate from time to time by written notice in accordance with this provision):

If to Provider, to:

Penn National Gaming, Inc.
825 Berkshire Boulevard, Suite 200
Wyomissing, Pennsylvania 19610
Attention: Chief Executive Officer
Facsimile: (610) 373-4966

with a copy to:

Ballard Spahr LLP

1735 Market Street, 51st Floor
Philadelphia, Pennsylvania 19103
Attention: Justin P. Klein, Esq.
Facsimile: (215) 864-9166

If to Recipient, to:

Gaming and Leisure Properties, Inc.
825 Berkshire Boulevard, Suite 400
Wyomissing, Pennsylvania 19610
Attention: Chief Executive Officer
Facsimile: [•]

with a copy to:

Pepper Hamilton LLP
3000 Two Logan Square
Eighteenth and Arch Streets
Philadelphia, Pennsylvania 19103
Attention: Barry M. Abelson, Esq.
Facsimile: (215) 689-4803

Any notice, demand or other communication hereunder shall be deemed given upon the first to occur of: (i) the fifth (5^{th}) day after deposit thereof, postage prepaid and addressed correctly, in a receptacle under the control of the United States Postal Service; (ii) transmittal by facsimile transmission to a receiver or other device under the control of the party to whom notice is being given; or (iii) actual delivery to or receipt by the party to whom notice is being given or an employee or agent thereof.

Article 12
Dispute Resolution

12.1 Dispute Resolution. The provisions of Article VII of the Separation Agreement shall apply, mutatis mutandis, to all disputes, controversies or claims (whether arising in contract, tort or otherwise) that may arise out of or relate to, or arise under or in connection with this Services Agreement or the transactions contemplated hereby.

Article 13
Miscellaneous

13.1 Amendment. No provisions of this Services Agreement shall be amended, modified or supplemented by any Party, unless such amendment, supplement or modification is in writing and signed by an authorized representative of the Party against whom it is sought to enforce such amendment, supplement or modification.

13.2 Waiver.

(a) Any term or provision of this Services Agreement may be waived, or the time for its performance may be extended, by the Party or the Parties entitled to the benefit thereof. Any such waiver shall be validly and sufficiently given for the purposes of this Services Agreement if, as to any Party, it is in writing signed by an authorized representative of such Party.

(b) Waiver by any Party of any default by the other Party of any provision of this Services Agreement shall not be construed to be a waiver by the waiving party of any subsequent or other default, nor shall it in any way affect the validity of this Services Agreement or any Party or prejudice the rights of the other Party thereafter to enforce each and every such provision. No failure or delay by any Party in exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

13.3 Governing Law; Jurisdiction. This Services Agreement and the legal relations between the Parties hereto shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania, without regard to the conflict of laws rules thereof to the extent such rules would require the application of the law of another jurisdiction. In addition, with respect to this Services Agreement (other than arbitrable Disputes (as defined in the Separation Agreement) governed by Article 12 hereof), the Parties agree that any legal action or proceeding shall be brought or determined exclusively in a state or federal court located within the County of Berks in the Commonwealth of Pennsylvania.

13.4 Assignability. This Services Agreement shall be binding upon and inure to the benefit of the Parties, and their respective successors and permitted assigns; provided, however, that no Party may assign, delegate or transfer (by operation of law or otherwise) its respective rights or delegate its respective obligations under this Services Agreement without the express prior written consent of the other Party. Notwithstanding the foregoing, either Party may assign its rights and obligations under this Services Agreement to (i) any Subsidiary of such Party; provided, however, that each Party shall at all times remain liable for the performance of its obligations under this Services Agreement by any such Subsidiary or (ii) any successor by merger, consolidation, reorganization, recapitalization or acquisition or person acquiring all or substantially all of the assets of such Party. Any attempted assignment or delegation in violation of this Section 13.3 shall be void.

13.5 Subcontracting. Provider may hire or engage one or more subcontractors to perform all or any of its obligations under this Services Agreement; provided that, (i) Provider shall use the same degree of care in selecting any subcontractors as it would if such subcontractor was being retained to provide similar services to Provider, (ii) the use of such subcontractor will come at no additional cost to Recipient and (iii) Provider shall in all cases remain responsible for ensuring that obligations with respect to the standards of services set forth in this Service Agreement are satisfied with respect to any Service provided by a subcontractor hired or engaged by Provider.

13.6 No Third Party Beneficiaries. Subject to the indemnification provisions in Article 7, this Services Agreement is for the sole benefit of the Parties and their successors and assigns and nothing herein, express or implied, is intended to or shall confer upon any other Person or entity any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Services Agreement.

13.7 Severability. If any provision of this Services Agreement or the application thereof to any Person or circumstance is determined by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions hereof, or the application of such provision to Persons or circumstances or in jurisdictions other than those as to which it has been held invalid or unenforceable, shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby, so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner adverse to any Party. Upon such determination, the Parties shall negotiate in good faith in an effort to agree upon such a suitable and equitable provision to effect the original intent of the Parties.

13.8 Attorneys' Fees. In any action hereunder to enforce the provisions of this Services Agreement, the prevailing Party shall be entitled to recover its reasonable attorneys' fees in addition to any other recovery hereunder from the non-prevailing Party.

13.9 Counterparts. This Services Agreement may be executed in one or more counterparts, each of which when so executed and delivered or transmitted by facsimile, e-mail or other electronic means, shall be deemed to be an original and all of which taken together shall constitute but one and the same instrument. A facsimile or electronic signature is deemed an original signature for all purposes under this Services Agreement.

13.10 Disclaimer of Representations and Warranties. EXCEPT FOR THE REPRESENTATIONS, WARRANTIES AND COVENANTS EXPRESSLY MADE IN THIS SERVICES AGREEMENT, PROVIDER HAS NOT MADE AND DOES NOT HEREBY MAKE ANY EXPRESS OR IMPLIED REPRESENTATIONS, WARRANTIES OR COVENANTS, STATUTORY OR OTHERWISE, OF ANY NATURE, INCLUDING WITH RESPECT TO THE WARRANTIES OF MERCHANTABILITY, QUALITY, QUANTITY, SUITABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE. ALL OTHER REPRESENTATIONS, WARRANTIES, AND COVENANTS, EXPRESS OR IMPLIED, STATUTORY, COMMON LAW OR OTHERWISE, OF ANY NATURE, INCLUDING WITH RESPECT TO THE WARRANTIES OF MERCHANTABILITY, QUALITY, QUANTITY, SUITABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE ARE HEREBY DISCLAIMED BY PROVIDER.

13.11 Remedies. The rights and remedies provided herein shall be cumulative and not exclusive of any rights or remedies provided by law.

13.12 Force Majeure. No Party hereto (or any Person acting on its behalf) shall have any liability or responsibility for failure to fulfill any obligation (other than a payment obligation) under this Services Agreement, so long as and to the extent to which the fulfillment of such obligation is prevented, frustrated, hindered or delayed as a consequence of circumstances of Force Majeure. A Party claiming the benefit of this provision shall, as soon as reasonably practicable after the occurrence of any such event, (i) notify the other Party of the nature and extent of any such Force Majeure condition and (ii) use due diligence to remove any such causes and resume performance under this Services Agreement as soon as feasible.

13.13 Specific Performance. Subject to the provisions of Article 12, in the event of any actual or threatened default in, or breach of, any of the terms, conditions and provisions of this Services Agreement, the Party or Parties who are or are to be thereby aggrieved shall have the right to specific performance and injunctive or other equitable relief (on an interim or permanent basis) of its rights under this Services Agreement, in addition to any and all other rights and remedies at law or in equity, and all such rights and remedies shall be cumulative. The Parties agree that the remedies at law for any breach or threatened breach, including monetary damages, may be inadequate compensation for any loss and that any defense in any action for specific performance that a remedy at law would be adequate is waived. Any requirements for the securing or posting of any bond with such remedy are waived by each of the Parties to this Services Agreement.

13.14 Construction. Any uncertainty or ambiguity with respect to any provision of this Services Agreement shall not be construed for or against any party based on attribution of drafting by either Party. The headings contained herein are for reference purposes only and shall not affect in any way the meaning or interpretation of this Services Agreement. In this Services Agreement, unless a clear contrary intention appears:

(a) the singular number includes the plural number and vice versa;

(b) reference to any Person includes such Person's successors and assigns but, if applicable, only if such successors and assigns are not prohibited by this Services Agreement, and reference to a Person in a particular capacity excludes such Person in any other capacity or individually;

(c) reference to any gender includes each other gender;

(d) reference to any agreement, document or instrument means such agreement, document or instrument as amended, modified, supplemented or restated, and in effect from time to time in accordance with the terms thereof subject to compliance with the requirements set forth herein;

(e) reference to any applicable law means such applicable law as amended, modified, codified, replaced or reenacted, in whole or in part, and in effect from time to time, including rules and regulations promulgated thereunder, and reference to any section or other provision of any applicable law means that provision of such applicable law from time to time in effect and constituting the substantive amendment, modification, codification, replacement or reenactment of such section or other provision;

(f) "herein," "hereby," "hereunder," "hereof," "hereto" and words of similar import shall be deemed references to this Services Agreement as a whole and not to any particular article, section or other provision hereof;

(g) "including" (and with correlative meaning "include") means including without limiting the generality of any description preceding such term;

(h) with respect to the determination of any period of time, “from” means “from and including” and “to” means “to but excluding;” and

(i) references to documents, instruments or agreements shall be deemed to refer as well to all addenda, exhibits, schedules or amendments thereto.

13.15 Entire Agreement. This Services Agreement and the Schedules hereto, as well as any other agreements and documents referred to herein (including the Separation Agreement, to the extent applicable), constitute the entire agreement between the Parties with respect to the subject matter hereof and supersede all previous agreements, negotiations, discussions, understandings, writings, commitments and conversations between the Parties with respect to such subject matter. No agreements or understandings exist between the Parties other than those set forth or referred to herein.

{SIGNATURES APPEAR ON THE FOLLOWING PAGE}

IN WITNESS WHEREOF, the Parties hereto have caused this Services Agreement to be executed by their duly authorized officers or representatives as of the date first written above.

PENN NATIONAL GAMING, INC.

By: ____________________________
Name:
Title:

GAMING AND LEISURE PROPERTIES, INC.

By: ____________________________
Name:
Title:

[Signature Page to Transition Services Agreement]

QuickLinks -- Click here to rapidly navigate through this document

Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

We consent to the reference to our firm under the caption "Experts" and to the use of our reports dated May 13, 2013, in Amendment No. 2 to the Registration Statement (Form S-11 No. 333-188608) and related Prospectus of Gaming and Leisure Properties, Inc.

/s/ Ernst & Young LLP

Philadelphia, Pennsylvania
August 29, 2013

Exhibit 23.4

CONSENT OF DUFF & PHELPS, LLC

August 30, 2013

Independent Directors of the Board of Directors
Penn National Gaming, Inc.
Gaming and Leisure Properties, Inc.
825 Berkshire Boulevard
Suite 200
Wyomissing, PA 19610

Ladies and Gentlemen:

We hereby consent to the use of our name in the prospectus forming part of the registration statement on Form S-11 filed by Gaming and Leisure Properties, Inc. as amended on August 30, 2013 (the "Registration Statement"). Notwithstanding the foregoing, it is understood that our consent is being delivered solely in connection with the filing of the Registration Statement and that our opinion letter is not to be used, circulated, quoted or otherwise referred to for any other purpose, nor is it to be filed with, included in or referred to in whole or in part in any registration statement (including any subsequent amendments to the Registration Statement), prospectus or any other document, except in accordance with the terms of our engagement letter. By giving such consent, we do not thereby admit that we are experts with respect to any part of the Registration Statement within the meaning of the term "expert" as used in, or that we come within the category of persons whose consent is required under, the Securities Act of 1933, as amended, or the rules and regulations of the Securities and Exchange Commission promulgated thereunder.

By: /s/ Duff & Phelps, LLC

Duff & Phelps, LLC

Chicago, Illinois

Exhibit 99.3

CONSENT TO BEING NAMED AS A PROSPECTIVE DIRECTOR

As required by Rule 438 under the Securities Act of 1933, as amended, I hereby consent to the reference to my name as a prospective director of Gaming and Leisure Properties, Inc. (the "Registrant") in the prospectus forming a part of a registration statement on Form S-11 to be filed by the Registrant with the U.S. Securities and Exchange Commission, as amended from time to time.

Date: August 28, 2013

/s/ E. Scott Urdang
E. Scott Urdang

Exhibit 99.4

CONSENT TO BEING NAMED AS A PROSPECTIVE DIRECTOR

As required by Rule 438 under the Securities Act of 1933, as amended, I hereby consent to the reference to my name as a prospective director of Gaming and Leisure Properties, Inc. (the "Registrant") in the prospectus forming a part of a registration statement on Form S-11 to be filed by the Registrant with the U.S. Securities and Exchange Commission, and any amendments thereto.

Date: August 28, 2013

/s/ Joseph W. Marshall, III
Joseph W. Marshall, III

Wachtell, Lipton, Rosen & Katz

MARTIN LIPTON
HERBERT M. WACHTELL
BERNARD W. NUSSBAUM
LAWRENCE B. PEDOWITZ
PAUL VIZCARRONDO, JR.
PETER C. HEIN
HAROLD S. NOVIKOFF
MEYER G. KOPLOW
THEODORE N. MIRVIS
EDWARD D. HERLIHY
DANIEL A. NEFF
ERIC M. ROTH
ANDREW R. BROWNSTEIN
MICHAEL H. BYOWITZ
PAUL K. ROWE
MARC WOLINSKY
DAVID GRUENSTEIN
STEPHEN G. GELLMAN
STEVEN A. ROSENBLUM
STEPHANIE J. SELIGMAN

JOHN F. SAVARESE
SCOTT K. CHARLES
DAVID S. NEILL
JODI J. SCHWARTZ
ADAM O. EMMERICH
GEORGE T. CONWAY III
RALPH M. LEVENE
RICHARD G. MASON
MICHAEL J. SEGAL
DAVID M. SILK
ROBIN PANOVKA
DAVID A. KATZ
ILENE KNABLE GOTTS
DAVID M. MURPHY
JEFFREY M. WINTNER
TREVOR S. NORWITZ
BEN M. GERMANA
ANDREW J. NUSSBAUM
RACHELLE SILVERBERG
STEVEN A. COHEN

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FACSIMILE: (212) 403 -2000

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August 30, 2013

VIA EDGAR AND HAND DELIVERY

Mr. Duc Dang
Special Counsel
United States Securities and Exchange Commission
Division of Corporate Finance
100 F Street, N.E.
Washington, D.C. 20549

Re: Gaming and Leisure Properties, Inc.
Amendment No. 1 to
Registration Statement on Form S-11
Filed June 28, 2013
File No. 333-188608

Dear Mr. Dang:

On behalf of our client Gaming and Leisure Properties, Inc. (the "Company" or "GLPI"), set forth below are responses to the comments of the Staff of the Division of Corporation Finance (the "Staff") that appeared in your letter dated July 16, 2013, with respect to Amendment No. 1 to the Company's registration statement on Form S-11 (Registration No. 333-188608) filed with the Commission on June 28, 2013 (the "Registration Statement").

This letter and Amendment No. 2 ("Amendment No. 2") to the Registration Statement are being filed electronically via the EDGAR system today. In addition to the EDGAR filing, we

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are delivering a hard copy of this letter, along with six copies of Amendment No. 2 marked to indicate changes from the version filed on June 28, 2013.

For the Staff's convenience, the text of the Staff's comments is set forth below in bold followed in each case by the response. Terms not otherwise defined in this letter shall have the meanings set forth in Amendment No. 2. All references to page numbers in these responses are to the pages in the marked version of Amendment No. 2.

Transfer of Assets and Assumption of Liabilities, page 43

1. **We note your response to comment 6. Please revise to quantify the cash that is being transferred to Penn.**

Response: The disclosure on page 42 of Amendment No. 2 has been revised in response to the Staff's comment.

The Master Lease, page 46

2. **We note your response to comment 7. If the useful lives of your properties are predetermined, please revise to identify any properties that would not be eligible for inclusion in the final five-year renewal term and whether such properties would be subject to new separate leases. Also, clarify if you are able to extend the useful life of your properties via renovation and/or redevelopment.**

Response: The disclosure on page 45 of Amendment No. 2 has been revised in response to the Staff's comment.

3. **We note your response to comment 8 that there is no assurance that the terms will be as favorable as terms from unrelated third party negotiations. Please revise to discuss the considerations that went into determining the terms. Did management conduct an analysis of the market, value the properties, and determine a market rental rate for the properties? Alternatively, did the rate result from a determination of the level of cash flows that would be needed to sustain both entities upon separation?**

Response: The disclosure on page 45 of Amendment No. 2 has been revised in response to the Staff's comment.

4. **We note your response to comment 9 that the revenue to rent ratio for 2013 would have exceed 1.8:1. Please revise to clarify how that would impact the fixed rate component of your base rent.**

Response: The disclosure on page 46 of Amendment No. 2 has been revised in response to the Staff's comment.

Unaudited Pro Forma Consolidated Financial Data, page 74

5. **Please clarify for us how your current financial forecast meets the presentation requirements of paragraph 8.06 of the AICPA Guide for Prospective Financial Information. Specifically, explain to us how management determined that the financial forecast has been presented in the format of the historical financial statements that would be issued for the periods covered. Additionally, tell us how you have complied with the disclosure requirements of paragraph 8.06k of the AICPA Guide for Prospective Financial Information.**

Response: The Staff is advised that an introductory paragraph has been incorporated on page 79 of Amendment No. 2 and additional details regarding the assumptions underlying the Company's financial forecast have been incorporated into Note 2 on pages 82 - 85 of Amendment No. 2. The Company has not presented a historical income statement alongside its forecasted income statement because the Company believes that such a comparison would not be meaningful, and might be confusing, to investors given that the Spin-Off has not yet occurred. Although the Company has not had any historical SEC filings, it believes the forecasted income statement has been prepared in a format that will be utilized for GLPI's future Form 10-K and Form 10-Q filings.

6. **We note your response to prior comment 16. Your disclosure indicates the unaudited pro forma consolidated balance sheet of GLPI has been presented as of December 31, 2012. In your amended filing, please revise this disclosure to refer the appropriate date presented.**

Response: The disclosure on page 76 of Amendment No. 2 has been revised in response to the Staff's comment.

Unaudited Forecasted Consolidated Income Statement, page 76

7. **We note your response to prior comment 17. We remain unclear how you determined it would be appropriate to present a financial forecast that gives retroactive effect to the spin-off transaction. Please clarify for us management's rationale for presenting a forecast for the twelve months ended December 31, 2013, given that the transaction will not occur until late in the year. In your response, explain to us why the current presentation is preferable to a forecast covering a period of at least twelve months from the later of the latest historical balance sheet in the filing, or the date of the event.**

Response: The Company advises the Staff that its forecasted financial statements have been revised to reflect the twelve-month period subsequent to the Company's current best estimate of when the Spin-Off will occur.

Unaudited Pro Forma Consolidated Balance Sheet, page 76

8. **We note your response to our prior comment 19. It is still unclear to us how the operations of the TRSs represent the historical operations of GLPI and are not reflected instead in a separate column as a contribution of the TRS properties from Penn. Please provide further clarification. To the extent you have concluded that the TRSs are the predecessor entity, we are unclear how you are able to conclude that the $2.057 billion payment made by GLPI to Penn does not exceed the $1.995 billion in casino assets spun-off by Penn.**

Response: The Company advises the Staff that it has revised its Unaudited Pro Forma Consolidated Balance Sheet to present three columns prior to the pro forma adjustment column that the Company believes will illustrate the transaction more clearly. The first column represents Gaming and Leisure Properties, Inc. which was a newly created entity formed on February 13, 2013, the next column reflects Louisiana Casino Cruises, Inc. and Penn Cecil Maryland, Inc. as entities to be acquired by GLPI rather than the historical operations of GLPI and a final column representing the real estate assets to be acquired by GLPI.

The Company would like to further clarify that the payments made by GLPI to Penn in the amount of approximately $2.06 billion will be made as part of an internal reorganization that will occur immediately prior to the Spin-Off, and that the proceeds received by Penn from GLPI will be utilized to repay Penn's existing indebtedness.

The Company advises the Staff that the net equity of both Louisiana Casino Cruises, Inc. and Penn Cecil Maryland, Inc., in addition to the real estate assets to be acquired by Gaming and Leisure Properties, Inc. exceed the cash to be contributed to Penn. The assets and liabilities of Louisiana Casino Cruises, Inc. and Penn Cecil Maryland, Inc. and the real estate assets to be acquired by GLPI will be recorded at their respective historical carrying values at the time of the internal re-organization.

9. **We further note in your response to our prior comment 19 that the company intends to account for the transaction as a spin-off in accordance with ASC Topic 505-60. Given that cash payments will be made to Penn for the acquired property and equipment and the net assets of the TRSs spun-off to GLPI from Penn, explain to us how management concluded the transaction should be accounted for as a non-monetary transfer rather than a sale.**

Response: The Company advises the Staff that, as part of the internal reorganization of Penn described above in the response to comment eight, Penn will form GLPI and GLPI will acquire certain real estate assets of the various casinos Penn operates as well as the stock of Louisiana Casino Cruises, Inc. and Penn Cecil Maryland, Inc. GLPI will issue (actually or constructively) to Penn shares of GLPI common stock at the time these assets and shares are acquired. The Company will also obtain external financing and distribute the proceeds of such financing to Penn directly or indirectly. Subsequent to this internal reorganization, Penn will

distribute all of the outstanding shares of GLPI common stock to its shareholders in a tax-free distribution. The Company will account for the transaction involving its shareholders as a spin-off in accordance with ASC Topic 505-60. The Staff is advised that the Company has clarified its pro forma adjustment in Note 3(I) to describe the cash payment made to Penn to as part of the internal reorganization which will occur immediately before the Spin-Off.

10. **We note your response to our prior comment 20 and the related changes to your disclosure. We are still unclear where you have disclosed the company's reasonable basis and assumptions related to each income statement line item in your Unaudited Forecasted Consolidated Income Statement. Please explain to us how you have considered the guidance in paragraphs 8.22 through 8.31 of the AICPA Guide for Prospective Financial Information in preparing your disclosures.**

Response: The Company advises the Staff that it has incorporated an introductory paragraph and revised its disclosures in Note 2 related to each income statement line item on pages 82 - 85 of Amendment No. 2 to incorporate the guidance in paragraphs 8.22 through 8.31 of the AICPA Guide for Prospective Financial Information.

Note 3. Pro Forma Adjustments, page 83 Footnotes H & J, page 83

11. **We note your response to comment 21. We will continue to monitor the company's disclosure regarding the finalization of the company's anticipated debt arrangements.**

Response: The Staff's comment is acknowledged.

Draft Tax Opinion

12. **Counsel must either opine on the tax consequences of the transaction in the opinion letter or make reference to its opinion in the "U.S. Federal Income Tax Considerations" section of the registration statement. Please revise accordingly.**

Response: In response to the Staff's comment, a revised draft tax opinion has been enclosed for review by the Staff.

* * *

If you have any questions, please do not hesitate to contact the undersigned at (212) 403-1362 or Daniel A. Neff at (212) 403-1218.

We thank the Staff in advance for its assistance.

Very truly yours,

/s/ Scott W. Golenbock

Scott W. Golenbock

Enclosures

cc: William J. Clifford, Chief Financial Officer (Gaming and Leisure Properties, Inc.)