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

FORM 10-Q

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

For the Quarterly Period Ended June 30, 2021

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

For the transition period from _________ to __________

Commission file number: 001-38372

VICI Properties Inc.

(Exact name of registrant as specified in its charter)

Maryland	**81-4177147**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**

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

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

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

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

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

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

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

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

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

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

As of July 27, 2021, the registrant had 537,044,887 shares of its $0.01 par value common stock outstanding.

VICI PROPERTIES INC.
FORM 10-Q
FOR THE QUARTER ENDED JUNE 30, 2021
TABLE OF CONTENTS

PART I FINANCIAL INFORMATION

Item 1. Financial Statements

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

	June 30, 2021	December 31, 2020
Assets		
Real estate portfolio:		
Investments in leases - sales-type, net	$ 13,098,853	$ 13,027,644
Investments in leases - financing receivables, net	2,643,648	2,618,562
Investments in loans, net	505,262	536,721
Land	157,365	158,190
Cash and cash equivalents	407,522	315,993
Short-term investments	—	19,973
Other assets	406,898	386,530
Total assets	$ 17,219,548	$ 17,063,613
Liabilities		
Debt, net	$ 6,772,903	$ 6,765,532
Accrued interest	45,913	46,422
Deferred financing liability	73,600	73,600
Deferred revenue	352	93,659
Dividends payable	177,114	176,992
Other liabilities	414,597	413,663
Total liabilities	7,484,479	7,569,868
Commitments and contingent liabilities (Note 10)		
Stockholders' equity		
Common stock, $0.01 par value, 950,000,000 and 700,000,000 shares authorized and 537,043,817 and 536,669,722 shares issued and outstanding at June 30, 2021 and December 31, 2020, respectively	5,370	5,367
Preferred stock, $0.01 par value, 50,000,000 shares authorized and no shares outstanding at June 30, 2021 and December 31, 2020	—	—
Additional paid-in capital	9,366,561	9,363,539
Accumulated other comprehensive loss	(70,815)	(92,521)
Retained earnings	355,524	139,454
Total VICI stockholders' equity	9,656,640	9,415,839
Non-controlling interest	78,429	77,906
Total stockholders' equity	9,735,069	9,493,745
Total liabilities and stockholders' equity	$ 17,219,548	$ 17,063,613

Note: As of June 30, 2021 and December 31, 2020, our Investments in leases - sales-type, Investments in leases - financing receivables, Investments in loans and Other assets (sales-type sub-leases) are net of $431.4 million, $80.7 million, $0.1 million and $6.5 million, respectively, and $454.2 million, $91.0 million, $1.8 million and $6.9 million of Allowance for credit losses, respectively. Refer to Note 5 - Allowance for Credit Losses for further details.

See accompanying Notes to Consolidated Financial Statements.

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Revenues				
Income from sales-type and direct financing leases	$ 291,132	$ 223,895	$ 581,278	$ 448,147
Income from operating leases	—	10,913	—	21,826
Income from lease financing receivables and loans	69,996	17,026	140,373	29,869
Other income	6,987	733	13,961	1,426
Golf revenues	8,285	5,335	15,098	11,635
Total revenues	376,400	257,902	750,710	512,903
Operating expenses				
General and administrative	7,628	7,498	15,713	14,513
Depreciation	757	1,213	1,549	2,080
Other expenses	6,987	736	13,961	1,439
Golf expenses	5,232	4,139	9,738	8,509
Change in allowance for credit losses	(29,104)	(65,480)	(33,484)	84,028
Transaction and acquisition expenses	791	1,160	9,512	5,677
Total operating expenses	(7,709)	(50,734)	16,989	116,246
Interest expense	(79,806)	(77,693)	(156,854)	(153,786)
Interest income	30	1,009	49	6,529
Loss from extinguishment of debt	—	—	—	(39,059)
Income before income taxes	304,333	231,952	576,916	210,341
Income tax expense	(1,256)	(309)	(1,740)	(763)
Net income	303,077	231,643	575,176	209,578
Less: Net income attributable to non-controlling interest	(2,368)	(2,241)	(4,666)	(4,188)
Net income attributable to common stockholders	$ 300,709	$ 229,402	$ 570,510	$ 205,390
Net income per common share				
Basic	$ 0.56	$ 0.47	$ 1.06	$ 0.43
Diluted	$ 0.54	$ 0.47	$ 1.04	$ 0.43
Weighted average number of shares of common stock outstanding				
Basic	536,692,167	489,012,165	536,586,921	477,094,795
Diluted	554,438,981	489,213,427	549,620,976	481,652,482
Other comprehensive income				
Net income attributable to common stockholders	$ 300,709	$ 229,402	$ 570,510	$ 205,390
Unrealized gain (loss) on cash flow hedges	9,328	951	21,706	(52,187)
Comprehensive income attributable to common stockholders	$ 310,037	$ 230,353	$ 592,216	$ 153,203

See accompanying Notes to Consolidated Financial Statements.

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

	Common Stock	Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Retained (Deficit) Earnings	Total VICI Stockholders' Equity	Non-controlling Interest	Total Stockholders' Equity
Balance as of December 31, 2019	$ 4,610	$ 7,817,582	$ (65,078)	$ 208,069	$ 7,965,183	$ 83,806	$ 8,048,989
Cumulative effect of adoption of ASC 326	—	—	—	(307,114)	(307,114)	(2,248)	(309,362)
Net (loss) income	—	—	—	(24,012)	(24,012)	1,947	(22,065)
Issuance of common stock, net	75	199,802	—	—	199,877	—	199,877
Distributions to non-controlling interest	—	—	—	—	—	(2,042)	(2,042)
Dividends declared ($0.2975 per common share)	—	—	—	(139,413)	(139,413)	—	(139,413)
Stock-based compensation, net of forfeitures	1	1,184	—	—	1,185	—	1,185
Unrealized loss on cash flow hedges	—	—	(53,138)	—	(53,138)	—	(53,138)
Balance as of March 31, 2020	4,686	8,018,568	(118,216)	(262,470)	7,642,568	81,463	7,724,031
Net income	—	—	—	229,402	229,402	2,241	231,643
Issuance of common stock, net	650	1,275,974	—	—	1,276,624	—	1,276,624
Distribution to non-controlling interest	—	—	—	—	—	(2,041)	(2,041)
Dividends declared ($0.2975 per common share)	—	—	—	(158,767)	(158,767)	—	(158,767)
Stock-based compensation, net of forfeitures	1	1,969	—	—	1,970	—	1,970
Unrealized gain on cash flow hedges	—	—	951	—	951	—	951
Balance as of June 30, 2020	$ 5,337	$ 9,296,511	$ (117,265)	$ (191,835)	$ 8,992,748	$ 81,663	$ 9,074,411
Balance as of December 31, 2020	$ 5,367	$ 9,363,539	$ (92,521)	$ 139,454	$ 9,415,839	$ 77,906	$ 9,493,745
Net income	—	—	—	269,801	269,801	2,298	272,099
Distributions to non-controlling interest	—	—	—	—	—	(2,071)	(2,071)
Dividends declared ($0.3300 per common share)	—	—	—	(177,217)	(177,217)	—	(177,217)
Stock-based compensation, net of forfeitures	3	755	—	—	758	—	758
Unrealized gain on cash flow hedges	—	—	12,378	—	12,378	—	12,378
Balance as of March 31, 2021	5,370	9,364,294	(80,143)	232,038	9,521,559	78,133	9,599,692
Net income	—	—	—	300,709	300,709	2,368	303,077
Issuance of common stock, net	—	—	—	—	—	—	—
Distributions to non-controlling interest	—	—	—	—	—	(2,072)	(2,072)
Dividends declared ($0.3300 per common share)	—	—	—	(177,223)	(177,223)	—	(177,223)
Stock-based compensation, net of forfeitures	—	2,267	—	—	2,267	—	2,267
Unrealized gain on cash flow hedges	—	—	9,328	—	9,328	—	9,328
Balance as of June 30, 2021	$ 5,370	$ 9,366,561	$ (70,815)	$ 355,524	$ 9,656,640	$ 78,429	$ 9,735,069

See accompanying Notes to Consolidated Financial Statements.

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

	Six Months Ended June 30,	
	2021	2020
Cash flows from operating activities		
Net income	$ 575,176	$ 209,578
Adjustments to reconcile net income to cash flows provided by operating activities:		
Non-cash leasing and financing adjustments	(58,289)	6,226
Stock-based compensation	4,672	3,361
Depreciation	1,549	2,080
Amortization of debt issuance costs and original issue discount	16,625	11,136
Change in allowance for credit losses	(33,484)	84,028
Loss on extinguishment of debt	—	39,059
Change in operating assets and liabilities:		
Other assets	(7,675)	596
Accrued interest	(509)	28,675
Deferred revenue	(93,307)	(69,982)
Other liabilities	5,712	3,740
Net cash provided by operating activities	410,470	318,497
Cash flows from investing activities		
Investments in leases - financing receivables	(6,000)	(847,159)
Investments in loans	—	(50,343)
Principal repayments of lease financing receivables	1,091	868
Principal repayments of loans and receipts of deferred fees	30,448	—
Capitalized transaction costs	(1,884)	(1,084)
Maturities of short-term investments	19,973	59,474
Acquisition of property and equipment	(1,523)	(2,187)
Net cash provided by (used in) investing activities	42,105	(840,431)
Cash flows from financing activities		
Proceeds from offering of common stock, net	—	1,476,717
Proceeds from February 2020 Senior Unsecured Notes	—	2,500,000
Redemption of Second Lien Notes	—	(537,538)
Repurchase of stock for tax withholding	(1,647)	(206)
Debt issuance costs	—	(57,784)
Distributions to non-controlling interest	(4,143)	(4,083)
Dividends paid	(355,256)	(276,529)
Net cash (used in) provided by financing activities	(361,046)	3,100,577

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

Net increase in cash, cash equivalents and restricted cash		91,529		2,578,643
Cash, cash equivalents and restricted cash, beginning of period		315,993		1,101,893
Cash, cash equivalents and restricted cash, end of period	$	407,522	$	3,680,536
Supplemental cash flow information:				
Cash paid for interest	$	140,738	$	113,974
Cash paid for income taxes	$	1,790	$	—
Supplemental non-cash investing and financing activity:				
Dividends declared, not paid	$	177,223	$	158,767
Non-cash change in Investments in leases - financing receivables	$	10,050	$	—
Deferred transaction costs payable	$	6,816	$	2,305
Equity issuance costs payable	$	—	$	1,040
Debt issuance costs payable	$	17,341	$	—

See accompanying Notes to Consolidated Financial Statements.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

“Co-Issuer” refers to VICI Note Co. Inc., a Delaware corporation, and co-issuer of the Senior Unsecured Notes.

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

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

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

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

a wholly owned subsidiary of Caesars (which changed its name from Eldorado in connection with the closing of the Eldorado/Caesars Merger).

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

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

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

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

"Hard Rock Cincinnati" refers to the casino-entitled land and real estate and related assets associated with the Hard Rock Cincinnati Casino, located in Cincinnati, Ohio, which we purchased on September 20, 2019.

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

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

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

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

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

"Joliet Lease Agreement" refers to the lease agreement for the facility in Joliet, Illinois, as amended from time to time.

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

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

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

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

"Master Transaction Agreement" or "MTA" refers to the master transaction agreement with Eldorado relating to the Eldorado Transaction.

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

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

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

"Penn National" refers to Penn National Gaming, Inc., a Pennsylvania corporation, and, as the context requires, its subsidiaries.

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

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

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

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

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

"Seminole Hard Rock" means Seminole Hard Rock Entertainment, Inc.

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

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

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

Note 1 — Business and Organization

Business

We are a Maryland corporation that is primarily engaged in the business of owning and acquiring gaming, hospitality and entertainment destinations, subject to long-term triple net leases. As of June 30, 2021, our national, geographically diverse real estate portfolio consisted of 28 market-leading properties, including Caesars Palace Las Vegas and Harrah's Las Vegas. Our properties are leased to, and our tenants are, subsidiaries of Caesars, Penn National, Hard Rock, Century Casinos and JACK Entertainment. We also own and operate four championship golf courses located near certain of our properties.

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

Impact of the COVID-19 Pandemic on our Business

Since the emergence of the COVID-19 pandemic in early 2020, among the broader public health, societal and global impacts, the pandemic has resulted in state governments and/or regulatory authorities issuing various directives, mandates, orders or similar actions, which resulted in temporary closures of our tenants' operations at all of our properties and our golf course operations. Although all of our leased properties and our golf courses are currently open and operating, without restriction in some jurisdictions, they remain subject to any current or future operating limitations, restrictions or closures imposed by state and local governments and/or regulatory authorities. While our tenants' recent performance at many of our leased properties has been at or above pre-pandemic levels, they may continue to face additional challenges and uncertainty due to the impact of the COVID-19 pandemic, such as complying with operational and capacity restrictions and ensuring sufficient employee staffing and service levels, and the sustainability of maintaining improved operating margins and financial performance. Due to prior closures, operating restrictions and other factors, our tenants' operations, liquidity and financial performance have been adversely affected, and the ongoing nature of the pandemic, including emerging variants, may further impact our tenants' businesses and, accordingly, our business and financial performance.

All of our tenants have fulfilled their rent obligations through July 2021 and we regularly engage with our tenants in connection with their business performance, operations, liquidity and financial results. As a triple-net lessor, we believe we are generally in a strong creditor position and structurally insulated from operational and performance impacts of our tenants, both positive and negative. However, the full extent to which the COVID-19 pandemic continues to adversely affect our tenants, and ultimately impacts us, depends on future developments which cannot be predicted with confidence, including the actions taken to contain the pandemic or mitigate its impact, including the availability, distribution, public acceptance and efficacy of one or more approved vaccines, new or mutated variants of COVID-19 (including vaccine-resistant variants) or a similar virus, the direct and indirect economic effects of the pandemic and containment measures on our tenants, our tenants' financial performance and any future operating limitations.

Note 2 — Summary of Significant Accounting Policies

Basis of Presentation

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

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

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

Use of Estimates

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

Operating results for the three and six months ended June 30, 2021 are not necessarily indicative of the results that may be expected for the year ending December 31, 2021.

Principles of Consolidation and Non-controlling Interest

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

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

Cash, Cash Equivalents and Restricted Cash

Cash consists of cash-on-hand and cash-in-bank. Any investments with an original maturity of three months or less from the date of purchase are considered cash equivalents and are carried at cost, which approximates fair value.

As of June 30, 2020, restricted cash was solely related to funds held in escrow from the February 2020 Senior Unsecured Notes offering, which were subsequently used to consummate the Eldorado Transaction. The following table provides a reconciliation of cash, cash equivalents and restricted cash reported on the Balance Sheet to the total of the same such amounts presented in the Statement of Cash Flows:

(In thousands)	June 30, 2021	June 30, 2020
Cash and cash equivalents	$ 407,522	$ 1,680,536
Restricted cash	—	2,000,000
Total cash, cash equivalents and restricted cash shown in the Statement of Cash Flows	$ 407,522	$ 3,680,536

Short-Term Investments

Investments with an original maturity of greater than three months and less than one year from the date of purchase are considered short-term investments and are stated at fair value.

We generally invest our excess cash in short-term investment grade commercial paper as well as discount notes issued by government-sponsored enterprises including the Federal Home Loan Mortgage Corporation and certain of the Federal Home Loan Banks. These investments generally have original maturities between 91 and 180 days and are accounted for as available-for-sale securities. The related income is recognized as interest income in our Statement of Operations. We had $20.0 million of short-term investments as of December 31, 2020. We did not have any short-term investments as of June 30, 2021.

Investments in Leases - Sales-type, Net

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

We have determined that the land and building components of the Las Vegas Master Lease Agreement, the Regional Master Lease Agreement (excluding the MTA Properties (as defined in Note 3 - Property Transactions)), the Joliet Lease Agreement, the Margaritaville Lease Agreement, the Greektown Lease Agreement, the Hard Rock Cincinnati Lease Agreement and the Century Portfolio Lease Agreement meet the definition of a sales-type lease under ASC 842.

Investments in Leases - Financing Receivables, Net

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

Upon the consummation of the Eldorado Transaction on July 20, 2020, we reassessed the classification of the Caesars Lease Agreements and determined that the MTA Properties Acquisitions (as defined in Note 3 - Property Transactions) meet the definition of a separate contract under ASC 842. In accordance with this guidance, we are required to separately assess the lease classification apart from the other assets in the Regional Master Lease Agreement. We determined that the land and building components of the MTA Properties meet the definition of a sales-type lease and, since we purchased and leased the assets back to Caesars, control is not considered to have transferred to us under GAAP. Accordingly, the MTA Properties are accounted for as Investments in leases - financing receivables on our Balance Sheet, net of allowance for credit losses, in accordance with ASC 310.

Lease Term

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

Income from Leases and Lease Financing Receivables

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

Under ASC 840, we determined that the land component of Caesars Palace Las Vegas was greater than 25% of the overall fair value of the combined land and building components. At lease inception, the land was determined to be an operating lease and we recorded the related income on a straight-line basis over the lease term. The amount of annual minimum lease payments attributable to the land element after deducting executory costs, including any profit thereon, was determined by applying the lessee's incremental borrowing rate to the value of the land. Revenue from this lease was recorded as Income from operating leases in our Statement of Operations. Further, upon adoption of ASC 842 on January 1, 2019, we made an accounting policy election to use a package of practical expedients that, among other things, allow us to not reassess prior lease classifications or initial direct costs for leases that existed as of the balance sheet date. Upon the consummation of the Eldorado Transaction on July 20, 2020, the land component of Caesars Palace Las Vegas was reassessed for lease classification and determined to be a sales-type lease. Accordingly, subsequent to July 20, 2020, the income is recognized as Income from sales-type leases and we no longer have any leases classified as operating or direct financing and, as such, there is no longer any income recorded through Income from operating leases.

Initial direct costs incurred in connection with entering into investments classified as sales-type or direct financing leases are included in the balance of the net investment in lease. Such amounts will be recognized as a reduction to Income from investments in leases over the life of the lease using the effective interest method. Costs that would have been incurred regardless of whether the lease was signed, such as legal fees and certain other third-party fees, are expensed as incurred to Transaction and acquisition expenses in our Statement of Operations.

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

Investments in Loans, net

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

Allowance for Credit Losses

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

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

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

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

We are required to estimate a CECL allowance related to contractual commitments to extend credit, such as future funding commitments under a revolving credit facility, delayed draw term loan or construction loan. We estimate the amount that we will fund for each contractual commitment based on (i) discussions with our borrowers, (ii) our borrowers' business plans and financial condition and (iii) other relevant factors. Based on these considerations, we apply a CECL allowance to the estimated amount of credit we expect to extend. The CECL allowance for unfunded commitments is calculated using the same methodology as the allowance for all of our other investments subject to the CECL model. The CECL allowance related to these future commitments is recorded as a component of Other liabilities on our Balance Sheet.

Charge-offs are deducted from the allowance in the period in which they are deemed uncollectible. Recoveries previously written off are recorded when received. There were no charge-offs or recoveries for the three and six months ended June 30, 2021.

Refer to Note 5 - Allowance for Credit Losses for further information.

Other income and Other expenses

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

Fair Value Measurements

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

Refer to Note 9 - Fair Value for further information.

Derivative Financial Instruments

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

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

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

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

Concentrations of Credit Risk

Caesars is the guarantor of all the lease payment obligations of the tenants under the respective leases of the properties that it leases from us. Revenue from the Caesars Lease Agreements represented 86% of our lease revenues for the three and six months ended June 30, 2021, respectively, and 80% and 81% of our lease revenues for the three and six months ended June 30, 2020, respectively. Additionally, our properties on the Las Vegas Strip generated approximately 32% of our lease revenues for the three and six months ended June 30, 2021, respectively, and 28% and 29% of our lease revenue for the three and six months ended June 30, 2020, respectively. Other than having a single tenant from which we derive and will continue to derive a substantial portion of our revenue and our concentration in the Las Vegas market, we do not believe there are any other significant concentrations of credit risk.

Note 3 — Property Transactions

2021 Transactions

Our significant activities in 2021, in reverse chronological order, are as follows:

Great Wolf Mezzanine Loan

On June 16, 2021, we entered into a mezzanine loan agreement (the “Great Wolf Mezzanine Loan”) with an affiliate of Great Wolf Resorts, Inc. (“Great Wolf”) to provide up to $79.5 million in financing to partially fund the development of the Great Wolf Lodge Maryland, an expansive 48-acre indoor water park resort located in Perryville, MD. The Great Wolf Mezzanine Loan bears interest at a rate of 8.0% per annum and has an initial term of 3 years with two successive 12-month extension options subject to certain conditions. Our commitment will be funded subject to customary terms and conditions in disbursements to the borrower based upon construction of the development and, as of June 30, 2021, no funds have been disbursed. We expect to fund our entire $79.5 million commitment by mid-2022.

In addition, pursuant to a non-binding letter agreement, we will have the opportunity for a period of up to five years to provide up to a total of $300.0 million of mezzanine financing, inclusive of the $79.5 million related to the Great Wolf Lodge Maryland, for the development and construction of Great Wolf’s extensive domestic and international indoor water park resort pipeline.

Venetian Acquisition

On March 2, 2021, we entered into definitive agreements to acquire from Las Vegas Sands Corp. (“LVS”) all of the land and real estate assets associated with the Venetian Resort Las Vegas and the Sands Expo and Convention Center, located in Las Vegas, Nevada (collectively, the “Venetian Resort”), for $4.0 billion in cash (the “Venetian PropCo Acquisition”), and an affiliate of certain funds managed by affiliates of Apollo Global Management, Inc. (the “OpCo Buyer”), agreed to acquire the operating assets of the Venetian Resort for $2.25 billion, subject to certain post-closing adjustments, of which $1.2 billion is in the form of a secured term loan from LVS and the remainder is payable in cash (together with the Venetian PropCo Acquisition, the “Venetian Acquisition”). Simultaneous with the closing of the Venetian Acquisition, we will enter into a triple-net lease agreement for the Venetian Resort (the “Venetian Lease”) with OpCo Buyer (in such capacity, the “Venetian Tenant”). The Venetian Lease will have an initial total annual rent of $250.0 million and an initial term of 30 years, with two ten-year tenant renewal options. The annual rent will be subject to escalation equal to the greater of 2.0% and the increase in the consumer price index, capped at 3.0%, beginning in the earlier of (i) the beginning of the third lease year, and (ii) the month following the month in which the net revenue generated by the Venetian Resort returns to its 2019 level (the year immediately prior to the onset of the COVID-19 pandemic) on a trailing twelve-month basis. The closing of the Venetian Acquisition is subject to customary closing conditions, including regulatory approvals. We expect the Venetian Acquisition to close during the fourth quarter of 2021. However, we can provide no assurances that the Venetian Acquisition will close in the anticipated timeframe, on the contemplated terms or at all.

In addition, LVS has agreed with the Venetian Tenant pursuant to an agreement (the “Contingent Lease Support Agreement”) to be entered into simultaneous with the closing of the Venetian Acquisition to provide lease payment support designed to guarantee the Venetian Tenant’s rent obligations under the Venetian Lease through 2023, subject to early termination if EBITDAR (as defined in such agreement) generated by the Venetian Resort in 2022 equals or exceeds $550.0 million, or a tenant change of control occurs. We will be a third-party beneficiary of the Contingent Lease Support Agreement and will have certain enforcement rights pursuant thereto. The Contingent Lease Support Agreement is limited to coverage of the Venetian Tenant’s rent obligations and does not cover any environmental expenses, litigation claims, or any cure or enforcement costs. The obligations of the Venetian Tenant under the Venetian Lease will not be guaranteed by Apollo Global Management, Inc. or any of its affiliates. After the termination of the Contingent Lease Support Agreement, the Venetian Tenant will be required to provide a letter of credit to secure seven and one-half months of the rent, real estate taxes and assessments and insurance obligations of the Venetian Tenant if the operating results from the Venetian Resort do not exceed certain thresholds.

2020 Transactions

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

Caesars Southern Indiana Lease Agreement

On December 24, 2020, in connection with the Eastern Band of Cherokee Indians' ("EBCI") agreement to acquire the operations of Caesars Southern Indiana from Caesars, we agreed to enter into a triple-net lease agreement with EBCI with respect to the real property associated with Caesars Southern Indiana at the closing of EBCI's acquisition. In addition, as part of the transaction, the parties have agreed to negotiate a right of first refusal for us on the real property associated with the development of a new casino resort in Danville, Virginia. Initial total annual rent under the lease with EBCI will be $32.5 million. The lease will have an initial term of 15 years, with four 5-year tenant renewal options. The tenant's obligations under the lease will be guaranteed by EBCI. Annual base rent payments under the Regional Master Lease Agreement will be reduced by $32.5 million upon completion of EBCI's acquisition of the operations of Caesars Southern Indiana and the execution of the lease between us and the tenant. The property is expected to retain the Caesars brand name and to continue to be a part of the Caesars Rewards loyalty program in accordance with the terms of a licensing agreement negotiated between EBCI and Caesars. The transaction is subject to customary regulatory and other approvals (and, with respect to the right of first refusal, negotiation of definitive documentation and applicable regulatory and other governmental approvals) and is expected to be completed in the third quarter of 2021.

Sale of Bally's Atlantic City

On November 18, 2020, we and Caesars closed on the previously announced transaction to sell Bally's Atlantic City Hotel & Casino for $25.0 million to Bally's Corporation. Pursuant to the agreement, we received $19.0 million of the proceeds from the sale and Caesars received $6.0 million of the proceeds. We did not recognize any gain or loss on the sale of Bally's Atlantic City as the asset was sold at its carrying amount. The annual rent payments under the Regional Master Lease Agreement remain unchanged following completion of the disposition.

Sale of Harrah's Reno

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

Caesars Forum Convention Center Mortgage Loan

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

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

The Forum Convention Center Mortgage Loan is secured by a first priority mortgage on the Caesars Forum Convention Center, as well as a first priority lien on the equity interests in the Forum Convention Center Borrower, a first priority security interest in all of the Forum Convention Center Borrower's interest in furniture, fixtures and equipment used, owned or related to the operation of the Caesars Forum Convention Center, and a first priority assignment of the Forum Convention Center Borrower’s interest in leases and rents, including a collateral assignment of the Forum Convention Center Borrower’s interest in the lease on the Caesars Forum Convention Center pursuant to which the Forum Convention Center Borrower leases the Caesars Forum Convention Center to another subsidiary of Caesars (the “Caesars Tenant”), which lease is fully subordinate to the Forum Convention Center Mortgage Loan. In addition, if the Forum Convention Center Borrower defaults on the Forum Convention Center Mortgage Loan and we take title to the Caesars Forum Convention Center, we may, at our option under certain circumstances, keep the lease with the Caesars Tenant in effect (which lease is guaranteed by Caesars and has an initial annual rent of $33.9 million, subject to annual increases equal to the greater of 2% and the annual consumer price index increase).

Amended and Restated Convention Center Put-Call Agreement

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

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

Sale of Louisiana Downs

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

Chelsea Piers Mortgage Loan

On August 31, 2020, we entered into an $80.0 million mortgage loan agreement (the “Chelsea Piers Mortgage Loan”) with Chelsea Piers New York (“Chelsea Piers”) secured by the Chelsea Piers complex in New York City, pursuant to which we provided (i) an initial term loan of $65.0 million and (ii) a $15.0 million delayed draw term loan at the borrowers’ election (which remained undrawn as of June 30, 2021), subject to certain conditions. The Chelsea Piers Mortgage Loan bears interest at a rate of 7.0% per annum, with a term of 7 years.

Consummation of the Eldorado Transaction

On July 20, 2020, concurrent with the consummation of the Eldorado/Caesars Merger, we consummated the Eldorado Transaction contemplated by the MTA and the MTA Property Purchase Agreements (as defined below). We funded the Eldorado Transaction with a combination of cash on hand, the proceeds from the physical settlement, on June 2, 2020, of the forward sale agreements entered into in June 2019 and the proceeds from our February 2020 Senior Unsecured Notes offering. Any references to Caesars in the subsequent transaction discussion refer to the combined Eldorado/Caesars subsequent to the consummation of the Eldorado/Caesars Merger.

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

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

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

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

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

Agreement of $213.8 million (the “HLV Lease Amendment Payment”), upon the consummation of the Eldorado Transaction, (a) the CPLV Lease Agreement was amended to (A) combine the CPLV Lease Agreement and the HLV Lease Agreement into a single Las Vegas Master Lease Agreement, (B) increase the annual rent payable to us thereunder associated with Caesars Palace Las Vegas by $83.5 million (the “CPLV Additional Rent Acquisition”), (C) increase the annual rent previously payable to us with respect to the Harrah’s Las Vegas property by $15.0 million (the “HLV Additional Rent Acquisition”) under the Las Vegas Master Lease Agreement and (D) to provide for the amended terms described below, and (b) the HLV Lease Agreement and the related lease guaranty were terminated. As a result of such amendments, the Harrah’s Las Vegas property is also now subject to the higher rent escalator under the Las Vegas Master Lease Agreement.

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

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

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

- *Centaur Properties Put-Call Agreement*. Prior to the consummation of the Eldorado Transaction, we were party to a right of first refusal agreement with affiliates of Pre-Merger Caesars with respect to two gaming facilities in Indiana -

Harrah's Hoosier Park and Indiana Grand (together, the "Centaur Properties"). Upon the consummation of the Eldorado Transaction, the Second Amended and Restated Right of First Refusal Agreement between us and Pre-Merger Caesars terminated in accordance with its terms, which included the right of first refusal that we had with respect to the Centaur Properties, and we entered into a Put-Call Right Agreement with Caesars (the "Centaur Put-Call Agreement"), whereby (i) we have the right to acquire all of the land and real estate assets associated with the Centaur Properties at a price equal to 13.0x the initial annual rent of each facility (determined as provided below), and to simultaneously lease back each such property to a subsidiary of Caesars for initial annual rent equal to the property's trailing four quarters EBITDA at the time of acquisition divided by 1.3 (i.e., the initial annual rent will be set at 1.3x rent coverage) and (ii) Caesars will have the right to require us to acquire the Centaur Properties at a price equal to 12.5x the initial annual rent of each facility, and to simultaneously lease back each such Centaur Property to a subsidiary of Caesars for initial annual rent equal to the property's trailing four quarters EBITDA at the time of acquisition divided by 1.3 (i.e., the initial annual rent will be set at 1.3x rent coverage). Either party will be able to trigger its respective put or call, as applicable, beginning on January 1, 2022 and ending on December 31, 2024. The Centaur Put-Call Agreement provides that the leaseback of the Centaur Properties will be implemented through the addition of the Centaur Properties to the Regional Master Lease Agreement.

- *Amended and Restated Caesars Forum Convention Center Put-Call Agreement.* Upon the consummation of the Eldorado Transaction, we entered into an A&R Put-Call Right Agreement with Caesars amending and restating that certain put-call agreement related to the Caesars Forum Convention Center. In connection with the consummation of the Forum Convention Center Mortgage Loan on September 18, 2020, we further amended the agreement as described above in "—Amended and Restated Convention Center Put-Call Agreement".
- *Las Vegas Strip Assets ROFR*. Upon the consummation of the Eldorado Transaction, we entered into a right of first refusal agreement with Caesars (the "Las Vegas Strip ROFR Agreement") pursuant to which we have the first right, with respect to the first two Las Vegas Strip assets described below that Caesars proposes to sell, whether pursuant to a sale leaseback or a WholeCo sale, to a third party, to acquire any such asset (it being understood that we will have the opportunity to find an operating company should Caesars elect to pursue a WholeCo sale). The Las Vegas Strip assets subject to the Las Vegas Strip ROFR Agreement are the land and real estate assets associated (i) with respect to the first such asset subject to the Las Vegas Strip ROFR Agreement, the Flamingo Las Vegas, Paris Las Vegas, Planet Hollywood and Bally's Las Vegas gaming facilities, and (ii) with respect to the second asset subject to the Las Vegas Strip ROFR Agreement, the foregoing assets plus The LINQ gaming facility. If we enter into a sale leaseback transaction with Caesars on any of these facilities, the leaseback may be implemented through the addition of such properties to the Las Vegas Master Lease Agreement.
- *Horseshoe Baltimore ROFR.* Upon the consummation of the Eldorado Transaction, we entered into a right of first refusal agreement with Caesars pursuant to which we have the first right to enter into a sale leaseback transaction with respect to the land and real estate assets associated with the Horseshoe Baltimore gaming facility (subject to any consent required from Caesars' joint venture partners with respect to this asset).

JACK Lease Agreement Amendment and Amended and Restated ROV Loan

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

Simultaneously with entry into the JACK Lease Agreement Amendment, we and affiliates of Rock Ohio Ventures entered into an amendment and restatement of our existing $50.0 million term loan agreement with such affiliates of Rock Ohio Ventures (the “Amended and Restated ROV Loan”), pursuant to which, among other things, we increased our existing term loan to $70.0 million (the “ROV Term Loan”) which bears interest at a rate of 9.0% per annum (which interest, at the option of JACK Entertainment, may be paid-in-kind through April 30, 2021 with any paid-in-kind interest required to be paid in cash in eleven equal monthly installments ending March 31, 2022), and added a $25.0 million revolving credit facility (the “ROV Credit Facility”), which bears interest at a rate of LIBOR plus 2.75% per annum. A commitment fee of 0.50% per annum calculated on the unused portion of the ROV Credit Facility is payable quarterly. The Amended and Restated ROV Loan, which includes the ROV Term Loan and ROV Credit Facility, matures in January 2025 which maturity date may be extended at the borrower’s election for up to two additional years if certain conditions are satisfied. In connection with the amendment and restatement, we received additional collateral, including an additional land parcel in proximity to JACK Cleveland so that the loan is now secured by a first priority lien on substantially all gaming and non-gaming real and personal property of JACK Entertainment, including the furniture, fixtures and equipment associated with the properties. The amendment and restatement also provides the obligors with relief with respect to certain existing financial covenants through March 31, 2022. During the six months ended June 30, 2021, the borrower under the ROV Term Loan elected to make prepayments in an aggregate amount of $30.0 million, plus accrued and unpaid interest in the amount of $3.7 million, reducing the outstanding aggregate principal amount of the ROV Term Loan to $40.0 million as of June 30, 2021.

Omnibus Capex Amendment to Caesars Leases

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

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

Closing of Purchase of JACK Cleveland/Thistledown

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

Note 4 — Real Estate Portfolio

As of June 30, 2021, our real estate portfolio consisted of the following:

- Investments in leases - sales-type, representing our investment in 23 casino assets leased on a triple net basis to our tenants, Caesars, Penn National, Hard Rock and Century Casinos, under seven separate lease agreements;
- Investments in leases - financing receivables, representing our investment in five casino assets leased on a triple net basis to our tenants, Caesars and JACK Entertainment, under two separate lease agreements;
- Investments in loans, representing our investment in the Amended and Restated ROV Loan, Chelsea Piers Mortgage Loan, Forum Convention Center Mortgage Loan and Great Wolf Mezzanine Loan; and
- Land, representing our investment in certain underdeveloped or undeveloped land adjacent to the Las Vegas strip and non-operating, vacant land parcels.

The following is a summary of the balances of our real estate portfolio as of June 30, 2021 and December 31, 2020:

(In thousands)	June 30, 2021	December 31, 2020
Minimum lease payments receivable under sales-type leases (1)	$ 44,968,959	$ 45,500,260
Estimated residual values of leased property (not guaranteed)	3,342,508	3,348,174
Gross investment in sales-type leases	48,311,467	48,848,434
Unamortized initial direct costs	23,567	23,764
Less: Unearned income	(34,804,781)	(35,390,353)
Less: Allowance for credit losses	(431,400)	(454,201)
Investments in leases - sales-type, net	13,098,853	13,027,644
Investments in leases - financing receivables, net	2,643,648	2,618,562
Total investments in leases, net	15,742,501	15,646,206
Investments in loans, net	505,262	536,721
Land	157,365	158,190
Total real estate portfolio	$ 16,405,128	$ 16,341,117

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

Lease Portfolio

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

	Three Months Ended June 30,		Six Months Ended June 30,	
(In thousands)	2021	2020	2021	2020
Income from sales-type and direct financing leases, excluding contingent rent [1]	$ 290,137	$ 223,809	$ 579,711	$ 448,004
Income from operating leases [2]	—	10,913	—	21,826
Income from lease financing receivables [1] [3]	60,069	15,924	119,961	27,944
Total revenue, excluding contingent rent	350,206	250,646	699,672	497,774
Contingent rent [1]	995	86	1,567	143
Total lease revenue	351,201	250,732	701,239	497,917
Non-cash adjustment [4]	(29,398)	3,809	(57,275)	7,063
Total contractual lease revenue	$ 321,803	$ 254,541	$ 643,964	$ 504,980

(1) At lease inception (or upon modification), we determine the minimum lease payments under ASC 842 (or ASC 840), which exclude amounts determined to be contingent rent. Contingent rent is generally amounts in excess of specified floors or the variable rent portion of our leases. The minimum lease payments are recognized on an effective interest basis at a constant rate of return over the life of the lease and the contingent rent portion of the lease payments are recognized as earned, both in accordance with ASC 842. As of June 30, 2021, we have only recognized contingent rent on our Margaritaville Lease Agreement and Greektown Lease Agreement, in relation to the variable rent portion of the respective leases. Refer to the Lease Provisions section below for information regarding contingent rent on each lease.
(2) Represents the portion of land separately classified and accounted for under the operating lease model associated with our investment in Caesars Palace Las Vegas and certain operating land parcels contained in the Regional Master Lease Agreement. Upon the consummation of the Eldorado Transaction on July 20, 2020, the land component of Caesars Palace Las Vegas and certain operating land parcels were reassessed for lease classification and were determined to be a sales-type lease. Accordingly, subsequent to July 20, 2020, such income is recognized as Income from sales-type leases.
(3) Represents the MTA Properties and the JACK Cleveland/Thistledown Lease Agreement, both of which were sale leaseback transactions. In accordance with ASC 842, since the lease agreements were determined to meet the definition of a sales-type lease and control of the asset is not considered to have been transferred to us, such lease agreements are accounted for as financings under ASC 310.
(4) Amounts represent the non-cash adjustment to the minimum lease payments from direct financing leases, sales-type leases and lease financing receivables in order to recognize income on an effective interest basis at a constant rate of return over the term of the leases.

At June 30, 2021, minimum lease payments owed to us for each of the five succeeding years under sales-type leases and our leases accounted for as financing receivables, are as follows:

	Minimum Lease Payments [1] [2]		
	Investments in Leases		
(In thousands)	Sales-Type	Financing Receivables	Total
2021 (remaining)	$ 531,072	$ 111,486	$ 642,558
2022	1,075,944	227,017	1,302,961
2023	1,094,796	231,332	1,326,128
2024	1,112,711	235,421	1,348,132
2025	1,126,826	237,826	1,364,652
2026	1,141,221	240,191	1,381,412
Thereafter	38,886,389	7,999,428	46,885,817
Total	$ 44,968,959	$ 9,282,701	$ 54,251,660
Weighted Average Lease Term [2]	33.9	33.9	33.9

(1) Minimum lease payments do not include contingent rent, as discussed below, that may be received under the Lease Agreements.
(2) The minimum lease payments and weighted average remaining lease term assumes the exercise of all tenant renewal options, consistent with our conclusions under ASC 842 and ASC 310.

Lease Provisions

Caesars Lease Agreements** - **Overview

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

($ In thousands) **Lease Provision** *(1)*	**Regional Master Lease Agreement and Joliet Lease Agreement**	**Las Vegas Master Lease Agreement**
Initial Term *(2)*	18 years	18 years
Initial Term maturity *(2)*	7/31/2035	7/31/2035
Renewal Terms	Four, five-year terms	Four, five-year terms
Current annual rent *(3)*	$672,472	$402,609
Escalator *(4)*	Lease years 2-5 - 1.5% Lease years 6-end of term - CPI subject to 2.0% floor	> 2% / change in CPI
Variable Rent adjustment	**Year 8**: 70% base rent / 30% variable rent **Years 11 & 16**: 80% base rent / 20% variable rent	**Years 8, 11 & 16**: 80% base rent / 20% variable rent
Variable Rent adjustment calculation *(5)*	4% of revenue increase/decrease: **Year 8**: Avg. of years 5-7 less avg. of years 0-2 **Year 11**: Avg. of years 8-10 less avg. of years 5-7 **Year 16**: Avg. of years 13-15 less avg. of years 8-10	4% of revenue increase/decrease: **Year 8**: Avg. of years 5-7 less avg. of years 0-2 **Year 11**: Avg. of years 8-10 less avg. of years 5-7 **Year 16**: Avg. of years 13-15 less avg. of years 8-10

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(1) All capitalized terms used without definition herein have the meanings detailed in the applicable Caesars Lease Agreements.
(2) Upon the consummation of the Eldorado Transaction, the Caesars Lease Agreements were extended such that each lease has a full 15-year initial term.
(3) The amounts represent the current annual base rent payable for the current lease year, which is the period from November 1, 2020 through October 31, 2021.
(4) Any amounts representing rents in excess of the CPI floors specified above are considered contingent rent in accordance with GAAP. No such rent has been recognized for the three and six months ended June 30, 2021 and 2020.
(5) Variable Rent is not subject to the Escalator.

Penn National Lease Agreements - Overview

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

($ In thousands) Lease Provision	Margaritaville Lease Agreement	Greektown Lease Agreement
Initial term	15 years	15 years
Initial term maturity	1/31/2034	5/23/2034
Renewal terms	Four, five-year terms	Four, five-year terms
Current annual rent [(1)]	$23,462	$51,312
Escalation commencement [(2)]	Lease year two	Lease year four
Escalation	2% of Building base rent, subject to the net revenue to rent ratio floor	2% of Building base rent, subject to the net revenue to rent ratio floor
Performance to rent ratio floor [(2)]	6.1x net revenue commencing lease year two	Net revenue ratio to be mutually agreed upon prior to the commencement of lease year four
Percentage rent [(3)]	$3,000 (fixed for lease year one and two)	$6,384 (fixed for lease year one and two)
Percentage rent reset	Lease year three and each and every other lease year thereafter	Lease year three and each and every other lease year thereafter
Percentage rent multiplier	The product of (i) 4% and (ii) the excess (if any) of (a) the average annual net revenue of a trailing two-year period preceding such reset year over (b) a threshold amount (defined as 50% of LTM net revenues prior to acquisition)	The product of (i) 4% and (ii) the excess (if any) of (a) the average annual net revenue of a trailing two-year period preceding such reset year over (b) a threshold amount (defined as 50% of LTM net revenues prior to acquisition)

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(1) In relation to the Margaritaville Lease Agreement, the amount represents current annual base rent payable for the current lease year, which is the period from February 1, 2021 through January 31, 2022. In relation to the Greektown Lease Agreement, the amount represents current annual base rent payable for the current lease year, which is the period from June 1, 2021 through May 31, 2022.

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

(3) Percentage rent is subject to the percentage rent multiplier. After the percentage rent reset in lease year three, any amounts related to percentage rent are considered contingent rent in accordance with GAAP. In relation to the Margaritaville Lease Agreement, during the three and six months ended June 30, 2021 and 2020, we recognized approximately $0.8 million, $1.4 million, $0.1 million and $0.1 million, respectively, in contingent rent. In relation to the Greektown Lease Agreement during the three and six months ended June 30, 2021 we recognized approximately $0.2 million and $0.2 million, respectively, in contingent rent. No such contingent rent was recognized for the three and six months ended June 30, 2020 for the Greektown Lease Agreement.

Hard Rock Cincinnati Lease Agreement - Overview

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

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

(1) The amount represents the current annual base rent payable for the current lease year, which is the period from October 1, 2020 through September 30, 2021.
(2) Any amounts representing rents in excess of the CPI floors specified above are considered contingent rent in accordance with GAAP. No such rent has been recognized for the three and six months ended June 30, 2021 and 2020.
(3) Variable rent is not subject to the escalator and is calculated as an increase or decrease of the average of net revenues for lease years 5 through 7 compared to the average net revenue for lease years 1 through 3, multiplied by the Variable rent percentage.

Century Portfolio Lease Agreement - Overview

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

($ In thousands) **Lease Provision**	**Term**
Initial term	15 years
Initial term maturity	12/31/2034
Renewal terms	Four, five-year terms
Current annual rent (1)	$25,250
Escalator commencement	Lease year two
Escalator (2)	Lease years 2-3 - 1.0% Lease years 4-15 - The greater of 1.25% or the change in CPI
Net revenue to rent ratio floor	7.5x commencing lease year six - if the coverage ratio is below the stated amount the escalator will be reduced to 0.75%
Variable rent commencement/reset	Lease year 8 and 11
Variable rent split (3)	80% Base Rent and 20% Variable Rent
Variable rent percentage (3)	4%

(1) The amount represents the current annual base rent payable for the current lease year, which is the period from January 1, 2021 through December 31, 2021.
(2) Any amounts representing rents in excess of the CPI floors specified above are considered contingent rent in accordance with GAAP. No such rent has been recognized for the three and six months ended June 30, 2021 and 2020.
(3) Variable rent is not subject to the escalator and is calculated for lease year 8 as an increase or decrease of the average of net revenues for lease years 5 through 7 compared to the average net revenue for lease years 1 through 3 and for lease year 11 as an increase or decrease of the average of net revenues for lease years 8 through 10 compared to the average net revenue for lease years 5 through 7, in each case multiplied by the Variable rent percentage.

JACK Cleveland/Thistledown Lease Agreement - Overview

The following is a summary of the material lease provisions of our JACK Cleveland/Thistledown Lease Agreement:

($ In thousands)

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

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(1) The amount represents the current annual base rent payable for the current lease year, which is the period from February 1, 2021 through January 31, 2022.
(2) Any amounts representing rents in excess of the CPI floors specified above are considered contingent rent in accordance with GAAP. No such rent has been recognized for the three and six months ended June 30, 2021 and 2020.
(3) Variable rent is not subject to the escalator and is calculated (i) for lease year 8 as an increase or decrease of the average of net revenues for lease years 5 through 7 compared to the average net revenue for lease years 1 through 3, (ii) for lease year 11 as an increase or decrease of the average of net revenues for lease years 8 through 10 compared to the average net revenue for lease years 5 through 7, and (iii) for lease year 16 as an increase or decrease of the average of net revenues for lease years 13 through 15 compared to the average net revenue for lease years 8 through 10, in each case multiplied by the Variable rent percentage.

Capital Expenditure Requirements

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

The following table summarizes the capital expenditure requirements of the respective tenants under the Caesars Lease Agreements:

Provision	Regional Master Lease Agreement and Joliet Lease Agreement	Las Vegas Master Lease Agreement
Yearly minimum expenditure	1% of net revenues (1)	1% of net revenues for CPLV (commencing in 2022 with respect to HLV) (1)
Rolling three-year minimum (2)	$311 million	$84 million
Initial minimum capital expenditure	N/A	$171 million (2017 - 2021) (with respect solely to HLV)

____
(1) The lease agreements require a $114.5 million floor on annual capital expenditures for Caesars Palace Las Vegas, Joliet and the Regional Master Lease Agreement properties in the aggregate. Additionally, annual building & improvement capital improvements must be equal to or greater than 1% of prior year net revenues.
(2) Certain tenants under the Caesars Lease Agreements, as applicable, are required to spend $405.2 million on capital expenditures (excluding gaming equipment) over a rolling three-year period, with $311.0 million allocated to the regional assets, $84.0 million allocated to Caesars Palace Las Vegas and the remaining balance of $10.2 million to facilities (other than the Harrah's Las Vegas Facility) covered by any Caesars Lease Agreement in such proportion as such tenants may elect. Additionally, the tenants under the Regional Master Lease Agreement and Joliet Lease Agreement are required to expend a minimum of $566.7 million on capital expenditures (including gaming equipment) across certain of its affiliates and other assets, together with the $405.2 million requirement.

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

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

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

(1) Minimum of 1% of net gaming revenue on a rolling three-year basis for each individual facility and 1% of net gaming revenues per fiscal year for the facilities collectively. In May 2020, in connection with the ongoing COVID-19 pandemic and its impact on operations and financial performance, we agreed to waive Century's capital expenditure requirements for 2020 and defer to not later than December 31, 2021 certain other expenditures contemplated in connection with the underwriting of the acquired casino properties, conditioned upon (i) Century's timely payment of rent obligations under the Century Portfolio Lease Agreement during the compliance period set forth in the amendment and (ii) no tenant event of default occurring under the Century Portfolio Lease Agreement during the compliance period set forth in the amendment. If Century fails to satisfy any of the foregoing conditions, Century will be required to satisfy the capital expenditure obligations set forth in the Century Portfolio Lease Agreement or, in certain cases, to deposit amounts in respect thereof into a capital expenditure reserve for expenditure in accordance with the amendment.
(2) Initial minimum required to be spent from the period commencing April 1, 2019 through December 31, 2022, which includes $18.0 million advanced by us and expended by JACK Entertainment for the construction of the new gaming patio amenity at JACK Thistledown Racino (which construction was completed in the first quarter of 2021).

Loan Portfolio

The following is a summary of our investments in loans as of June 30, 2021 and December 31, 2020:

($ In thousands)	June 30, 2021					
Investment Name	**Loan Type**	**Principal Balance**	**Carrying Value**[(1)]	**Future Funding Commitments**[(2)]	**Interest Rate**[(3)]	**Final Maturity**[(4)]
Forum Convention Center Mortgage Loan	Senior Secured	$ 400,000	$ 400,041	$ —	7.7 %	9/18/2025
Chelsea Piers Mortgage Loan	Senior Secured	65,000	64,954	15,000	7.0 %	8/31/2027
Amended and Restated ROV Loan						
ROV Term Loan	Senior Secured	40,000	40,267	—	9.0 %	1/24/2027
ROV Credit Facility	Senior Secured	—	—	25,000	L + 2.75%	1/24/2027
Great Wolf Mezzanine Loan	Mezzanine	—	—	79,500	8.0 %	7/9/2026
Total		$ 505,000	$ 505,262	$ 119,500	7.7 %	

($ In thousands)	December 31, 2020					
Investment Name	Loan Type	Principal Balance	Carrying Value(1)	Future Funding Commitments(2)	Interest Rate(3)	Final Maturity(4)
Forum Convention Center Mortgage Loan	Senior Secured	$ 400,000	$ 400,045	$ —	7.7 %	9/18/2025
Chelsea Piers Mortgage Loan	Senior Secured	65,000	64,880	15,000	7.0 %	8/31/2027
Amended and Restated ROV Loan						
ROV Term Loan	Senior Secured	70,000	71,796	—	9.0 %	1/24/2027
ROV Credit Facility	Senior Secured	—	—	25,000	L + 2.75%	1/24/2027
Total		$ 535,000	$ 536,721	$ 40,000	7.8 %	

(1) Carrying value is net of unamortized loan origination costs and allowance for credit losses.
(2) Our future funding commitments are subject to our borrowers' compliance with the financial covenants and other applicable provisions of each respective loan agreement.
(3) Represents current interest rate per annum. The interest rate of the Forum Convention Center Mortgage Loan is subject to 2.0% annual escalation (resulting in a year two interest rate of 7.854%).
(4) Final maturity assumes all extension options are exercised; however, our loans may be repaid, subject to certain conditions, prior to such date.

Note 5 — Allowance for Credit Losses

Adoption of ASC 326

On January 1, 2020, we adopted ASC 326 and, as a result, we are required to estimate and record non-cash credit losses related to our historical and any future investments in sales-type leases, lease financing receivables and loans. Upon adoption, we recorded a $309.4 million cumulative adjustment, representing a 2.88% CECL allowance. Such amount was recorded as a cumulative-effect adjustment to our opening balance sheet with a reduction in our Investments in leases - sales-type and a corresponding charge to retained (deficit) earnings.

Allowance for Credit Losses

During the three and six months ended June 30, 2021, we recognized a $29.1 million and $33.5 million decrease, respectively, in our allowance for credit losses primarily driven by (i) the decrease in the reasonable and supportable period, or R&S Period, probability of default, or PD, of our tenants and their parent guarantors as a result of an improvement in their economic outlook due to the reopening of all of their gaming operations and relative performance of such operations during the first and second quarters of 2021, (ii) the decrease in the Long-Term Period PD due to an upgrade of the credit rating of the senior secured debt used to determine the Long-Term Period PD for two of our tenants during the second quarter of 2021 and (iii) the decrease in the R&S Period PD and loss given default, or LGD, as a result of standard annual updates that were made to the inputs and assumptions in the model that we utilize to estimate our CECL allowance.

During the three months ended June 30, 2020, we recognized a $65.5 million decrease in our allowance for credit losses. This decrease was primarily driven by a decrease in the R&S Period PD of our tenants and their parent guarantors as a result of an improvement in their economic outlook due to the partial reopening of a majority of their gaming operations. During the six months ended June 30, 2020, we recognized a $84.0 million increase in our allowance for credit losses. This increase was primarily driven by (i) an increase in the R&S Period PD and LGD of our tenants and their parent guarantors due to decreases in the equity market capitalization of the stock of the parent public-entities of certain of our tenants due to the uncertain economic conditions caused by the COVID-19 pandemic and closure of the tenants operations at our properties during such period, as well as the utilization of forecasted scenarios that incorporated the expected negative impact of the COVID-19 pandemic on the economy, (ii) an increase in the Long-Term Period PD of our tenants due to downgrades on certain of the credit ratings of our tenants' senior secured debt and (iii) an increase related to our initial investments in JACK Cleveland/Thistledown and the ROV Loan in January 2020. This increase was partially offset by the decrease for the three months ended June 30, 2020.

As of June 30, 2021 and December 31, 2020, and since our formation date on October 6, 2017, all of our Lease Agreements and loan investments are current in payment of their obligations to us and no investments are on non-accrual status.

The following tables detail the allowance for credit losses as of June 30, 2021 and December 31, 2020:

	June 30, 2021			
(In thousands)	Amortized Cost	Allowance [1]	Net Investment	Allowance as a % of Amortized Cost
Investments in leases - sales-type	$ 13,530,253	$ (431,400)	$ 13,098,853	3.19 %
Investments in leases - financing receivables	2,724,389	(80,741)	2,643,648	2.96 %
Investments in loans	505,320	(58)	505,262	0.01 %
Other assets - sales-type sub-leases	284,000	(6,471)	277,529	2.28 %
Totals	$ 17,043,962	$ (518,670)	$ 16,525,292	3.04 %

	December 31, 2020			
(In thousands)	Amortized Cost	Allowance	Net Investment	Allowance as a % of Amortized Cost
Investments in leases - sales-type	$ 13,481,845	$ (454,201)	$ 13,027,644	3.37 %
Investments in leases - financing receivables	2,709,520	(90,958)	2,618,562	3.36 %
Investments in loans	538,547	(1,826)	536,721	0.34 %
Other assets - sales-type sub-leases	284,376	(6,894)	277,482	2.42 %
Totals	$ 17,014,288	$ (553,879)	$ 16,460,409	3.26 %

(1) The total allowance excludes the CECL allowance for unfunded loan commitments. As of June 30, 2021, such allowance is $1.7 million and is recorded in Other liabilities. As of December 31, 2020, there was no CECL allowance related to unfunded loan commitments.

The following chart reflects the roll-forward of the allowance for credit losses on our real estate portfolio for the six months ended June 30, 2021 and 2020:

	Six Months Ended June 30,	
(In thousands)	2021	2020
Beginning Balance December 31,	$ 553,879	$ —
Initial allowance upon adoption	—	309,362
Initial allowance from current period investments	1,725	22,158
Current period change in credit allowance	(35,209)	61,870
Charge-offs	—	—
Recoveries	—	—
Ending Balance June 30,	$ 520,395	$ 393,390

Credit Quality Indicators

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

The following tables detail the amortized cost basis of our investments by the credit quality indicator we assigned to each lease or loan guarantor as of June 30, 2021 and 2020:

	June 30, 2021						
(In thousands)	Ba2	Ba3	B1	B2	B3	N/A[(1)]	Total
Investments in leases - sales-type and financing receivable, Investments in loans and Other assets	$ —	$ 954,181	$ 15,743,112	$ —	$ 281,657	$ 65,011	$ 17,043,962

	June 30, 2020						
(In thousands)	Ba2	Ba3	B1	B2	B3	N/A[(1)]	Total
Investments in leases - sales-type and financing receivable, Investments in loans and Other assets	$ —	$ 561,116	$ 9,886,007	$ 900,566	$ 280,869	$ —	$ 11,628,558

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

Note 6 — Other Assets and Other Liabilities

Other Assets

The following table details the components of our other assets as of June 30, 2021 and December 31, 2020:

(In thousands)	June 30, 2021	December 31, 2020
Sales-type sub-leases	$ 277,529	$ 277,482
Property and equipment used in operations, net	69,075	69,204
Right of use assets	17,165	17,507
Debt financing costs	16,966	8,879
Deferred acquisition costs	8,827	1,788
Tenant receivables	6,018	3,384
Prepaid expenses	4,357	2,710
Interest receivable	2,713	2,746
Other receivables	1,676	803
Other	2,572	2,027
Total other assets	$ 406,898	$ 386,530

Property and equipment used in operations, included within other assets, is primarily attributable to the land, building and improvements of our golf operations and consists of the following as of June 30, 2021 and December 31, 2020:

(In thousands)	June 30, 2021	December 31, 2020
Land and land improvements	$ 59,137	$ 59,115
Buildings and improvements	14,708	14,697
Furniture and equipment	8,317	7,020
Total property and equipment used in operations	82,162	80,832
Less: accumulated depreciation	(13,087)	(11,628)
Total property and equipment used in operations, net	$ 69,075	$ 69,204

	Three Months Ended June 30,		Six Months Ended June 30,	
(In thousands)	2021	2020	2021	2020
Depreciation expense	$ 757	$ 1,213	$ 1,549	$ 2,080

Other Liabilities

The following table details the components of our other liabilities as of June 30, 2021 and December 31, 2020:

(In thousands)	June 30, 2021	December 31, 2020
Finance sub-lease liabilities	$ 284,001	$ 284,376
Derivative liability	70,815	92,521
Other accrued expenses	32,970	6,518
Lease liabilities	17,165	17,507
Accrued payroll and other compensation	3,805	8,474
Deferred income taxes	3,726	3,533
CECL allowance for unfunded loan commitments	1,725	—
Accounts payable	390	734
Total other liabilities	$ 414,597	$ 413,663

Note 7— Debt

The following tables detail our debt obligations as of June 30, 2021 and December 31, 2020:

($ In thousands)	June 30, 2021			
Description of Debt	**Maturity**	**Interest Rate**	**Face Value**	**Carrying Value[(1)]**
VICI PropCo Senior Secured Credit Facilities				
Revolving Credit Facility [(2)]	2024	L + 2.00%	$ —	$ —
Term Loan B Facility [(3)]	2024	L + 1.75%	2,100,000	2,083,362
Senior Unsecured Notes [(4)]				
2025 Notes	2025	3.500%	750,000	741,505
2026 Notes	2026	4.250%	1,250,000	1,234,545
2027 Notes	2027	3.750%	750,000	740,571
2029 Notes	2029	4.625%	1,000,000	986,531
2030 Notes	2030	4.125%	1,000,000	986,389
Total Debt			$ 6,850,000	$ 6,772,903

($ In thousands)	December 31, 2020			
Description of Debt	**Maturity**	**Interest Rate**	**Face Value**	**Carrying Value[(1)]**
VICI PropCo Senior Secured Credit Facilities				
Revolving Credit Facility [(2)]	2024	L + 2.00%	$ —	$ —
Term Loan B Facility [(3)]	2024	L + 1.750	2,100,000	2,080,974
Senior Unsecured Notes [(4)]				
2025 Notes	2025	3.500%	750,000	740,333
2026 Notes	2026	4.250%	1,250,000	1,233,119
2027 Notes	2027	3.750%	750,000	739,733
2029 Notes	2029	4.625%	1,000,000	985,730
2030 Notes	2030	4.125%	1,000,000	985,643
Total Debt			$ 6,850,000	$ 6,765,532

(1) *Carrying value is net of unamortized original issue discount and unamortized debt issuance costs incurred in conjunction with debt.*
(2) *Interest on any outstanding balance is payable monthly. Borrowings under the Revolving Credit Facility will bear interest at a rate based on a leverage-based pricing grid with a range of 1.75% to 2.00% over LIBOR, or between 0.75% and 1.00% over the base rate depending on our total net debt to adjusted total assets ratio. Additionally, the commitment fee under the Revolving Credit Facility is calculated on a leverage-based pricing grid with a range of 0.375% to 0.5%, in each case depending on our total net debt to adjusted total assets ratio. For the three and six months ended June 30, 2021, the commitment fee was 0.375%.*
(3) *Interest on any outstanding balance is payable monthly. As of June 30, 2021, we had four interest rate swap agreements outstanding with third-party financial institutions having an aggregate notional amount of $1.5 billion at a LIBOR rate of 2.8297%. As of December 31, 2020, we had six interest rate swap agreements outstanding with third-party financial institutions having an aggregate notional amount of $2.0 billion at a blended LIBOR rate of 2.7173%.*
(4) *Interest is payable semi-annually.*

The following table is a schedule of future minimum payments of our debt obligations as of June 30, 2021:

(In thousands)	Future Minimum Payments
2021 (remaining)	$ —
2022	10,000
2023	22,000
2024	2,068,000
2025	750,000
2026	1,250,000
Thereafter	2,750,000
Total minimum repayments	$ 6,850,000

Senior Unsecured Notes

November 2019 Senior Unsecured Notes

On November 26, 2019, the Operating Partnership and the Co-Issuer (together with the Operating Partnership, the "Issuers"), our wholly owned subsidiaries, issued (i) $1,250.0 million in aggregate principal amount of 4.250% 2026 Notes, which mature on December 1, 2026, and (ii) $1,000.0 million in aggregate principal amount of 4.625% 2029 Notes, which mature on December 1, 2029, under separate indentures, each dated as of November 26, 2019, among the Issuers, the subsidiary guarantors party thereto and UMB Bank, National Association, as trustee (the "Trustee"). We used a portion of the net proceeds of the offering to repay in full the $1.55 billion mortgage financing of Caesars Palace Las Vegas, and pay certain fees and expenses including the net prepayment penalty of $55.4 million. On January 24, 2020, the remaining net proceeds were used to pay for a portion of the purchase price of the JACK Cleveland/Thistledown Acquisition.

Interest on the November 2019 Senior Unsecured Notes is payable semi-annually in cash in arrears on June 1 and December 1 of each year. The 2026 Notes and 2029 Notes are redeemable at our option, in whole or in part, at any time on or after December 1, 2022 and December 1, 2024, respectively, at the redemption prices set forth in the respective indenture. We may redeem some or all of the 2026 Notes or the 2029 Notes prior to such respective dates at a price equal to 100% of the principal amount thereof plus a "make-whole" premium. Prior to December 1, 2022, we may redeem up to 40% of the aggregate principal amount of the 2026 Notes or the 2029 Notes using the proceeds of certain equity offerings at the redemption price set forth in the respective indenture.

February 2020 Senior Unsecured Notes

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

Interest on the February 2020 Senior Unsecured Notes is payable semi-annually in cash in arrears on February 15 and August 15 of each year. The 2025 Notes, 2027 Notes and 2030 Notes are redeemable at our option, in whole or in part, at any time on or after February 15, 2022, February 15, 2023, and February 15, 2025, respectively, at the redemption prices set forth in the respective indenture. We may redeem some or all of the 2025 Notes, 2027 Notes or 2030 Notes prior to such respective dates at a price equal to 100% of the principal amount thereof plus a "make-whole" premium. Prior to February 15, 2022, with respect to the 2025 Notes, and February 15, 2023, with respect to the 2027 Notes and 2030 Notes, we may redeem up to 40% of the aggregate principal amount of the 2025 Notes, 2027 Notes or 2030 Notes using the proceeds of certain equity offerings at the redemption price set forth in the respective indenture.

Guarantee and Financial Covenants

The November 2019 Senior Unsecured Notes and the February 2020 Senior Unsecured Notes (together, the “Senior Unsecured Notes”) are fully and unconditionally guaranteed, jointly and severally, on a senior unsecured basis by each existing and future direct and indirect wholly owned material domestic subsidiary of the Operating Partnership that incurs or guarantees certain bank indebtedness or any other material capital market indebtedness, other than certain excluded subsidiaries and the Co-Issuer.

The Operating Partnership and its subsidiaries represent our “Real Property Business” segment, with the “Golf Course Business” segment corresponding to the portion of our business operated through entities that are not direct or indirect subsidiaries of the Operating Partnership or obligors of the Senior Unsecured Notes. Refer to Note 14 - Segment Information for more information about our segments.

The respective indentures for the Senior Unsecured Notes each contain covenants that limit the Issuers’ and their restricted subsidiaries’ ability to, among other things: (i) incur additional debt; (ii) pay dividends on or make other distributions in respect of their capital stock or make other restricted payments; (iii) make certain investments; (iv) sell certain assets; (v) create or permit to exist dividend and/or payment restrictions affecting their restricted subsidiaries; (vi) create liens on certain assets to secure debt; (vii) consolidate, merge, sell or otherwise dispose of all or substantially all of their assets; (viii) enter into certain transactions with their affiliates; and (ix) designate their subsidiaries as unrestricted subsidiaries. These covenants are subject to a number of exceptions and qualifications, including the ability to declare or pay any cash dividend or make any cash distribution to VICI to the extent necessary for VICI to fund a dividend or distribution by VICI that it believes is necessary to maintain its status as a REIT or to avoid payment of any tax for any calendar year that could be avoided by reason of such distribution, and the ability to make certain restricted payments not to exceed 95% of our cumulative Funds From Operations (as defined in the Senior Unsecured Notes indentures), plus the aggregate net proceeds from (i) the sale of certain equity interests in, (ii) capital contributions to, and (iii) certain convertible indebtedness of the Operating Partnership. As of June 30, 2021, the restricted net assets of the Operating Partnership were approximately $7.5 billion.

Senior Secured Credit Facilities

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

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

On May 15, 2019, immediately after giving effect to Amendment No. 2, VICI PropCo entered into Amendment No. 3 (“Amendment No. 3”) to the Credit Agreement, which amended and restated the Credit Agreement in its entirety as of May 15, 2019 (as subsequently amended, the “Amended and Restated Credit Agreement”) to, among other things, (i) refinance the Revolving Credit Facility in whole with a new class of revolving commitments, (ii) extend the maturity date to May 15, 2024, which represents an extension of the December 22, 2022 maturity date of the Revolving Credit Facility, (iii) provide that borrowings under the Revolving Credit Facility will bear interest at a rate based on a leverage-based pricing grid with a range of between 1.75% to 2.00% over LIBOR, or between 0.75% and 1.00% over the base rate, in each case depending on our total net debt to adjusted total assets ratio, (iv) provide that the commitment fee payable under the Revolving Credit Facility will bear interest at a rate based on a leverage-based pricing grid with a range of between 0.375% to 0.50% depending on our total net debt to adjusted total assets ratio, (v) amend the existing springing financial covenant, which previously required VICI PropCo to maintain a total net debt to adjusted asset ratio of not more than 0.75 to 1.00 if there was 30% utilization of the Revolving Credit Facility, to require that, only with respect to the Revolving Credit Facility commencing with the first full fiscal quarter ending after the effectiveness of Amendment No. 3, VICI PropCo maintain a maximum total net debt to adjusted asset ratio of not more than 0.65 to 1.00 as of the last day of any fiscal quarter (or, during any fiscal quarter in which certain permitted acquisitions were consummated and the three consecutive fiscal quarters thereafter, not more than 0.70 to 1.00), and (vi) include a new financial covenant only with respect to the Revolving Credit Facility, requiring VICI PropCo to maintain, commencing with the first full fiscal quarter after the effectiveness of Amendment No. 3, an interest coverage ratio (defined as EBITDA to interest charges) of not less than 2.00 to 1.00 as of the last day of any fiscal quarter. The Revolving Credit Facility is available to be used for working capital purposes, capital expenditures, permitted acquisitions, permitted investments, permitted restricted payments and for other lawful corporate purposes. The Amended and Restated Credit Agreement provides for capacity to add incremental loans in an aggregate amount of: (x) $1.2 billion to be used solely to finance certain acquisitions; plus (y) an unlimited amount, subject to VICI Propco not exceeding certain leverage ratios.

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

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

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

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

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

Refer to Note 8 - Derivatives for a discussion of our interest rate swap agreements related to the Term Loan B Facility.

Bridge Facilities

Venetian Acquisition Bridge Facility

On March 2, 2021, in connection with the Venetian Acquisition, VICI PropCo entered into a Commitment Letter (the "Venetian Acquisition Commitment Letter") with Deutsche Bank Securities Inc. and Deutsche Bank AG Cayman Islands Branch, and Morgan Stanley Senior Funding, Inc. (collectively, the "Venetian Acquisition Bridge Lender"), pursuant to which, and subject to the terms and conditions set forth therein, the Venetian Acquisition Bridge Lender has provided commitments in an amount up to $4.0 billion in the aggregate, consisting of a 364-day first lien secured bridge facility (the "Venetian Acquisition Bridge Facility"), for the purpose of providing a portion of the financing necessary to fund the consideration in connection with the Venetian PropCo Acquisition. The commitment fee is equal to, (i) with respect to any commitments that remain outstanding prior to April 1, 2021, 0.25% of such commitments, (ii) with respect to any commitments that remain outstanding on April 1, 2021 and are terminated prior to March 2, 2022, 0.50% of such commitments, and (iii) with respect to any commitments that remain outstanding after March 2, 2022, 0.75% of such commitments. For the three and six months ended June 30, 2021, we recognized $5.6 million and $7.9 million of fees, respectively, related to the Venetian Acquisition Bridge Facility in Interest expense on our Statement of Operations.

Commitments and loans under the Venetian Acquisition Bridge Facility will be reduced or prepaid, as applicable, in part with the proceeds of certain incurrences of indebtedness, issuances of equity and asset sales. If we use the Venetian Acquisition Bridge Facility, funding is contingent on the satisfaction of certain customary conditions set forth in the Venetian Acquisition Commitment Letter, including, among others, (i) the execution and delivery of definitive documentation with respect to the Venetian Acquisition Bridge Facility in accordance with the terms set forth in the Venetian Acquisition Commitment Letter and (ii) the consummation of the Venetian Acquisition in accordance with the Purchase Agreements. Although we do not currently expect VICI PropCo to make any borrowings under the Venetian Acquisition Bridge Facility, there can be no assurance that such borrowings will not be made or that we will be able to incur alternative long-term debt financing in lieu of borrowings under the Venetian Acquisition Bridge Facility on favorable terms, or at all. Interest under the Venetian Acquisition Bridge Facility, if funded, will be calculated on a rate between (i) LIBOR plus 200 basis points and LIBOR plus 275 basis points or (ii) the base rate plus 100 basis points and the base rate plus 175 basis points, in each case depending on duration. The Venetian Acquisition Bridge Facility, if funded, will contain restrictive covenants and events of default substantially similar to those contained in Senior Secured Credit Facilities. If we draw upon the Venetian Acquisition Bridge Facility, there can be no assurances that we would be able to refinance the Venetian Acquisition Bridge Facility on satisfactory terms, or at all.

On March 8, 2021, following the entry into the March 2021 Forward Sale Agreements, the commitments under the Venetian Acquisition Bridge Facility were reduced by $1,890.0 million.

Eldorado Transaction Bridge Facilities

On June 24, 2019, in connection with the Eldorado Transaction, VICI PropCo entered into a commitment letter with Deutsche Bank Securities Inc. and Deutsche Bank AG Cayman Islands Branch (collectively, the "Eldorado Transaction Bridge Lender"), pursuant to which and subject to the terms and conditions set forth therein, the Eldorado Transaction Bridge Lender agreed to provide (i) a 364-day first lien secured bridge facility of up to $3.3 billion in the aggregate and (ii) a 364-day second lien secured bridge facility of up to $1.5 billion in the aggregate (collectively the "Eldorado Transaction Bridge Facilities"), for the purpose of providing a portion of the financing necessary to fund the consideration to be paid pursuant to the terms of the Eldorado Transaction documents and related fees and expenses. Following the November 2019 Senior Unsecured Notes offering, the commitments under the Bridge Facilities were reduced by $1.6 billion, to $3.2 billion. Following the February 2020 Senior Unsecured Notes offering, we placed $2.0 billion of the net proceeds of the offering into escrow pending the consummation of the Eldorado Transaction and the commitments under the Bridge Facilities were further reduced by $2.0 billion to $1.2 billion. The Eldorado Transaction Bridge Facilities were subject to a tiered commitment fee based on the period the commitment is outstanding and a structuring fee. The structuring fee was equal to 0.10% of the total aggregate commitments at June 24, 2019 and was payable as such commitments were terminated. For the three and six months ended June 30, 2020, we recognized $0.5 million and $3.1 million, respectively, of fees related to the Eldorado Transaction Bridge Facilities in Interest expense on our Statement of Operations. No such amount was recognized for the three and six months ended June 30, 2021 as the Eldorado Transaction Bridge Facilities were fully terminated at our election in June 2020.

Second Lien Notes

The Second Lien Notes were issued on October 6, 2017, pursuant to an indenture by and among VICI PropCo and its wholly owned subsidiary, VICI FC Inc., the subsidiary guarantors party thereto, and UMB Bank National Association, as trustee. On February 20, 2020, we used a portion of the proceeds from the issuance of the 2025 Notes, together with cash on hand, to redeem in full the Second Lien Notes at a redemption price of 100% of the principal amount of the Second Lien Notes then outstanding plus the Second Lien Notes Applicable Premium (as defined in the Second Lien Notes indenture), for a total redemption cost of $537.5 million. In connection with the full redemption, we recognized a loss on extinguishment of debt of $39.1 million during the six months ended June 30, 2020.

Financial Covenants

As described above, our debt obligations are subject to certain customary financial and protective covenants that restrict the Operating Partnership, VICI PropCo and its subsidiaries' ability to incur additional debt, sell certain asset and restrict certain payments, among other things. These covenants are subject to a number of exceptions and qualifications, including the ability to make restricted payments to maintain our REIT status. At June 30, 2021, we are in compliance with all financial covenants under our debt obligations.

Note 8 — Derivatives

On April 24, 2018, we entered into four interest rate swap agreements with third-party financial institutions having an aggregate notional amount of $1.5 billion. On January 3, 2019, we entered into two additional interest rate swap agreements with third-party financial institutions having an aggregate notional amount of $500.0 million, which matured on January 22, 2021. The interest rate swap transactions are designated as cash flow hedges that effectively fix the LIBOR component of the interest rate on a portion of the outstanding debt under the Term Loan B Facility at 2.8297%. As of June 30, 2021 and for the duration of the remaining interest rate swap transactions, we are subject to interest rate risk on $600.0 million of variable rate debt.

The following tables detail our outstanding interest rate derivatives that were designated as cash flow hedges of interest rate risk as of June 30, 2021 and December 31, 2020:

($ In thousands)	June 30, 2021				
Instrument	**Number of Instruments**	**Fixed Rate**	**Notional**	**Index**	**Maturity**
Interest Rate Swaps	4	2.8297%	$ 1,500,000	USD LIBOR	April 22, 2023

($ In thousands)	December 31, 2020				
Instrument	**Number of Instruments**	**Fixed Rate**	**Notional**	**Index**	**Maturity**
Interest Rate Swaps	4	2.8297%	$ 1,500,000	USD LIBOR	April 22, 2023
Interest Rate Swaps	2	2.3802%	$ 500,000	USD LIBOR	January 22, 2021

As of June 30, 2021 and December 31, 2020, the interest rate swaps are in net unrealized loss positions and are recorded within Other liabilities. The following table presents the effect of our derivative financial instruments on our Statement of Operations:

	Three Months Ended June 30,		**Six Months Ended June 30,**	
(In thousands)	**2021**	**2020**	**2021**	**2020**
Unrealized gain (loss) recorded in other comprehensive income	$ 9,328	$ 951	$ 21,706	$ (52,187)
Interest recorded in interest expense	$ 10,342	$ 11,114	$ 21,168	$ 16,694

Note 9 — Fair Value

The following tables summarize our assets and liabilities measured at fair value on a recurring basis as of June 30, 2021 and December 31, 2020:

(In thousands)	June 30, 2021			
		Fair Value		
	Carrying Amount	Level 1	Level 2	Level 3
Financial assets:				
Short-term investments [(1)]	$ —	$ —	$ —	$ —
Financial liabilities:				
Derivative instruments - interest rate swaps [(2)]	$ 70,815	$ —	$ 70,815	$ —

(In thousands)	December 31, 2020			
		Fair Value		
	Carrying Amount	Level 1	Level 2	Level 3
Financial assets:				
Short-term investments [(1)]	$ 19,973	$ —	$ 19,973	$ —
Financial liabilities:				
Derivative instruments - interest rate swaps [(2)]	$ 92,521	$ —	$ 92,521	$ —

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

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

The estimated fair values of our financial instruments as of June 30, 2021 and December 31, 2020 for which fair value is only disclosed are as follows:

	June 30, 2021		December 31, 2020	
(In thousands)	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets:				
Investments in leases - financing receivables [(1)]	$ 2,643,648	$ 2,804,602	$ 2,618,562	$ 2,684,955
Investments in loans [(2)]	505,262	505,000	536,721	538,151
Cash and cash equivalents	407,522	407,522	315,993	315,993
Financial liabilities:				
Debt [(3)]				
Revolving Credit Facility	$ —	$ —	$ —	$ —
Term Loan B Facility	2,083,362	2,081,625	2,080,974	2,065,875
2025 Notes	741,505	768,750	740,333	766,875
2026 Notes	1,234,545	1,303,125	1,233,119	1,296,875
2027 Notes	740,571	766,875	739,733	763,125
2029 Notes	986,531	1,063,750	985,730	1,070,000
2030 Notes	986,389	1,037,500	985,643	1,045,000

(1) These investments represent the JACK Cleveland/Thistledown Lease Agreement and the MTA Properties. The fair value of these assets are based on significant “unobservable” market inputs and, as such, these fair value measurements are considered Level 3 of the fair value hierarchy.

(2) These investments represent the (i) Caesars Forum Convention Center Mortgage Loan, (ii) Chelsea Piers Mortgage Loan and (iii) Amended and Restated ROV Loan. We believe the current principal balance of the investments approximates their fair value.

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

Note 10 — Commitments and Contingent Liabilities

Litigation

In the ordinary course of business, from time to time, we may be subject to legal claims and administrative proceedings. As of June 30, 2021, we are not subject to any litigation that we believe could have, individually or in the aggregate, a material adverse effect on our business, financial condition or results of operations, liquidity or cash flows.

Operating Lease Commitments

We are liable under various operating leases for: (i) land at the Cascata golf course, which expires in 2038 and (ii) offices in New Orleans, LA and New York, NY, which expire in 2021 and 2030, respectively. The discount rates for the leases was determined based on the yield of our current secured borrowings, adjusted to match borrowings of similar terms, and are between 5.3% and 5.5%. The weighted average remaining lease term as of June 30, 2021 under our operating leases was 15.0 years. Our Cascata ground lease has three 10-year extension options. The rent of such options would be the in-place rent at the time of renewal.

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

	Three Months Ended June 30,		Six Months Ended June 30,	
(In thousands)	2021	2020	2021	2020
Rent expense	$ 505	$ 505	$ 1,004	$ 1,003
Contractual rent	$ 470	$ 345	$ 940	$ 668

As of June 30, 2021, we have a $17.2 million right of use asset and corresponding lease liability recorded in Other assets and Other liabilities, respectively, on our Balance Sheet related to our operating lease commitments for which we are the lessee.

The future minimum lease commitments relating to the base lease rent portion of noncancelable operating leases at June 30, 2021 are as follows:

(In thousands)	Lease Commitments
2021 (remaining)	$ 911
2022	1,808
2023	1,827
2024	1,847
2025	1,908
2026	1,959
Thereafter	17,117
Total minimum lease commitments	$ 27,377
Discounting factor	10,212
Lease liability	$ 17,165

Finance Lease Commitments

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

We have determined we are the primary obligor of certain of such ground and use leases and, accordingly, have presented these leases on a gross basis on our Balance Sheet and Statement of Operations. Further, we assessed the classification of the sub-lease to our tenant through the Lease Agreements, and our obligation as primary obligor of the ground and use leases and determined that they meet the definition of a sales-type lease and finance lease, respectively.

The following table details the balance and location in our Balance Sheet of the ground and use leases as of June 30, 2021 and December 31, 2020, which is primarily comprised of the HNO Ground Lease:

(In thousands)	June 30, 2021	December 31, 2020
Others assets (sales-type sub-leases)	$ 277,529	$ 277,482
Other liabilities (finance sub-lease liabilities)	$ 284,001	$ 284,376

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

	Three Months Ended June 30,		Six Months Ended June 30,	
(In thousands)	2021	2020	2021	2020
Rental income and expense	$ 5,648	$ 138	$ 11,300	$ 277
Contractual rent	$ 5,838	$ 154	$ 11,675	$ 308

The future minimum lease commitments relating to the ground and use leases at June 30, 2021 are as follows:

(In thousands)	Lease Commitments
2021 (remaining)	$ 14,675
2022	26,350
2023	23,350
2024	23,350
2025	23,350
2026	23,350
Thereafter	741,730
Total minimum lease commitments	$ 876,155
Discounting factor	592,154
Finance sub-lease liability	$ 284,001

The discount rate for the ground and use leases was determined based on the yield of our current secured borrowings, adjusted to match borrowings of similar terms, and are between 6% and 8%. The weighted average remaining lease term as of June 30, 2021 under our finance leases was 37.3 years.

Note 11 — Stockholders' Equity

Stock

Authorized

Effective March 2, 2021, we amended our Articles of Amendment and Restatement to increase: (i) the number of shares of stock that we are authorized to issue from 750,000,000 to 1,000,000,000, (ii) the number of shares of common stock, par value $0.01 per share, that we are authorized to issue from 700,000,000 to 950,000,000, and (iii) the aggregate par value of all authorized shares of our stock having par value from $7,500,000 to $10,000,000. As of June 30, 2021, we have the authority to issue 1,000,000,000 shares of stock, consisting of 950,000,000 shares of common stock, $0.01 par value per share, and 50,000,000 shares of preferred stock, $0.01 par value per share.

Primary Follow-on Offerings

March 2021 Offering

On March 4, 2021, we completed a primary follow-on offering of 69,000,000 shares of common stock (inclusive of 9,000,000 shares sold pursuant to the exercise in full of the underwriters' option to purchase additional common stock) at a public offering price of $29.00 per share for an aggregate offering value of $2,001.0 million, all of which are subject to forward sale agreements (the "March 2021 Forward Sale Agreements"), which require settlement by March 4, 2022. We did not initially receive any proceeds from the sale of the shares of common stock in the offering, which were sold to the underwriters by the forward purchasers or their respective affiliates. We determined that the March 2021 Forward Sale Agreements meet the criteria for equity classification and are therefore exempt from derivative accounting. We recorded the March 2021 Forward Sale Agreements at fair value at inception, which we determined to be zero. Subsequent changes to fair value are not required under equity classification.

We expect to settle the 69,000,000 shares under the March 2021 Forward Sale Agreements entirely by the physical delivery of shares of our common stock in exchange for cash proceeds, although we may elect cash settlement or net share settlement for all or a portion of our obligations under the March 2021 Forward Sale Agreements. As of June 30, 2021, the forward share price was $27.34 and would result in us receiving approximately $1,886.3 million in cash proceeds if we were to physically settle the shares under the March 2021 Forward Sale Agreements. Alternatively, if we were to net cash settle the shares under the March 2021 Forward Sale Agreements, it would result in a cash outflow of $254.1 million or, if we were to net share settle the shares under the March 2021 Forward Sale Agreements, it would result in us delivering approximately 8.2 million shares.

June 2020 Offering

On June 17, 2020, we completed a primary follow-on offering of 29,900,000 shares of common stock (inclusive of 3,900,000 shares sold pursuant to the exercise in full of the underwriters' option to purchase additional common stock) at a public offering price of $22.15 per share for an aggregate offering value of $662.3 million, all of which are subject to a forward sale agreement (the "June 2020 Forward Sale Agreement"), which initially required settlement by September 17, 2020. On September 16, 2020, we amended the June 2020 Forward Sale Agreement to extend the maturity date from September 17, 2020 to June 17, 2021. Subsequent to March 31, 2021, on April 26, 2021, we further amended the June 2020 Forward Sale Agreement to extend the maturity date from June 17, 2021 to December 17, 2021. We did not initially receive any proceeds from the sale of the shares of common stock in the offering, which were sold to the underwriters by the forward purchaser or its affiliates. We determined that the June 2020 Forward Sale Agreement meets the criteria for equity classification and is therefore exempt from derivative accounting. We recorded the June 2020 Forward Sale Agreement at fair value at inception, which we determined to be zero. Subsequent changes to fair value are not required under equity classification.

On September 28, 2020, we partially settled the June 2020 Forward Sale Agreement by delivering 3,000,000 shares of our common stock to the forward purchaser, in exchange for total net proceeds of approximately $63.0 million, which was calculated based on the net forward sale price on the settlement date of $21.04 per share. The physical settlement of the June 2020 Forward Sale Agreement is calculated based on the initial forward sale price per share of $21.37, as adjusted for a floating interest rate factor and other fixed amounts based on the passage of time, as specified in the June 2020 Forward Sale Agreement.

We expect to settle the remaining 26,900,000 shares under the June 2020 Forward Sale Agreement entirely by the physical delivery of shares of our common stock in exchange for cash proceeds, although we may elect cash settlement or net share settlement for all or a portion of our remaining obligations under the June 2020 Forward Sale Agreement. As of June 30, 2021, the forward share price was $19.61 and would result in us receiving approximately $527.6 million in cash proceeds if we were to physically settle the remaining shares under the June 2020 Forward Sale Agreement. Alternatively, if we were to net cash settle the remaining shares under the June 2020 Forward Sale Agreement, it would result in a cash outflow of $306.8 million or, if we were to net share settle the remaining shares under the June 2020 Forward Sale Agreement, it would result in us delivering approximately 9.9 million shares.

The shares of common stock issuable upon settlement of the March 2021 Forward Sale Agreements and June 2020 Forward Sale Agreement are reflected in our diluted earnings per share calculations using the treasury stock method. Under this method, the number of shares of our common stock used in calculating diluted earnings per share is deemed to be increased by the excess, if any, of the number of shares of common stock that would be issued upon full physical settlement of the shares under the March 2021 Forward Sale Agreements and remaining shares under the June 2020 Forward Sale Agreement over the number of shares of common stock that could be purchased by us in the market (based on the average market price during the period) using the proceeds receivable upon physical settlement of the remaining shares (based on the adjusted forward sales price at the end of the reporting period). If and when we physically settle the shares under the March 2021 Forward Sale Agreements and remaining shares under the June 2020 Forward Sale Agreement, the delivery of shares of our common stock will result in an increase in the number of shares of common stock outstanding and dilution to our earnings per share. We intend to use the net proceeds upon settlement of the shares under the March 2021 Forward Sale Agreements to fund a portion of the purchase price of the Venetian Acquisition and for general corporate purposes, and the proceeds upon settlement of the remaining shares under the June 2020 Forward Sale Agreement for general corporate purposes, which may include future transactions, the acquisition, development and improvement of properties, capital expenditures, working capital and the repayment of indebtedness.

At-the-Market Offering Program

In May 2021, we entered into an equity distribution agreement (the "ATM Agreement") pursuant to which we may sell, from time to time, up to an aggregate sales price of $1,000.0 million of our common stock (the "ATM Program"). Sales of common stock, if any, made pursuant to the ATM Program may be sold in negotiated transactions or transactions that are deemed to be "at the market" offerings, as defined in Rule 415 of the Securities Act. The ATM Program also provides that the Company may sell shares of its common stock under the ATM Program through forward sale contracts. Actual sales under the ATM Program will depend on a variety of factors including market conditions, the trading price of our common stock, our capital needs, and our determination of the appropriate sources of funding to meet such needs. During the six months ended June 30, 2020, we sold a total of 7,500,000 shares under our previous at-the-market offering program (which was terminated in connection with our entry into the ATM Program) for net proceeds of $200.0 million. During the six months ended June 30, 2021, we did not sell any shares under the ATM Program. We have no obligation to sell the remaining shares available for sale under the ATM Program.

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

	Six Months Ended June 30,	
Common Stock Outstanding	**2021**	**2020**
Beginning Balance January 1, *(1)*	536,669,722	461,004,742
Issuance of common stock upon physical settlement of forward sale agreements *(1)*	—	65,000,000
Issuance of common stock under the at-the-market offering program	—	7,500,000
Issuance of restricted and unrestricted common stock under the stock incentive program, net of forfeitures	374,095	163,013
Ending Balance June 30,	537,043,817	533,667,755

(1) Excludes the 69,000,000 and 26,900,000 remaining shares subject to the March 2021 Forward Sale Agreements and June 2020 Forward Sale Agreement, respectively, as such shares are not yet settled.

Dividends

Dividends declared (on a per share basis) during the six months ended June 30, 2021 and 2020 were as follows:

Six Months Ended June 30, 2021				
Declaration Date	**Record Date**	**Payment Date**	**Period**	**Dividend**
March 11, 2021	March 25, 2021	April 8, 2021	January 1, 2021 - March 31, 2021	$ 0.3300
June 10, 2021	June 24, 2021	July 8, 2021	April 1, 2021 - June 30, 2021	$ 0.3300

Six Months Ended June 30, 2020				
Declaration Date	**Record Date**	**Payment Date**	**Period**	**Dividend**
March 12, 2020	March 31, 2020	April 9, 2020	January 1, 2020 - March 31, 2020	$ 0.2975
June 11, 2020	June 30, 2020	July 10, 2020	April 1, 2020 - June 30, 2020	$ 0.2975

Note 12 — Earnings Per Share

Basic earnings per share is computed by dividing net income attributable to common stockholders by the weighted-average number of shares of common stock outstanding during the period, excluding net income attributable to participating securities (unvested restricted stock awards). Diluted earnings per share reflects the additional dilution for all potentially dilutive securities such as stock options, unvested restricted shares, unvested performance-based restricted shares and the shares to be issued by us upon settlement of the March 2021 Forward Sale Agreements and the remaining shares under the June 2020 Forward Sale Agreement. The shares issuable upon settlement of the March 2021 Forward Sale Agreements and the remaining shares under the June 2020 Forward Sale Agreement, as described in Note 11 - Stockholders' Equity, are reflected in the diluted earnings per share calculations using the treasury stock method. Under this method, the number of shares of our common stock used in calculating diluted earnings per share is deemed to be increased by the excess, if any, of the number of shares of common stock that would be issued upon full physical settlement of the remaining shares under the March 2021 Forward Sale Agreements and the June 2020 Forward Sale Agreement over the number of shares of common stock that could be purchased by us in the market (based on the average market price during the period) using the proceeds receivable upon full physical settlement (based on the adjusted forward sales price at the end of the reporting period). If and when we physically or net share settle the shares under the March 2021 Forward Sale Agreements and the remaining shares under the June 2020 Forward Sale Agreement, the delivery of shares of common stock would result in an increase in the number of shares outstanding and dilution to earnings per share.

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

	Three Months Ended June 30,		Six Months Ended June 30,	
(In thousands)	2021	2020	2021	2020
Determination of shares:				
Weighted-average shares of common stock outstanding	536,692	489,012	536,587	477,095
Assumed conversion of restricted stock	944	198	934	232
Assumed settlement of forward sale agreements	16,803	3	12,100	4,326
Diluted weighted-average shares of common stock outstanding	554,439	489,213	549,621	481,652

	Three Months Ended June 30,		Six Months Ended June 30,	
(In thousands, except per share data)	2021	2020	2021	2020
Basic:				
Net income attributable to common stockholders	$ 300,709	$ 229,402	$ 570,510	$ 205,390
Weighted-average shares of common stock outstanding	536,692	489,012	536,587	477,095
Basic EPS	$ 0.56	$ 0.47	$ 1.06	$ 0.43
Diluted:				
Net income attributable to common stockholders	$ 300,709	$ 229,402	$ 570,510	$ 205,390
Diluted weighted-average shares of common stock outstanding	554,439	489,213	549,621	481,652
Diluted EPS	$ 0.54	$ 0.47	$ 1.04	$ 0.43

Note 13 — Stock-Based Compensation

The 2017 Stock Incentive Plan (the "Plan") is designed to provide long-term equity-based compensation to our directors and employees. It is administered by the Compensation Committee of the Board of Directors. Awards under the Plan may be granted with respect to an aggregate of 12,750,000 shares of common stock and may be issued in the form of: (a) incentive stock options, (b) non-qualified stock options, (c) stock appreciation rights, (d) dividend equivalent rights, (e) restricted stock, (f) restricted stock units or (g) unrestricted stock. In addition, the Plan limits the total number of shares of common stock with respect to which awards may be granted to any employee or director during any one calendar year. At June 30, 2021, 11,589,659 shares of common stock remained available for issuance by us as equity awards under the Plan.

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

	Three Months Ended June 30,		Six Months Ended June 30,	
(In thousands)	2021	2020	2021	2020
Stock-based compensation expense	$ 2,395	$ 2,012	$ 4,672	$ 3,361

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

	Six Months Ended June 30, 2021		Six Months Ended June 30, 2020	
(In thousands, except per share data)	Shares	Weighted Average Grant Date Fair Value	Shares	Weighted Average Grant Date Fair Value
Outstanding at beginning of period	855	$ 21.48	601	$ 21.16
Granted	492	18.87	421	19.51
Vested	(370)	19.38	(116)	21.08
Forfeited	(60)	19.90	(25)	21.21
Canceled	—	—	—	—
Outstanding at end of period	917	$ 21.03	881	$ 20.38

As of June 30, 2021, there was $14.9 million of unrecognized compensation cost related to non-vested stock-based compensation arrangements under the Plan. This cost is expected to be recognized over a weighted average period of 2.0 years.

Note 14 — Segment Information

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

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

	Three Months Ended June 30, 2021			Three Months Ended June 30, 2020		
(In thousands)	Real Property Business	Golf Course Business	VICI Consolidated	Real Property Business	Golf Course Business	VICI Consolidated
Revenues	$ 368,115	$ 8,285	$ 376,400	$ 252,567	$ 5,335	$ 257,902
Interest expense	(79,806)	—	(79,806)	(77,693)	—	(77,693)
Income before income taxes	302,005	2,328	304,333	231,935	17	231,952
Income tax expense	(741)	(515)	(1,256)	(257)	(52)	(309)
Net income	301,264	1,813	303,077	231,678	(35)	231,643
Depreciation	31	726	757	31	1,182	1,213
Total assets	$ 17,126,115	$ 93,433	$ 17,219,548	$ 16,188,235	$ 89,399	$ 16,277,634
Total liabilities	$ 7,467,470	$ 17,009	$ 7,484,479	$ 7,186,916	$ 16,307	$ 7,203,223

	Six Months Ended June 30, 2021			Six Months Ended June 30, 2020		
(In thousands)	Real Property Business	Golf Course Business	VICI Consolidated	Real Property Business	Golf Course Business	VICI Consolidated
Revenues	$ 735,612	$ 15,098	$ 750,710	$ 501,268	$ 11,635	$ 512,903
Interest expense	(156,854)	—	(156,854)	(153,786)	—	(153,786)
Loss on extinguishment of debt	—	—	—	(39,059)	—	(39,059)
Income before income taxes	573,040	3,876	576,916	209,222	1,119	210,341
Income tax expense	(883)	(857)	(1,740)	(514)	(249)	(763)
Net income	572,157	3,019	575,176	208,708	870	209,578
Depreciation	63	1,486	1,549	54	2,026	2,080
Total assets	$ 17,126,115	$ 93,433	$ 17,219,548	$ 16,188,235	$ 89,399	$ 16,277,634
Total liabilities	$ 7,467,470	$ 17,009	$ 7,484,479	$ 7,186,916	$ 16,307	$ 7,203,223

Note 15 — Subsequent Events

We have evaluated subsequent events and, except for the payment of dividends on July 8, 2021 (as described in Note 11 - Stockholders' Equity), there were no other events relative to the Financial Statements that require additional disclosure.

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

The following discussion and analysis of the financial position and operating results of VICI Properties Inc. for the three and six months ended June 30, 2021 should be read in conjunction with the Financial Statements and related notes thereto and other financial information contained elsewhere in this Quarterly Report on Form 10-Q and the audited consolidated financial statements and related notes for the year ended December 31, 2020, which were included in our Annual Report on Form 10-K for the year ended December 31, 2020. All defined terms included herein have the same meaning as those set forth in the Notes to the Consolidated Financial Statements contained within this Quarterly Report on Form 10-Q.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

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

Currently, one of the most significant factors that could cause actual outcomes to differ materially from our forward-looking statements is the impact of the COVID-19 pandemic on our, and our tenants' financial condition, results of operations, cash flows and performance. The extent to which the COVID-19 pandemic continues to adversely affect our tenants, and ultimately impacts our business and financial condition, depends on future developments which cannot be predicted with confidence, including the impact of the actions taken to contain the pandemic or mitigate its impact, including the availability, distribution, public acceptance and efficacy of one or more approved vaccines, new or mutated variants of COVID-19 (including vaccine-resistant variants) or a similar virus, the direct and indirect economic effects of the pandemic and containment measures on our tenants, the ability of our tenants to successfully operate their businesses, including the costs of complying with regulatory requirements necessary to keep their respective facilities open, such as reduced capacity requirements, the need to close any of the facilities after reopening as a result of the COVID-19 pandemic, and the effects of the negotiated capital expenditure reductions and other amendments to the Lease Agreements that we agreed to with certain of its tenants in response to the COVID-19 pandemic. Each of the foregoing could have a material adverse effect on our tenants' ability to satisfy their obligations under their Lease Agreements with us, including their continued ability to pay rent in a timely manner, or at all, and/or to fund capital expenditures or make other payments required under their leases. Investors are cautioned to interpret many of the risks identified under the section entitled "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2020, our Quarterly Reports on Form 10-Q and Current Reports on Form 8-K as being heightened as a result of the ongoing and numerous adverse impacts of the COVID-19 pandemic.

The forward-looking statements included herein are based upon our current expectations, plans, estimates, assumptions and beliefs that involve numerous risks and uncertainties. Assumptions relating to the foregoing involve judgments with respect to, among other things, future economic, competitive and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond our control. Although we believe that the expectations reflected in such forward-looking statements are based on reasonable assumptions, our actual results, performance and achievements could differ materially from those set forth in the forward-looking statements and may be affected by a variety of risks and other factors, including, among others: the impact of changes in general economic conditions, including low consumer confidence, unemployment levels and depressed real estate prices resulting from the severity and duration of any downturn in the U.S. or global economy; our dependence on subsidiaries of Caesars, Penn National, Hard Rock, Century Casinos and JACK Entertainment as tenants of our properties and Caesars, Penn National, Seminole Hard Rock, Century Casinos and Rock Ohio Ventures or certain of their respective subsidiaries as guarantors of the lease payments and the negative consequences any material adverse effect on their respective businesses could have on us; our borrowers' ability to repay their outstanding loan obligations to us; our dependence on the gaming industry; our ability to pursue our business and growth strategies may be limited by our substantial debt service requirements and by the requirement that we distribute 90% of our REIT taxable income in order to qualify for taxation as a REIT and that we distribute 100% of our REIT taxable income in order to avoid current entity-level U.S. Federal income taxes; the impact of extensive regulation from gaming and other regulatory authorities; the ability of our tenants to obtain and maintain regulatory approvals in connection with the operation of our properties and the completion of pending transactions; the possibility that our tenants may choose not to renew the Lease Agreements following the initial or subsequent terms of the leases; restrictions on our ability to sell our properties subject to the Lease Agreements; Caesars', Penn National's, Hard Rock's, Century Casinos' and JACK Entertainment's historical results may not be a reliable indicator of their future results; our substantial amount of indebtedness and ability to service, refinance and otherwise fulfill our obligations under such indebtedness; our historical financial information may not be reliable indicators of our future results of operations, financial condition and cash flows; our ability to obtain the financing necessary to complete our pending acquisitions on the terms we currently expect or at all; the possibility that our pending transactions may not be completed or that completion may be unduly delayed; the possibility that we identify significant environmental, tax, legal or other issues that materially and adversely impact the value of assets acquired or secured as collateral (or other benefits we expect to receive) in any of our pending or recently completed transactions; the effects of our pending and recently completed transactions on us, including the future impact on our financial condition, financial and operating results, cash flows, strategy and plans; the impact of changes to the U.S. Federal income tax laws; the possibility of foreclosure on our properties if we are unable to meet required debt service payments; the impact of a rise in interest rates on us; our inability to successfully pursue investments in, and acquisitions of, additional properties; the impact of natural disasters, war, political and public health conditions or uncertainty or civil unrest, violence or terrorist activities or threats on our properties and changes in economic conditions or heightened travel security and health measures instituted in response to these events; the loss of the services of key personnel; the inability to attract, retain and motivate employees; the costs and liabilities associated with environmental compliance; failure to establish and maintain an effective system of integrated internal controls; our inability to maintain our qualification for taxation as a REIT; our reliance on distributions received from the Operating Partnership to make distributions to our stockholders; the potential impact on the amount of our cash distributions if we were to sell any of our properties in the future; our ability to continue to make distributions to holders of our common stock or maintain anticipated levels of distributions over time; competition for transaction opportunities, including from other REITs, investment companies, private equity firms and hedge funds, sovereign funds, lenders, gaming companies and other investors that may have greater resources and access to capital and a lower cost of capital or different investment parameters than us; and additional factors discussed herein and listed from time to time as "Risk Factors" in our filings with the SEC, including without limitation, in our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K.

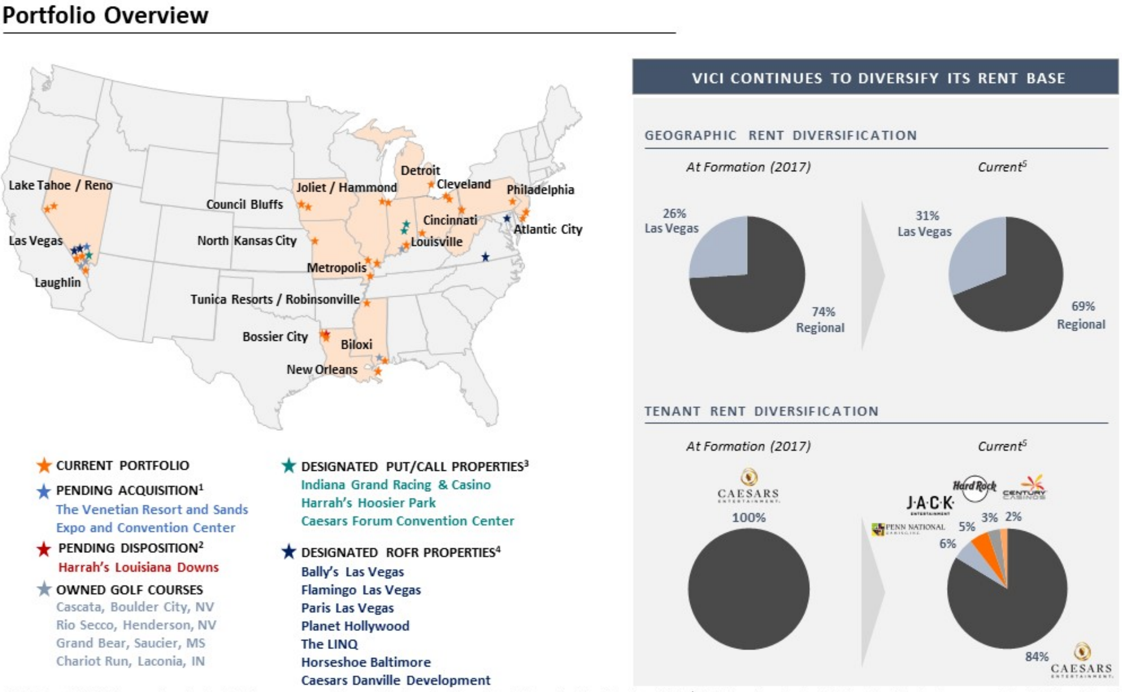
Any of the assumptions underlying forward-looking statements could be inaccurate. You are cautioned not to place undue reliance on any forward-looking statements. All forward-looking statements are made as of the date of this Quarterly Report on Form 10-Q and the risk that actual results, performance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

OVERVIEW

We are an owner and acquirer of experiential real estate assets across leading gaming, hospitality, entertainment and leisure destinations. Our national, geographically diverse portfolio currently consists of 28 market leading properties, including Caesars Palace Las Vegas and Harrah's Las Vegas, two of the most iconic entertainment facilities on the Las Vegas Strip. Our entertainment facilities are leased to leading brands that seek to drive consumer loyalty and value with guests through superior services, experiences, products and continuous innovation. Across over 47 million square feet, our well-maintained properties are currently located across urban, destination and drive-to markets in twelve states, contain approximately 17,800 hotel rooms and feature over 200 restaurants, bars and nightclubs.

Our portfolio also includes four real estate loans that we have originated for strategic reasons in connection with transactions that may provide the potential to convert our investment into the ownership of certain of the underlying real estate in the future. In addition, we own approximately 34 acres of undeveloped or underdeveloped land on and adjacent to the Las Vegas Strip that is leased to Caesars, which we may look to monetize as appropriate. We also own and operate four championship golf courses located near certain of our properties, two of which are in close proximity to the Las Vegas Strip.

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



1. On March 2, 2021, we entered into definitive agreements to acquire from Las Vegas Sands Corp. the Venetian Resort for $4.0 billion in cash. An affiliate of certain funds managed by affiliates of Apollo Global Management, Inc. has agreed to acquire the operating company of the Venetian Resort for $2.25 billion, subject to customary closing conditions and regulatory approval.
2. On September 3, 2020, we and Caesars entered into definitive agreements to sell Harrah's Louisiana Downs for $22 million to a third party; the proceeds shall be split approximately $5.5 million to VICI and approximately $16.5 million to Caesars. The annual rent payments under the Regional Master Lease Agreement will remain unchanged following completion of the disposition. The disposition is subject to customary closing conditions and regulatory approvals.
3. The put/call agreement on Harrah's Hoosier Park and Indiana Grand Racing & Casino (13.0x call/12.5x put) can be exercised between January 1, 2022 and December 31, 2024. The Caesars Forum Convention Center call right can be exercised between September 18, 2025 and December 31, 2026 and the put right can be exercised between January 1, 2024 and December 31, 2024 at 13.0x
4. With respect to the ROFR assets in Las Vegas, the first will be selected from: Flamingo Las Vegas, Bally's Las Vegas, Paris Las Vegas and Planet Hollywood Resort & Casino, with the second to be selected from one of the previous four plus the LINQ Hotel & Casino. Caesars does not have a contractual obligation to sell the properties subject to the ROFRs and will make independent financial decisions regarding whether to trigger the ROFRs. The exercise of the ROFR over Horseshoe Baltimore is subject to any consent required from applicable joint venture partners of Caesars, and Caesars will make an independent financial decision regarding whether to trigger the ROFR over Horseshoe Baltimore. As part of the Eastern Band of Cherokee Indian's announced acquisition of Caesars Southern Indiana from Caesars, the parties have agreed to negotiate a ROFR with us on the real property associated with the development of a new casino resort in Danville, Virginia, which is subject to the negotiation of definitive documentation and applicable regulatory and other governmental approvals.
5. Represents current annualized contractual rent as of June 30, 2021.

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

Our portfolio is competitively positioned and well-maintained. Pursuant to the terms of the Lease Agreements, which require our tenants to invest in our properties (subject in certain cases to temporary relief we granted certain tenants on a portion of their capital expenditure obligations in connection with the impact of the COVID-19 pandemic), and in line with our tenants' commitment to build guest loyalty, we anticipate our tenants will continue to make strategic value-enhancing investments in our properties over time, helping to maintain their competitive position. In addition, given our scale and deep industry knowledge, we believe we are well-positioned to execute highly complementary single-asset and portfolio acquisitions, as well as other investments, to augment growth as market conditions allow, with a focus on disciplined capital allocation.

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

The financial information included in this Quarterly Report on Form 10-Q is our consolidated results (including the real property business and the golf course business) for the three and six months ended June 30, 2021.

Impact of the COVID-19 Pandemic on Our Business

Since the emergence of the COVID-19 pandemic in early 2020, among the broader public health, societal and global impacts, the pandemic has resulted in state governments and/or regulatory authorities issuing various directives, mandates, orders or similar actions, which resulted in temporary closures of our tenants' operations at all of our properties and our golf course operations. Although all of our leased properties and our golf courses are currently open and operating, without restriction in some jurisdictions, they remain subject to any current or future operating limitations, restrictions or closures imposed by state and local governments and/or regulatory authorities. While our tenants' recent performance at many of our leased properties has been at or above pre-pandemic levels, they may continue to face additional challenges and uncertainty due to the impact of the COVID-19 pandemic, such as complying with operational and capacity restrictions and ensuring sufficient employee staffing and service levels, and the sustainability of maintaining improved operating margins and financial performance. Due to prior closures, operating restrictions and other factors, our tenants' operations, liquidity and financial performance have been adversely affected, and the ongoing nature of the pandemic, including emerging variants, may further impact our tenants' businesses and, accordingly, our business and financial performance.

All of our tenants have fulfilled their rent obligations through July 2021 and we regularly engage with our tenants in connection with their business performance, operations, liquidity and financial results. As a triple-net lessor, we believe we are generally in a strong creditor position and structurally insulated from operational and performance impacts of our tenants, both positive and negative. However, the full extent to which the COVID-19 pandemic continues to adversely affect our tenants, and ultimately impacts us, depends on future developments which cannot be predicted with confidence, including the actions taken to contain the pandemic or mitigate its impact, including the availability, distribution, public acceptance and efficacy of one or more approved vaccines, new or mutated variants of COVID-19 (including vaccine-resistant variants) or a similar virus, the direct and indirect economic effects of the pandemic and containment measures on our tenants, our tenants' financial performance and any future operating limitations. These factors may contribute to increased uncertainty with respect to our business and operating results through 2021 and we will continue to closely monitor the impact of the COVID-19 pandemic on us and our tenants. For more information, refer to the section entitled "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2020.

Second Quarter 2021 Highlights

Operating Results

- Collected 100% of rent in cash.
- Total revenues increased 45.9% year-over-year to $376.4 million.
- Net income attributable to common stockholders was $300.7 million, or $0.54 per diluted share.
- AFFO increased 45.3% year-over-year to $256.1 million and AFFO per diluted share increased 27.8% to $0.46.

Acquisition and Investment Activity

- Originated the Great Wolf Mezzanine Loan with a total commitment of $79.5 million to partially fund the development of the Great Wolf Lodge Maryland, a 48-acre indoor water park resort located in Perryville, MD.

SIGNIFICANT ACTIVITIES DURING 2021

Acquisition and Investment Activity

- ***Great Wolf Mezzanine Loan.*** On June 16, 2021, we entered into a mezzanine loan agreement (the "Great Wolf Mezzanine Loan") with an affiliate of Great Wolf Resorts, Inc. ("Great Wolf") to provide up to $79.5 million to partially fund the development of the Great Wolf Lodge Maryland, a 48-acre indoor water park resort located in Perryville, MD. The Great Wolf Mezzanine Loan bears interest at a rate of 8.0% per annum and has an initial term of 3 years with two successive 12-month extension options subject to certain conditions. Our commitment will be funded subject to customary terms and conditions in disbursements to the borrower based upon construction of the development and, as of June 30, 2021, no funds have been disbursed. We expect to fund our entire $79.5 million commitment by mid-2022.

  In addition, pursuant to a non-binding letter agreement, we will have the opportunity for a period of up to five years to provide up to a total of $300.0 million of mezzanine financing, inclusive of the $79.5 million related to the Great Wolf Lodge Maryland, for the development and construction of Great Wolf's extensive domestic and international indoor water park resort pipeline.

- ***Venetian Acquisition.*** On March 2, 2021, we entered into definitive agreements to acquire from Las Vegas Sands Corp. ("LVS"), all of the land and real estate assets associated with the Venetian Resort Las Vegas and the Sands Expo and Convention Center, located in Las Vegas, Nevada (collectively, the "Venetian Resort"), for $4.0 billion in cash (the "Venetian PropCo Acquisition"), and an affiliate of certain funds managed by affiliates of Apollo Global Management, Inc. (the "OpCo Buyer"), has agreed to acquire the operating assets of the Venetian Resort for $2.25 billion, subject to certain post-closing adjustments, of which $1.2 billion is in the form of a secured term loan from LVS and the remainder is payable in cash (together with the Venetian PropCo Acquisition, the "Venetian Acquisition"). Simultaneous with the closing of the Venetian Acquisition, we will enter into a triple-net lease agreement for the Venetian Resort (the "Venetian Lease") with OpCo Buyer (in such capacity, the "Venetian Tenant"). The Venetian Lease will have an initial total annual rent of $250.0 million and an initial term of 30 years, with two ten-year tenant renewal options. The annual rent will be subject to escalation equal to the greater of 2.0% and the increase in the consumer price index, capped at 3.0%, beginning in the earlier of (i) the beginning of the third lease year, and (ii) the month following the month in which the net revenue generated by the Venetian Resort returns to its 2019 level (the year immediately prior to the onset of the COVID-19 pandemic) on a trailing twelve-month basis. The closing of the Venetian Acquisition is subject to customary closing conditions, including regulatory approvals.

  In addition, LVS has agreed with the Venetian Tenant pursuant to an agreement (the "Contingent Lease Support Agreement") to be entered into simultaneous with the closing of the Venetian Acquisition to provide lease payment support designed to guarantee the Venetian Tenant's rent obligations under the Venetian Lease through 2023, subject to early termination if EBITDAR (as defined in such agreement) generated by the Venetian Resort in 2022 equals or exceeds $550 million, or a tenant change of control occurs. We will be a third-party beneficiary of the Contingent Lease Support Agreement and will have certain enforcement rights pursuant thereto. The Contingent Lease Support Agreement is limited to coverage of the Venetian Tenant's rent obligations and does not cover any environmental expenses, litigation claims, or any cure or enforcement costs. The obligations of the Venetian Tenant under the Venetian Lease will not be guaranteed by Apollo Global Management, Inc. or any of its affiliates. After the termination of the Contingent Lease Support Agreement, the Venetian Tenant will be required to provide a letter of credit to secure seven and one-half months of the rent, real estate taxes and assessments and insurance obligations of the Venetian Tenant if the operating results from the Venetian Resort do not exceed certain thresholds. We expect the Venetian Acquisition to close during the fourth quarter of 2021. However, we can provide no assurances that the Venetian Acquisition will close in the anticipated timeframe, on the contemplated terms or at all.

PENDING TRANSACTIONS

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

- ***Caesars Southern Indiana Lease Agreement.*** On December 24, 2020, in connection with the Eastern Band of Cherokee Indians' ("EBCI") agreement to acquire the operations of Caesars Southern Indiana from Caesars, we agreed to enter into a triple-net lease agreement with EBCI with respect to the real property associated with Caesars Southern Indiana, at the closing of EBCI's acquisition. In addition, as part of the transaction, the parties have agreed to negotiate a right of first refusal for us on the real property associated with the development of a new casino resort in Danville, Virginia. Initial total annual rent under the lease with EBCI will be $32.5 million. The lease will have an initial term of 15 years, with four 5-year tenant renewal options. The tenant's obligations under the lease will be guaranteed by EBCI. Annual base rent payments under the Regional Master Lease Agreement will be reduced by $32.5 million upon completion of EBCI's acquisition of the operations of Caesars Southern Indiana and the execution of the lease between us and the tenant. The property is expected to retain the Caesars brand name and to continue to be a part of the Caesars Rewards loyalty program in accordance with the terms of a licensing agreement negotiated between EBCI and Caesars. The transaction is subject to customary regulatory and other approvals (and, with respect to the right of first refusal, negotiation of definitive documentation and applicable regulatory and other governmental approvals) and is expected to be completed in the third quarter of 2021.

RESULTS OF OPERATIONS

Segments

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

	Three Months Ended June 30,			Six Months Ended June 30,		
(In thousands)	**2021**	**2020**	**Variance**	**2021**	**2020**	**Variance**
Revenues						
Income from sales-type and direct financing leases	$ 291,132	$ 223,895	$ 67,237	$ 581,278	$ 448,147	$ 133,131
Income from operating leases	—	10,913	(10,913)	—	21,826	(21,826)
Income from lease financing receivables and loans	69,996	17,026	52,970	140,373	29,869	110,504
Other income	6,987	733	6,254	13,961	1,426	12,535
Golf revenues	8,285	5,335	2,950	15,098	11,635	3,463
Total revenues	376,400	257,902	118,498	750,710	512,903	237,807
Operating expenses						
General and administrative	7,628	7,498	130	15,713	14,513	1,200
Depreciation	757	1,213	(456)	1,549	2,080	(531)
Other expenses	6,987	736	6,251	13,961	1,439	12,522
Golf expenses	5,232	4,139	1,093	9,738	8,509	1,229
Change in allowance for credit losses	(29,104)	(65,480)	36,376	(33,484)	84,028	(117,512)
Transaction and acquisition expenses	791	1,160	(369)	9,512	5,677	3,835
Total operating expenses	(7,709)	(50,734)	43,025	16,989	116,246	(99,257)
Interest expense	(79,806)	(77,693)	(2,113)	(156,854)	(153,786)	(3,068)
Interest income	30	1,009	(979)	49	6,529	(6,480)
Loss from extinguishment of debt	—	—	—	—	(39,059)	39,059
Income before income taxes	304,333	231,952	72,381	576,916	210,341	366,575
Income tax expense	(1,256)	(309)	(947)	(1,740)	(763)	(977)
Net income	303,077	231,643	71,434	575,176	209,578	365,598
Less: Net income attributable to non-controlling interest	(2,368)	(2,241)	(127)	(4,666)	(4,188)	(478)
Net income attributable to common stockholders	$ 300,709	$ 229,402	$ 71,307	$ 570,510	$ 205,390	$ 365,120

Table of Contents

Revenue

For the three and six months ended June 30, 2021 and 2020, our revenue was comprised of the following items:

(In thousands)	Three Months Ended June 30, 2021	Three Months Ended June 30, 2020	Variance	Six Months Ended June 30, 2021	Six Months Ended June 30, 2020	Variance
Leasing revenue	$ 351,201	$ 250,732	$ 100,469	$ 701,239	$ 497,917	$ 203,322
Income from loans	9,927	1,102	8,825	20,412	1,925	18,487
Other income	6,987	733	6,254	13,961	1,426	12,535
Golf revenues	8,285	5,335	2,950	15,098	11,635	3,463
Total revenue	$ 376,400	$ 257,902	$ 118,498	$ 750,710	$ 512,903	$ 237,807

Leasing Revenue

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

(In thousands)	Three Months Ended June 30, 2021	Three Months Ended June 30, 2020	Variance	Six Months Ended June 30, 2021	Six Months Ended June 30, 2020	Variance
Income from sales-type and direct financing leases	$ 291,132	$ 223,895	$ 67,237	$ 581,278	$ 448,147	$ 133,131
Income from operating leases (1)	—	10,913	(10,913)	—	21,826	(21,826)
Income from lease financing receivables (2)	60,069	15,924	44,145	119,961	27,944	92,017
Total leasing revenue	351,201	250,732	100,469	701,239	497,917	203,322
Non-cash adjustment (3)	(29,398)	3,809	(33,207)	(57,275)	7,063	(64,338)
Total contractual leasing revenue	$ 321,803	$ 254,541	$ 67,262	$ 643,964	$ 504,980	$ 138,984

(1) Represents portion of land separately classified and accounted for under the operating lease model associated with our investment in Caesars Palace Las Vegas and certain operating land parcels contained in the Regional Master Lease Agreement. Upon the consummation of the Eldorado Transaction on July 20, 2020, the land component of Caesars Palace Las Vegas and the certain operating land parcels were reassessed for lease classification and determined to be a sales-type lease. Accordingly, subsequent to July 20, 2020, such income is recognized as Income from sales-type and direct financing leases.
(2) Represents the MTA Properties and the JACK Cleveland/Thistledown Lease Agreement, both of which were sale leaseback transactions. In accordance with ASC 842, since the lease agreements were determined to meet the definition of a sales-type lease and control of the asset is not considered to have transferred to us, such lease agreements are accounted for as financings under ASC 310.
(3) Amounts represent the non-cash adjustment to income from sales-type leases, direct financing leases and lease financing receivables in order to recognize income on an effective interest basis at a constant rate of return over the term of the leases.

Leasing revenue is generated from rent from our Lease Agreements. Total leasing revenue increased $100.5 million and $203.3 million during the three and six months ended June 30, 2021, respectively, compared to the three and six months ended June 30, 2020, respectively. Total contractual leasing revenue increased $67.3 million and $139.0 million during the three and six months ended June 30, 2021, respectively, compared to the three and six months ended June 30, 2020, respectively. The increase was primarily driven by the addition of the MTA Properties to our real estate portfolio in July 2020, as well as the CPLV Additional Rent Acquisition and the HLV Additional Rent Acquisition in July 2020.

Income From Loans

Income from loans increased $8.8 million and $18.5 million during the three and six months ended June 30, 2021, respectively, compared to the three and six months ended June 30, 2020, respectively. The increase was driven by the addition of the Amended and Restated ROV Loan, the Chelsea Piers Mortgage Loan and the Forum Convention Center Mortgage Loan to our real estate portfolio in July 2020, August 2020 and September 2020, respectively.

Other Income

Other income increased $6.3 million and $12.5 million during the three and six months ended June 30, 2021, respectively, compared to the three and six months ended June 30, 2020, respectively. The increase was driven by the additional income and offsetting expense as a result of the assumption of the HNO Ground Lease as part of the MTA Properties Acquisitions. Refer to Note 3 - Property Transactions for further description of the HNO Ground Lease.

Golf Revenues

Revenues from golf operations increased $3.0 million and $3.5 million during the three and six months ended June 30, 2021, respectively, compared to the three and six months ended June 30, 2020, respectively. The change was primarily driven by the closure of our golf courses in mid-March 2020 until early to mid-May 2020 as a result of the COVID-19 pandemic and an increase in the contractual fees paid to us by Caesars for the use of our golf courses, pursuant to a golf course use agreement.

Operating Expenses

For the three and six months ended June 30, 2021 and 2020, our operating expenses were comprised of the following items:

	Three Months Ended June 30,			Six Months Ended June 30,		
(In thousands)	**2021**	**2020**	**Variance**	**2021**	**2020**	**Variance**
General and administrative	$ 7,628	$ 7,498	$ 130	$ 15,713	$ 14,513	$ 1,200
Depreciation	757	1,213	(456)	1,549	2,080	(531)
Other expenses	6,987	736	6,251	13,961	1,439	12,522
Golf expenses	5,232	4,139	1,093	9,738	8,509	1,229
Change in allowance for credit losses	(29,104)	(65,480)	36,376	(33,484)	84,028	(117,512)
Transaction and acquisition expenses	791	1,160	(369)	9,512	5,677	3,835
Total operating expenses	$ (7,709)	$ (50,734)	$ 43,025	$ 16,989	$ 116,246	$ (99,257)

General and Administrative Expenses

General and administrative expenses increased $0.1 million and $1.2 million for the three and six months ended June 30, 2021, respectively, as compared to the three and six months ended June 30, 2020, respectively. The increase was primarily driven by an increase in compensation, including stock-based compensation.

Other Expenses

Other expenses increased $6.3 million and $12.5 million during the three and six months ended June 30, 2021, respectively, compared to the three and six months ended June 30, 2020, respectively. The increase was driven by the additional income and offsetting expense as a result of the assumption of the HNO Ground Lease as part of the MTA Properties Acquisitions. Refer to Note 3 - Property Transactions for further description of the HNO Ground Lease.

Golf Expenses

Expenses from golf operations increased $1.1 million and $1.2 million during the three and six months ended June 30, 2021, respectively, compared to the three and six months ended June 30, 2020, respectively. The change was primarily driven by the closure of our golf courses in mid-March 2020 until early to mid-May 2020 as a result of the COVID-19 pandemic, partially offset by an increase in the water usage charges at one of our golf courses during 2020. Additionally, even though our courses were closed from mid-March 2020 until early to mid-May as a result of the COVID-19 pandemic, we continued to pay all of our golf course employees their full salaries and benefits for a period of time and, accordingly, the change in our golf course operating revenues during this time was not proportionately offset by the change in golf course operating expenses.

Change in Allowance for Credit Losses

Under ASU No. 2016-13 - *Financial Instruments-Credit Losses (Topic 326)*, we are required to record an estimated credit loss for our (i) Investments in leases - sales-type, (ii) Investments in leases - financing receivables and (iii) Investments in loans. During the three and six months ended June 30, 2021, we recognized a $29.1 million and $33.5 million decrease, respectively, in our allowance for credit losses primarily driven by (i) the decrease in the R&S Period PD of our tenants and their parent guarantors as a result of an improvement in their economic outlook due to the reopening of all of their gaming operations and relative performance of such operations during the first and second quarters of 2021, (ii) the decrease in the Long-Term Period PD due to an upgrade of the credit rating of the senior secured debt used to determine the Long-Term Period PD for two of our tenants during the second quarter of 2021 and (iii) the decrease in the R&S Period PD and R&S Period LGD as a result of standard annual updates that were made to the inputs and assumptions in the model that we utilize to estimate our CECL allowance.

During the three months ended June 30, 2020, we recognized a $65.5 million decrease in our allowance for credit losses. This decrease was primarily driven by a decrease in the R&S Period PD of our tenants and their parent guarantors as a result of an improvement in their economic outlook due to the partial reopening of a majority of their gaming operations. During the six months ended June 30, 2020, we recognized a $84.0 million increase in our allowance for credit losses. This increase was primarily driven by (i) an increase in the R&S Period PD and LGD of our tenants and their parent guarantors due to decreases in the equity market capitalization of the stock of the parent public-entities of certain of our tenants due to the uncertain economic conditions caused by the COVID-19 pandemic and closure of the tenants operations at our properties during such period, as well as the utilization of forecasted scenarios that incorporated the expected negative impact of the COVID-19 pandemic on the economy, (ii) an increase in the Long-Term Period PD of our tenants due to downgrades on certain of the credit ratings of our tenants' senior secured debt and (iii) an increase related to our initial investments in JACK Cleveland/Thistledown and the ROV Loan in January 2020. This increase was partially offset by the decrease for the three months ended June 30, 2020. Refer to Note 5 - Allowance for Credit Losses for further details.

Transaction and Acquisition Expenses

Transaction and acquisition expenses decreased $0.4 million during the three months ended June 30, 2021 compared to the three months ended June 30, 2020, and increased $3.8 million during the six months ended June 30, 2021 compared to the six months ended June 30, 2020. Changes in transaction and acquisition expenses are related to fluctuations in (i) costs incurred for investments during the period that are not capitalizable under GAAP and (ii) costs incurred for investments that we are no longer pursuing.

Non-Operating Income and Expenses

Interest Expense

Interest expense increased $2.1 million and $3.1 million during the three and six months ended June 30, 2021, respectively, as compared to the three and six months ended June 30, 2020, respectively. The increase during the three months ended June 30, 2021 is primarily related to the amortization of the commitment fees associated with the Venetian Acquisition Bridge Facility. The increase during the six months ended June 30, 2021 is primarily attributable to the amortization of the commitment fees associated with the Venetian Acquisition Bridge Facility and the increase in debt of $2.5 billion in the aggregate from the February 2020 Senior Unsecured Notes offering, partially offset by a reduction in debt of $498.5 million as a result of the full redemption of the Second Lien Notes in February 2020.

Additionally, the weighted average annualized interest rate of our debt decreased to 4.01% and 4.03% during the three and six months ended June 30, 2021, respectively, from 4.18% and 4.51% during the three and six months ended June 30, 2020, respectively, as a result of (i) the weighted average interest rate on the February 2020 Senior Unsecured Notes being lower than the weighted average interest rate of the Second Lien Notes and (ii) a decrease in LIBOR on the $600.0 million portion of our variable rate debt that is not hedged.

Interest Income

Interest income decreased $1.0 million and $6.5 million during the three and six months ended June 30, 2021, respectively, compared to the three and six months ended June 30, 2020, respectively. The decrease was primarily driven by an overall decrease in our cash on hand and a decrease in the interest rates earned on our excess cash.

Loss on Extinguishment of Debt

During the six months ended June 30, 2020, we recognized a loss on extinguishment of debt of $39.1 million resulting from the full redemption of our Second Lien Notes in February 2020. We had no such related extinguishment of debt during the six months ended June 30, 2021.

RECONCILIATION OF NON-GAAP MEASURES

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

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

AFFO is a non-GAAP financial measure that we use as a supplemental operating measure to evaluate our performance. We calculate AFFO by adding or subtracting from FFO non-cash leasing and financing adjustments, non-cash change in allowance for credit losses, non-cash stock-based compensation expense, transaction costs incurred in connection with the acquisition of real estate investments, amortization of debt issuance costs and original issue discount, other non-cash interest expense, non-real estate depreciation (which is comprised of the depreciation related to our golf course operations), capital expenditures (which are comprised of additions to property, plant and equipment related to our golf course operations), impairment charges related to non-depreciable real estate, gains (or losses) on debt extinguishment, other non-recurring non-cash transactions (such as non-cash gain upon lease modification) and non-cash adjustments attributable to non-controlling interest with respect to certain of the foregoing.

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

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

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

(In thousands, except share data and per share data)	Three Months Ended June 30, 2021	Three Months Ended June 30, 2020	Six Months Ended June 30, 2021	Six Months Ended June 30, 2020
Net income attributable to common stockholders	$ 300,709	$ 229,402	$ 570,510	$ 205,390
Real estate depreciation	—	—	—	—
FFO	**300,709**	**229,402**	**570,510**	**205,390**
Non-cash leasing and financing adjustments	(29,346)	3,826	(57,198)	7,093
Non-cash change in allowance for credit losses	(29,104)	(65,480)	(33,484)	84,028
Non-cash stock-based compensation	2,395	2,012	4,672	3,362
Transaction and acquisition expenses	791	1,160	9,512	5,677
Amortization of debt issuance costs and original issue discount	9,934	4,837	16,625	11,136
Other depreciation	726	1,183	1,486	2,026
Capital expenditures	(274)	(883)	(1,507)	(1,645)
Loss on extinguishment of debt	—	—	—	39,059
Non-cash adjustments attributable to non-controlling interest	296	200	523	107
AFFO	**256,127**	**176,257**	**511,139**	**356,233**
Interest expense, net	69,842	71,847	140,180	136,121
Income tax expense	1,256	309	1,740	763
Adjusted EBITDA	**$ 327,225**	**$ 248,413**	**$ 653,059**	**$ 493,117**
Net income per common share				
Basic	$ 0.56	$ 0.47	$ 1.06	$ 0.43
Diluted	$ 0.54	$ 0.47	$ 1.04	$ 0.43
FFO per common share				
Basic	$ 0.56	$ 0.47	$ 1.06	$ 0.43
Diluted	$ 0.54	$ 0.47	$ 1.04	$ 0.43
AFFO per common share				
Basic	$ 0.48	$ 0.36	$ 0.95	$ 0.75
Diluted	$ 0.46	$ 0.36	$ 0.93	$ 0.74
Weighted average number of shares of common stock outstanding				
Basic	536,692,167	489,012,165	536,586,921	477,094,795
Diluted	554,438,981	489,213,427	549,620,976	481,652,482

LIQUIDITY AND CAPITAL RESOURCES

Overview

As of June 30, 2021, our available cash balances, capacity under our Revolving Credit Facility and additional available proceeds from the settlement of forward sale agreements were as follows:

(In thousands)		June 30, 2021
Cash and cash equivalents	$	407,522
Capacity under Revolving Credit Facility (1)		1,000,000
Proceeds available from settlement of the June 2020 Forward Sale Agreement and March 2021 Forward Sale Agreements (2)		2,413,916
Total	$	3,821,438

(1) Subject to compliance with the financial covenants and other applicable provisions of our Revolving Credit Facility.
(2) Assumes the physical settlement of 69,000,000 shares and the remaining 26,900,000 shares under the March 2021 Forward Sale Agreements and June 2020 Forward Sale Agreement, respectively, at the forward sale price of $27.34 and $19.61, respectively, calculated as of June 30, 2021.

Our short-term obligations consist primarily of regular interest payments on our debt obligations, dividends to our common stockholders, normal recurring operating expenses, recurring expenditures for corporate and administrative needs, certain lease and other contractual commitments related to our golf operations and certain non-recurring expenditures. For a list of our material contractual commitments refer to Note 10 - Commitments and Contingent Liabilities.

Our long-term obligations consist primarily of principal payments on our outstanding debt obligations and future funding commitments under our lease and loan agreements. As of June 30, 2021, we have $6.9 billion of debt obligations outstanding, none of which are maturing in the next twelve months. As of June 30, 2021, we have $119.5 million in future funding commitments consisting of (i) $79.5 million related to the Great Wolf Mezzanine Loan, (ii) $25.0 million related to the ROV Credit Facility and (iii) $15.0 million related to the Chelsea Piers Mortgage Loan. For a summary of principal debt balances and their maturity dates and principal terms refer to Note 7 - Debt. For a summary of our future funding commitments under our loan portfolio, refer to Note 4 - Real Estate Portfolio.

As described in our leases, capital expenditures for properties under the Lease Agreements are the responsibility of the tenants. Minimum capital expenditure spending requirements of the tenants pursuant to the Lease Agreements are described in Note 4 - Real Estate Portfolio.

Information concerning our obligations and commitments to make future payments under contracts such as our indebtedness and future minimum lease commitments under operating leases is included in the following table as of June 30, 2021:

	Payments Due By Period					
(In thousands)	**Total**	**2021 (remaining)**	**2022**	**2023**	**2024**	**2025 and Thereafter**
Long-term debt, principal						
2025 Notes (1)	$ 750,000	$ —	$ —	$ —	$ —	$ 750,000
2026 Notes (1)	1,250,000	—	—	—	—	1,250,000
2027 Notes (1)	750,000	—	—	—	—	750,000
2029 Notes (1)	1,000,000	—	—	—	—	1,000,000
2030 Notes (1)	1,000,000	—	—	—	—	1,000,000
Term Loan B Facility (2)	2,100,000	—	10,000	22,000	2,068,000	—
Revolving Credit Facility (3)	—	—	—	—	—	—
Scheduled interest payments (4)	1,585,965	140,905	281,150	255,129	240,344	668,437
Total debt contractual obligations	8,435,965	140,905	291,150	277,129	2,308,344	5,418,437
Leases and contracts						
Future funding commitments – loan investments and lease agreements(5)	119,500	31,607	47,893	—	—	40,000
Operating lease for Cascata Golf Course Land	19,283	467	951	970	990	15,905
Golf maintenance contract for Rio Secco and Cascata Golf Course	8,375	1,675	3,350	3,350	—	—
Office leases	8,094	444	857	857	857	5,079
Total leases and contract obligations	155,252	34,193	53,051	5,177	1,847	60,984
Total contractual commitments	$ 8,591,217	$ 175,098	$ 344,201	$ 282,306	$ 2,310,191	$ 5,479,421

(1) The 2025 Notes, 2026 Notes, 2027 Notes, 2029 Notes and 2030 Notes will mature on February 15, 2025, December 1, 2026, February 15, 2027, December 1, 2029 and August 15, 2030, respectively.
(2) The Term Loan B Facility is subject to amortization of 1.0% of principal per annum payable in equal quarterly installments on the last business day of each calendar quarter. However, as a result of prepaying $100.0 million in February 2018, the next principal payment due on the Term Loan B Facility is September 2022. The Term Loan B Facility will mature on December 22, 2024 (or if the maturity is extended pursuant to the terms of the agreement, such extended maturity date as determined pursuant thereto).
(3) The Revolving Credit Facility will mature on May 15, 2024.
(4) Estimated interest payments on variable interest loans are based on a LIBOR rate as of June 30, 2021.
(5) The allocation of our future funding commitments is based on the construction draw schedule, commitment funding date or expiration date, as applicable, however we may be obligated to fund these commitments earlier than such date.

We expect the Venetian Acquisition to close in the fourth quarter of 2021, and expect to fund the purchase with a mix of cash on hand, the physical settlement of our June 2020 Forward Sale Agreement and March 2021 Forward Sale Agreements, and debt (through additional long-term debt financing, under our Revolving Credit Facility and/or under our Venetian Acquisition Bridge Facility). In particular, we currently intend to issue additional senior unsecured notes to fund a portion of the cash consideration for the Venetian Acquisition, but, absent such a long-term debt financing, we may draw on our Venetian Acquisition Bridge Facility in connection with the closing of the Venetian Acquisition to fund a portion of the consideration and then, in the future, would expect to incur long-term debt financing to refinance such amounts borrowed under the Venetian Acquisition Bridge Facility, subject to market and other conditions. Our ability to raise long-term debt financing on favorable terms or at all may be adversely affected by market or economic conditions that change after the date of this Quarterly Report on Form 10-Q. If we draw upon the Venetian Acquisition Bridge Facility, there can be no assurances that we would be able to refinance the Venetian Acquisition Bridge Facility on terms satisfactory to us, or at all. We anticipate funding future transactions with a mix of debt, equity and available cash.

We believe that we have sufficient liquidity to meet our liquidity and capital resource requirements primarily through currently available cash and cash equivalents, short-term investments, cash received under our Lease Agreements, borrowings from banks, including undrawn capacity under our Revolving Credit Facility, and proceeds from the issuance of debt and equity securities (including issuances under the June 2020 Forward Sale Agreement, March 2021 Forward Sale Agreements and our ATM Agreement).

All of the Lease Agreements call for an initial term of between fifteen and twenty years with additional tenant renewal options and are designed to provide us with a reliable and predictable long-term revenue stream. However, the COVID-19 pandemic has adversely impacted our tenants and their financial condition, and may continue to do so, due to the impact of operating restrictions and limitations imposed from time to time, as well as potential property reclosures. In the event our tenants are unable to make all of their contractual rent payments as provided by the Lease Agreements, we believe we have sufficient liquidity from the other sources discussed above to meet all of our contractual obligations for a significant period of time. Additionally, we do not have any debt maturities until 2024. For more information, refer to the risk factors incorporated by reference into Part II. Item 1A. Risk Factors herein from our Annual Report on Form 10-K for the year ended December 31, 2020.

Our cash flows from operations and our ability to access capital resources could be adversely affected due to uncertain economic factors and volatility in the financial and credit markets, including as a result of the COVID-19 pandemic. In particular, in connection with the COVID-19 pandemic and its impact on our tenants' operations and financial performance, we can provide no assurances that our tenants will not default on their leases or fail to make full rental payments if their businesses become challenged due to, among other things, current or future adverse economic conditions. In addition, any such tenant default or failure to make full rental payments could impact our operating performance and result in us not satisfying the financial covenants applicable to our outstanding indebtedness, which could result in us not being able to incur additional debt, including the available capacity under our Revolving Credit Facility, or result in a default. Further, current or future economic conditions could impact our tenants' ability to meet capital improvement requirements or other obligations required in our Lease Agreements that could result in a decrease in the value of our properties.

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

Cash Flow Analysis

The table below summarizes our cash flows for the six months ended June 30, 2021 and 2020:

(In thousands)	Six Months Ended June 30, 2021	Six Months Ended June 30, 2020	Variance
Cash, cash equivalents and restricted cash			
Provided by operating activities	$ 410,470	$ 318,497	$ 91,973
Provided by (used in) investing activities	42,105	(840,431)	882,536
(Used in) provided by financing activities	(361,046)	3,100,577	(3,461,623)
Net increase in cash, cash equivalents and restricted cash	91,529	2,578,643	(2,487,114)
Cash, cash equivalents and restricted cash, beginning of period	315,993	1,101,893	(785,900)
Cash, cash equivalents and restricted cash, end of period	$ 407,522	$ 3,680,536	$ (3,273,014)

Cash Flows from Operating Activities

Net cash provided by operating activities increased $92.0 million for the six months ended June 30, 2021 compared with the six months ended June 30, 2020. The increase is primarily driven by an increase in cash rental and interest payments from the Eldorado Transaction in July 2020 and the addition of the Amended and Restated ROV Loan, the Chelsea Piers Mortgage Loan and the Forum Convention Center Mortgage Loan to our real estate portfolio in July 2020, August 2020 and September 2020, respectively.

Cash Flows from Investing Activities

Net cash provided by investing activities increased $882.5 million for the six months ended June 30, 2021 compared with the six months ended June 30, 2020.

During the six months ended June 30, 2021, the primary sources and uses of cash from investing activities included:

- Proceeds from partial repayment of the Amended and Restated ROV Loan and receipt of deferred fees of $30.4 million;
- Proceeds from net maturities of short-term investments of $20.0 million;
- Final payment of the funding of a new gaming patio amenity at JACK Thistledown Racino of $6.0 million;
- Capitalized transaction costs of $1.9 million; and
- Acquisition of property and equipment costs of $1.5 million.

During the six months ended June 30, 2020, the primary sources and uses of cash from investing activities include:

- The JACK Cleveland/Thistledown Acquisition for a total cost of $897.5 million, including acquisition costs;
- Proceeds from net maturities of short-term investments of $59.5 million;
- Capitalized transaction costs of $1.1 million; and
- Acquisition of property and equipment costs of $2.2 million.

Cash Flows from Financing Activities

Net cash used in financing activities decreased $3,461.6 million for the six months ended June 30, 2021, compared with the six months ended June 30, 2020.

During the six months ended June 30, 2021, the primary uses of cash in financing activities included:

- Dividend payments of $355.3 million;
- Distributions of $4.1 million to non-controlling interest.

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

- Net proceeds from the sale of an aggregate of $1,476.7 million of our common stock pursuant to the full physical settlement of the forward sale agreements entered into in June 2019 and our at-the-market program;
- Gross proceeds from our February 2020 Senior Unsecured Notes offering of $2,500.0 million;
- Full redemption of the $498.5 million outstanding aggregate principal amount of our Second Lien Notes, as well as the $39.0 million Second Lien Notes Applicable Premium (as defined in the Second Lien Notes indenture), plus fees;
- Dividend payments of $276.5 million;
- Debt issuance costs of $57.8 million; and
- Distributions of $4.1 million to non-controlling interest.

Debt

For a summary of our debt obligations as of June 30, 2021, refer to Note 7 - Debt.

Covenants

Our debt obligations are subject to certain customary financial and protective covenants that restrict our ability to incur additional debt, sell certain asset and restrict certain payments, among other things. In addition, these covenants are subject to a number of important exceptions and qualifications, including, with respect to the restricted payments covenant, the ability to make unlimited restricted payments to maintain our REIT status. At June 30, 2021, we were in compliance with all debt-related covenants.

Non-Guarantor Subsidiaries of Senior Unsecured Notes

The subsidiaries of the Operating Partnership that do not guarantee the Senior Unsecured Notes accounted for (i) 4.6% of the Operating Partnership's revenue (or 4.5% of our consolidated revenue) for the six months ended June 30, 2021 and (ii) 3.8% of the Operating Partnership's total assets (or 3.8% of our consolidated total assets) as of June 30, 2021.

Distribution Policy

We intend to make regular quarterly distributions to holders of shares of our common stock. Dividends declared (on a per share basis) during the six months ended June 30, 2021 and 2020 were as follows:

Six Months Ended June 30, 2021

Declaration Date	Record Date	Payment Date	Period	Dividend	
March 11, 2021	March 25, 2021	April 8, 2021	January 1, 2021 - March 31, 2021	$	0.3300
June 10, 2021	June 24, 2021	July 8, 2021	April 1, 2021 - June 30, 2021	$	0.3300

Six Months Ended June 30, 2020

Declaration Date	Record Date	Payment Date	Period	Dividend	
March 12, 2020	March 31, 2020	April 9, 2020	January 1, 2020 - March 31, 2020	$	0.2975
June 11, 2020	June 30, 2020	July 10, 2020	April 1, 2020 - June 30, 2020	$	0.2975

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

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

Critical Accounting Policies and Estimates

A complete discussion of our critical accounting policies and estimates is included in our Annual Report on Form 10-K for the year ended December 31, 2020. There have been no significant changes in our critical policies and estimates for the six months ended June 30, 2021.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

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

At June 30, 2021, we had $6.9 billion aggregate principal amount of outstanding indebtedness. Approximately $2.1 billion of our indebtedness has variable interest rates. We manage most of our interest rate risks related to variable rate borrowings by means of interest rate swap agreements. However, the REIT provisions of the Code substantially limit our ability to hedge our assets and liabilities. We also expect to manage our exposure to interest rate risk by maintaining a mix of fixed and variable rates for our indebtedness.

At June 30, 2021, we had entered into interest rate swap agreements that hedge $1.5 billion of our variable rate debt. Accordingly, we have approximately $600.0 million in variable rate debt that is not hedged. A one percent increase or decrease in the interest rate on our variable-rate borrowings that are not hedged would increase or decrease our annual cash interest expense by approximately $6.0 million.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

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

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

Changes in Internal Control Over Financial Reporting

There have been no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that occurred during the three months ended June 30, 2021, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

In the ordinary course of business, from time to time, we may be subject to legal claims and administrative proceedings. As of June 30, 2021, we are not subject to any litigation that we believe could have, individually or in the aggregate, a material adverse effect on our business, financial condition or results of operations, liquidity or cash flows.

Item 1A. Risk Factors

A description of certain factors that may affect our future results and risk factors is set forth in our Annual Report on Form 10-K for the year ended December 31, 2020. There have been no material changes to those factors for the six months ended June 30, 2021 other than as set forth in our Quarterly Report on Form 10-Q for the quarter ended March 31, 2021, and such risk factors are incorporated by reference herein.

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

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

Not applicable.

(b) Use of Proceeds from Registered Securities

Not applicable.

(c) Issuer Purchases of Equity Securities

During the three months ended June 30, 2021, we did not repurchase any equity securities registered pursuant to Section 12 of the Exchange Act.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

None.

Item 6. Exhibits

Exhibit Number	Exhibit Description	Filed Herewith	Incorporated by Reference		
			Form	Exhibit	Filing Date
31.1	Certification of Principal Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.	X			
31.2	Certification of Principal Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.	X			
32.1	Certification of Principal Executive Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.	*			
32.2	Certification of Principal Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.	*			
101.INS	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document	X			
101.SCH	XBRL Taxonomy Extension Schema Document	X			
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document	X			
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document	X			
101.LAB	XBRL Taxonomy Extension Label Linkbase Document	X			
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document	X			
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)				

* Furnished herewith

SIGNATURES

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

VICI PROPERTIES INC.

Signature	Title	Date
/s/ EDWARD B. PITONIAK **Edward B. Pitoniak**	Chief Executive Officer and Director (Principal Executive Officer)	July 28, 2021
/s/ DAVID A. KIESKE **David A. Kieske**	Chief Financial Officer (Principal Financial Officer)	July 28, 2021
/s/ GABRIEL F. WASSERMAN **Gabriel F. Wasserman**	Chief Accounting Officer (Principal Accounting Officer)	July 28, 2021

Exhibit 31.1

I, Edward B. Pitoniak, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of VICI Properties Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

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

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

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

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

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 28, 2021

By: /s/ EDWARD B. PITONIAK

Edward B. Pitoniak
Chief Executive Officer

Exhibit 31.2

I, David Kieske, certify that:

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

Date: July 28, 2021

By: /s/ DAVID A. KIESKE

David A. Kieske
Chief Financial Officer

Exhibit 32.1

Certification of Principal Executive Officer

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

(i) the accompanying Quarterly Report on Form 10-Q of the Company for the quarterly period ended June 30, 2021 (the "Report") fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

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

Date: July 28, 2021

By: /s/ EDWARD B. PITONIAK

Edward B. Pitoniak
Chief Executive Officer

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

Exhibit 32.2

Certification of Principal Financial Officer

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

(i) the accompanying Quarterly Report on Form 10-Q of the Company for the quarterly period ended June 30, 2021 (the "Report") fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

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

Date: July 28, 2021

By: /s/ DAVID A. KIESKE

David A. Kieske
Chief Financial Officer

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