

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

FORM 10-Q

(Mark One)

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

**For the Quarterly Period Ended March 31, 2018
or**

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

For the transition period from _____ to _____

Commission file number: 000-55791

VICI Properties Inc.

(Exact name of registrant as specified in its charter)

Maryland

(State or other jurisdiction of incorporation or organization)

81-4177147

(I.R.S. Employer Identification No.)

8329 W. Sunset Road, Suite 210 Las Vegas, Nevada 89113

(Address of Principal Executive Offices) (Zip Code)

Registrant's telephone number, including area code: (702) 820-3800

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

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

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

Large accelerated filer	<input type="radio"/>	Accelerated filer	<input type="radio"/>
Non-accelerated filer	<input checked="" type="radio"/> (Do not check if a smaller reporting company)	Smaller reporting company	<input type="radio"/>
		Emerging growth company	<input type="radio"/>

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

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

As of May 1, 2018, the registrant had 370,130,536 shares of its \$0.01 par value common stock outstanding.

VICI PROPERTIES INC.
FORM 10-Q
FOR THE QUARTER ENDED MARCH 31, 2018
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PART I FINANCIAL INFORMATION
Item 1. Financial Statements

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

	March 31, 2018	December 31, 2017
Assets		
Investment in direct financing leases, net	\$ 8,281,557	\$ 8,268,643
Real Estate Investments:		
Accounted for using the operating method	1,110,400	1,110,400
Land	73,600	73,600
Property and equipment used in operations, net	73,739	74,300
Cash and cash equivalents	918,215	183,646
Restricted cash	13,808	13,760
Other assets	14,920	15,363
Total assets	<u>\$ 10,486,239</u>	<u>\$ 9,739,712</u>
Liabilities		
Debt, net	\$ 4,119,263	\$ 4,785,756
Accrued interest	25,387	21,595
Deferred financing liability	73,600	73,600
Deferred revenue	60,929	68,117
Dividends payable	59,221	—
Accounts payable and accrued expenses	9,221	10,562
Deferred income taxes	3,718	3,718
Total liabilities	<u>4,351,339</u>	<u>4,963,348</u>
Commitments and Contingencies (Note 10)		
Shareholders' equity		
Common stock, \$0.01 par value, 700,000,000 shares authorized and 370,128,832 and 300,278,938 shares issued and outstanding at March 31, 2018 and December 31, 2017, respectively	3,701	3,003
Preferred stock, \$0.01 par value, 50,000,000 shares authorized, 12,000,000 shares issued and no shares outstanding at March 31, 2018 and December 31, 2017, respectively	—	—
Additional paid in capital	5,952,636	4,645,824
Retained earnings	95,563	42,662
Total VICI shareholders' equity	<u>6,051,900</u>	<u>4,691,489</u>
Non-controlling interests	83,000	84,875
Total shareholders' equity	<u>6,134,900</u>	<u>4,776,364</u>
Total liabilities and shareholders' equity	<u>\$ 10,486,239</u>	<u>\$ 9,739,712</u>

See accompanying Notes to Condensed Consolidated Financial Statements.

VICI PROPERTIES INC.
CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS
(UNAUDITED)
(In thousands, except share and per share data)

	Three Months Ended March 31, 2018
Revenues	
Earned income from direct financing leases	\$ 182,036
Rental income from operating leases	12,209
Tenant reimbursement of property taxes	17,243
Golf-related	6,788
Net revenues	218,276
Operating expenses	
General and administrative	7,308
Depreciation	906
Property taxes	17,243
Golf-related	4,095
Total operating expenses	29,552
Operating income	188,724
Interest expense	(52,875)
Interest income	1,678
Loss from extinguishment of debt	(23,040)
Income before income taxes	114,487
Income tax expense	(384)
Net income	114,103
Less: Net income attributable to non-controlling interests	(1,981)
Net income attributable to common shareholders	\$ 112,122
Weighted average number of common shares outstanding	
Basic	342,900,842
Diluted	343,056,532
Common per share data	
Basic earnings per common share	\$ 0.33
Diluted earnings per common share	\$ 0.33
Dividends declared per common share	\$ 0.16

See accompanying Notes to Condensed Consolidated Financial Statements.

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

	Common Stock	Preferred Stock	Additional paid-in capital	Retained Earnings	Total VICI Shareholders' Equity	Non- controlling interests	Total Shareholders' Equity
Balance at December 31, 2017	\$ 3,003	\$ —	\$ 4,645,824	\$ 42,662	\$ 4,691,489	\$ 84,875	\$ 4,776,364
Net income	—	—	—	112,122	112,122	1,981	114,103
Issuance of common stock from Initial Public Offering	695	—	1,306,424	—	1,307,119	—	1,307,119
Distribution to non-controlling interests	—	—	—	—	—	(3,856)	(3,856)
Dividends declared	—	—	—	(59,221)	(59,221)	—	(59,221)
Stock incentive plan activity	3	—	388	—	391	—	391
Balance at March 31, 2018	<u>\$ 3,701</u>	<u>\$ —</u>	<u>\$ 5,952,636</u>	<u>\$ 95,563</u>	<u>\$ 6,051,900</u>	<u>\$ 83,000</u>	<u>\$ 6,134,900</u>

See accompanying Notes to Condensed Consolidated Financial Statements.

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

	Three Months Ended March 31,
	2018
Cash flows from operating activities	
Net income	\$ 114,103
Adjustments to reconcile net income to cash flows provided by operating activities:	
Direct financing lease adjustments	(12,914)
Share-based compensation	391
Depreciation	906
Amortization of debt issuance costs and original issue discount	1,494
Loss on extinguishment of debt	23,040
Change in operating assets and liabilities:	
Other assets	200
Accrued interest	3,792
Deferred revenue	(7,188)
Accounts payable and accrued expenses	(1,341)
Net cash provided by operating activities	122,483
Cash flows from investing activities	
Acquisition of property and equipment, net of change in related payables	(345)
Net cash used in investing activities	(345)
Cash flows from financing activities	
Proceeds from initial public offering of common stock	1,307,119
Payment of Term Loan B Facility	(100,000)
Payment of Revolving Credit Facility	(300,000)
Payment of Second Lien Notes	(290,058)
Debt issuance costs	(726)
Distributions to non-controlling interests	(3,856)
Net cash provided by financing activities	612,479
Net increase in cash and cash equivalents	734,617
Cash, cash equivalents and restricted cash, beginning of period	197,406
Cash, cash equivalents and restricted cash, end of period	\$ 932,023
Supplemental Cash Flow Information:	
Cash paid for interest	\$ 47,135
Cash paid for income taxes	—

See accompanying Notes to Condensed Consolidated Financial Statements.

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

In these notes, the words "VICI," "Company," "we," "our," and "us" refer to VICI Properties Inc., unless otherwise stated or the context requires otherwise.

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

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

"CRC" refers to Caesars Resort Collection, LLC, a Delaware limited liability company which is a subsidiary of Caesars.

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

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

Note 1 — Business and Basis of Presentation

Business

VICI is a Maryland corporation that is primarily engaged in the business of owning and acquiring gaming, hospitality and entertainment destinations. Our national, geographically diverse portfolio consists of 20 market-leading properties, including Caesars Palace Las Vegas and Harrah's Las Vegas. VICI leases its properties to subsidiaries of Caesars. VICI conducts its real property business through an operating partnership and its golf course business through a taxable REIT subsidiary ("a TRS"), VICI Golf LLC.

VICI intends to make an election on its Federal income tax return for its taxable year ended December 31, 2017 to be treated as a real estate investment trust ("REIT").

Basis of Presentation

The accompanying condensed consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles ("U.S. 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"). Accordingly, they do not include all of the information and footnotes required by U.S. GAAP for complete financial statements. All adjustments (consisting of normal recurring accruals) considered necessary for a fair statement of results for the interim period have been included.

The accompanying condensed consolidated financial statements and related notes should be read in conjunction with the audited financial statements and notes thereto included in the Company's most recent Annual Report on Form 10-K.

Use of Estimates

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

Operating results for the three months ended March 31, 2018 are not necessarily indicative of the results that may be expected for the year ending December 31, 2018.

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

Principles of Consolidation

The accompanying condensed consolidated Financial Statements include the accounts of VICI, its wholly owned subsidiaries and a single variable interest entity (VIE) where VICI is the primary beneficiary. All intercompany accounts and transactions have been eliminated in consolidation. We consolidate all subsidiaries in which we have a controlling financial interest and VIEs for which we or one of our consolidated subsidiaries is the primary beneficiary.

Note 2 — Summary of Significant Accounting Policies

Cash, Cash Equivalents, and Restricted Cash

Cash consists of cash-on-hand and cash-in-bank. Any short-term investments with an original maturity of three months or less from the date of purchase are considered cash equivalents and are stated at the lower of cost or market value.

Restricted cash is comprised of funds paid monthly by Caesars for the CPLV rent that are held in a restricted cash management account for the purpose of funding debt service or impositions related to CPLV debt issued by us. Once all debt service and impositions are paid out of restricted cash, the remaining funds are returned to the Company's unrestricted operating account.

The following table provides a reconciliation of cash, cash equivalents and restricted cash reported with the Balance Sheet to the total of the same such amounts presented in the Statement of Cash Flows.

<i>(In thousands)</i>	March 31, 2018	December 31, 2017
Cash and cash equivalents	\$ 918,215	\$ 183,646
Restricted cash	13,808	13,760
Total cash, cash equivalents and restricted cash shown in the Statement of Cash Flows	<u>\$ 932,023</u>	<u>\$ 197,406</u>

Investment in direct financing leases, net and Real Estate Investments

Under guidance in ASC 840, the initial Lease Agreements were bifurcated between operating leases and direct financing leases. The fair value assigned to certain portions of the land qualify for operating lease treatment while the fair value assigned to the buildings was classified as a direct financing lease, and the portion of the land which was not bifurcated was also classified as part of direct financing lease.

Land accounted for under the operating method has an indefinite useful life and is not depreciated.

For real estate investments accounted for using the operating method, we continually monitor events and circumstances that could indicate that the carrying amount of our real estate investments may not be recoverable or realized. When events or changes in circumstances indicate that a potential impairment has occurred or that the carrying value of a real estate investment may not be recoverable, we use an estimate of the undiscounted value of expected future operating cash flows to determine whether the real estate investment is impaired. If the undiscounted cash flows plus net proceeds expected from the disposition of the asset is less than the carrying value of the assets, we recognize an impairment charge equivalent to the amount required to reduce the carrying value of the asset to its estimated fair value. If these estimates or the related assumptions change in the future, we may be required to record an impairment loss.

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

There were no impairments identified on our real estate investments or our investment in direct financing leases, net during the three months ended March 31, 2018.

Property and Equipment Used in Operations

Property and equipment used in operations represents assets for VICI Golf LLC, our golf operations. Judgments are made in determining their estimated useful lives and salvage values and if or when an asset (or asset group) has been impaired. We assign

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

lives to our assets based on our standard policy, which is established by management as representative of the useful life of each category of asset.

We review the carrying value of our assets whenever events and circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. Other factors considered by management in performing this assessment may include current operating results, trends, prospects, and third-party appraisals, as well as the effect of demand, competition, and other economic, legal, and regulatory factors. During the three months ended March 31, 2018, no impairment on assets was recorded.

Income Taxes-REIT Qualification

We intend to elect to be taxed and qualify as a REIT for U.S. federal income tax purposes commencing with our taxable year ended December 31, 2017, and we intend to continue to be organized and to operate in a manner that will permit us to qualify as a REIT beyond that taxable year end.

Debt Issuance Costs

Debt issuance costs that are incurred by the Company in connection with the issuance of debt are deferred and amortized to interest expense over the contractual term of the underlying indebtedness. At March 31, 2018 and December 31, 2017, the Company has \$29.2 million and \$31.1 million, respectively of unamortized debt issuance costs associated with obtaining the Term Loan B Facility.

In addition, the Company has \$7.3 million and \$7.5 million of unamortized debt issuance costs at March 31, 2018 and December 31, 2017, respectively, associated with obtaining the \$400.0 million Revolving Credit Facility commitment. These costs are recorded as Other assets.

Share-Based Compensation

The VICI Properties Inc. 2017 Stock Incentive Plan (the “2017 Stock Incentive Plan”) provides for the Company to issue awards to certain key persons (employees and non-employee directors). Awards under the 2017 Stock Incentive Plan may include incentive stock options; non-qualified stock options; stock appreciation rights; dividend equivalent rights; restricted stock; restricted stock units and unrestricted stock.

The Company accounts for stock compensation under ASC 718, Compensation - Stock Compensation (“ASC 718”), which requires the Company to expense the cost of employee services received in exchange for an award of equity instruments based on the grant-date fair value of the award. This expense is recognized ratably over the requisite service period following the date of grant. The method for calculating the fair value of the Company’s time-based restricted stock awards is determined by the Compensation Committee of the Board of Directors and for most grants in 2018 is equivalent to the 10-day volume weighted average price using the 10 trading days ending on the grant date.

Note 3 — Recently Issued Accounting Pronouncements

Pronouncements Adopted by the Company

Compensation - Stock Compensation - May 2017: Amendments in this update provide guidance regarding which changes to the terms or conditions of a share-based payment award require an entity to apply modification accounting. An entity should account for the effects of a modification unless all of the following are met: (i) the modification does not affect any of the inputs to the valuation technique that the entity uses to value the award; (ii) the vesting conditions of the modified award are the same as the vesting conditions of the original award; and (iii) the classification of the modified award as an equity instrument or a liability instrument is the same as before the original award was modified. The Company adopted this guidance prospectively on January 1, 2018. The adoption of this guidance does not have a material effect on our Financial Statements.

Business Combinations - January 2017: Updated amendments intend to clarify the definition of a business with the objective of adding guidance to assist entities with evaluating whether transactions should be accounted for acquisitions (or disposals) of assets or businesses. Amendments in this update provide a more robust framework to use in determining when a set of assets and activities is a business and to provide more consistency in applying the guidance, reduce the costs of application, and make the definition of a business more operable. Specifically, the new guidance provides a screen to determine when an integrated set of assets and activities is not a business. Under the new guidance, when substantially all of the fair value of the gross assets acquired (or disposed

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

of) is concentrated in a single identifiable asset or group of similar identifiable assets, the assets do not represent a business. Amendments should be applied on a prospective basis on or after the effective date. No disclosures are required at transition. The Company adopted this standard on January 1, 2018. The adoption of this standard may have a material impact to our Financial Statements with future acquisitions or divestitures.

Revenue from Contracts with Customers - May 2014 (amended January 2017): The new guidance is intended to clarify the principles for recognizing revenue and to develop a common revenue standard for GAAP applicable to revenue transactions. Existing industry guidance will be eliminated. The FASB has recently issued several amendments to the standard, including clarification on accounting for and identifying performance obligations. This guidance is effective for annual reporting periods beginning after December 15, 2017, including interim periods within those reporting periods. The guidance should be applied using the full retrospective method or retrospectively with the cumulative effect initially applying the guidance recognized at the date of initial application. We adopted this standard effective January 1, 2018. There was no material impact on our Financial Statements as the majority of our revenue recognition policies was not impacted by the new standard, as leases, which represent the substantial majority of our revenues, were excluded from the new guidance. The adoption of this guidance did not change the timing or process in which we recognize golf revenue.

Income Taxes - October 2016: Amended guidance addresses intra-entity transfers of assets other than inventory, which requires the recognition of any related income tax consequences when such transfers occur. The amendments should be applied on a modified retrospective basis through a cumulative-effect adjustment directly to retained earnings as of the beginning of the period of adoption. We adopted this guidance effective January 1, 2018. There was no material impact on our Financial Statements.

Pronouncements Not Yet Adopted by the Company

Derivatives and Hedging - August 2017: The amendments refine and expand hedge accounting for both financial (e.g., interest rate) and commodity risks. Its provisions create more transparency around how economic results are presented, both on the face of the financial statements and in the footnotes. It also makes certain targeted improvements to simplify the application of hedge accounting guidance. The transition guidance provides the option of early adoption using a modified retrospective transition method in any interim period after issuance of the update, or alternatively requires adoption for fiscal years beginning after December 15, 2018. We do not believe the effect of adopting this standard would have a material impact on our current Financial Statements. However, we will continue to assess the impact that this guidance might have on the accounting and disclosure of potential hedge transactions that we may enter into in the future.

Leases - February 2016 (amended January 2017 and January 2018): The amended guidance requires most lease obligations to be recognized as a right-of-use asset with a corresponding liability on the balance sheet. The guidance also requires additional qualitative and quantitative disclosures to assess the amount, timing, and uncertainty of cash flows arising from leases. This guidance is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2018. The guidance should be implemented for the earliest period presented using a modified retrospective approach, which includes optional practical expedients primarily focused on leases that commence before the effective date. We are evaluating the impact of adopting this new standard on our Financial Statements but do not expect the adoption of the new guidance to have a material impact on the accounting treatment of our triple-net tenant leases, which are the primary source of our revenues.

Note 4 — Property Transactions

Purchase of Harrah's Las Vegas Real Estate

In December 2017, an indirect wholly owned subsidiary of VICI, completed a transaction with a subsidiary of Caesars, pursuant to which we acquired all of the land and real property improvements associated with the property commonly known as Harrah's Las Vegas Hotel & Casino ("Harrah's Las Vegas" or "HLV") for a purchase price of \$1,136.2 million.

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

We recorded this purchase using the Direct Financing Method in our Balance Sheet.

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

Sale of Eastside Property

In December 2017, an indirect wholly owned subsidiary of VICI, completed a transaction with a subsidiary of Caesars pursuant to which we agreed to sell approximately 18.4 acres of certain parcels located in Las Vegas, Nevada, east of Harrah's Las Vegas ("Eastside Property"). The sales price for the Eastside Property was \$73.6 million.

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

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

Put/Call Agreement

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

Amended and Restated Right of First Refusal Agreement

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

Note 5 — Investment in Direct Financing Leases, Net and Real Estate Investments

Amounts were recorded at fair value for real estate assets under lease through the initial Lease Agreements and the reclassification of such real estate assets to Investments in direct financing leases, net and Real estate investments accounted for using the operating method. The fair value assigned to the buildings is classified as an Investment in direct financing leases, while the fair value assigned to certain portions of land is recorded as Real Estate Investments accounted for using the operating method.

The weighted average remaining lease term for both operating and direct financing leases at March 31, 2018 and December 31, 2017 was 34.6 years and 34.9 years, respectively.

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

VICI's investment in direct financing leases, net consisted of the following as of March 31, 2018 and December 31, 2017:

<i>(In thousands)</i>	March 31, 2018	December 31, 2017
Minimum lease payments receivable ⁽¹⁾	\$ 29,133,043	\$ 29,302,166
Estimated residual values of leased property (not guaranteed)	1,987,651	1,987,651
Gross investment in direct financing leases	31,120,694	31,289,817
Unamortized initial direct costs	—	—
Less: Unearned income	(22,839,137)	(23,021,174)
Net investment in direct financing leases, net	<u>\$ 8,281,557</u>	<u>\$ 8,268,643</u>

⁽¹⁾ Minimum lease payments do not include contingent rent that may be received under the Lease Agreements. There was no contingent rent for the period ended March 31, 2018.

At March 31, 2018, minimum lease payments owed to VICI for each of the five succeeding years are as follows:

<i>(In thousands)</i>	Minimum Lease Payments
2018	\$ 544,544
2019	730,060
2020	734,320
2021	738,656
2022	744,647

Note 6 — Property and Equipment Used in Operations, Net

Property and Equipment Used in Operations is primarily attributable to golf-related land, building and improvements and consists of the following:

<i>(In thousands)</i>	March 31, 2018	December 31, 2017
Land and land improvements	\$ 58,157	\$ 57,901
Buildings and improvements	14,572	14,572
Furniture and equipment	2,667	2,578
Total property and equipment	75,396	75,051
Less: accumulated depreciation	(1,657)	(751)
Total property and equipment, net	<u>\$ 73,739</u>	<u>\$ 74,300</u>

<i>(In thousands)</i>	Three Months Ended March 31, 2018
Depreciation expense	<u>\$ 906</u>

Note 7 — Accounts Payable and Accrued Expenses

<i>(In thousands)</i>	March 31, 2018	December 31, 2017
Accounts payable	\$ 2,458	\$ 5,207
Accrued payroll and other compensation	1,998	2,559
Other accrued expenses	4,765	2,796
Total accrued expenses	<u>\$ 9,221</u>	<u>\$ 10,562</u>

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

Note 8— Debt

Outstanding Indebtedness on March 31, 2018:

(Dollars in thousands)

Description of Debt	March 31, 2018			
	Final Maturity	Rate(s) ⁽¹⁾	Face Value	Book Value ⁽²⁾
VICI PropCo Senior Secured Credit Facilities				
Senior Secured Revolving Credit Facility (“Revolving Credit Facility”) ⁽³⁾	2022	Variable	\$ —	\$ —
First Lien Senior Secured Term Loan (“Term Loan B Facility”) ⁽³⁾⁽⁴⁾	2024	Variable	2,100,000	2,070,783
Second Priority Senior Secured Notes (“Second Lien Notes”) ⁽⁵⁾	2023	8.00%	498,480	498,480
CPLV Debt				
CPLV CMBS Debt ⁽⁶⁾	2022	4.36%	1,550,000	1,550,000
Total Debt			\$ 4,148,480	\$ 4,119,263

⁽¹⁾ Interest rate is fixed, except where noted.

⁽²⁾ Book value is net of unamortized original issue discount and unamortized debt issuance costs incurred in conjunction with debt.

⁽³⁾ Interest is payable quarterly at a rate per annum equal to LIBOR plus 2.00%.

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

⁽⁵⁾ Interest is payable semi-annually.

⁽⁶⁾ Interest is payable monthly.

The following is a schedule of future minimum repayments of long-term debt as of March 31, 2018:

<i>(In thousands)</i>	
2018	\$ 15,711
2019	20,765
2020	20,558
2021	20,353
2022	1,570,150
Thereafter	2,500,943
Total minimum repayments	\$ 4,148,480

Senior Secured Credit Facilities

In December 2017, VICI PropCo entered into a credit agreement (the “Credit Agreement”) comprised of a \$2,200 million Term Loan B Facility and a \$400.0 million Revolving Credit Facility, \$300.0 million of which was borrowed (the Term Loan B Facility and the Revolving Credit Facility together, the “Senior Secured Credit Facilities”). The Senior Secured Credit Facilities initially bore interest at LIBOR plus 2.25%; provided that following an underwritten public offering of the equity interests of any parent entity of VICI PropCo which results in such equity interests being listed on a national securities exchange and generates gross cash proceeds of at least \$500.0 million, such interest rate will be reduced by 25 basis points. As a result of the Company’s initial public offering, the interest rate was reduced to LIBOR plus 2.00% on February 5, 2018. The Term Loan B Facility was funded with an original issue discount of 0.25%. The Revolving Credit Facility will mature in 2022, and the Term Loan B Facility will mature in 2024 or the date that is three months prior to the maturity date of the Second Lien Notes, whichever is earlier. 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 from and after March 31, 2018.

The Credit Agreement contains customary covenants that, among other things, limit the ability of VICI PropCo and its restricted subsidiaries to: (i) incur additional indebtedness; (ii) merge with a third party or engage in other fundamental changes; (iii) make restricted payments; (iv) enter into, create, incur or assume any liens; (v) make certain sales and other dispositions of assets; (vi) enter into certain transactions with affiliates; (vii) make certain payments on certain other indebtedness; (viii) make certain

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

investments; and (ix) incur restrictions on the ability of restricted subsidiaries to make certain distributions, loans or transfers of assets to VICI PropCo or any restricted subsidiary. These covenants are subject to a number of important exceptions and qualifications, including, with respect to the restricted payments covenant, the ability to make unlimited restricted payments to maintain the REIT status of the Company. Commencing with the first full fiscal quarter ending after the Closing Date, if there is 30% utilization of the Revolving Credit Facility, VICI PropCo will be required to maintain a maximum total net debt to adjusted asset ratio. At March 31, 2018, the Company is in compliance with all required covenants under the Credit Facility.

The Senior Secured Credit Facilities may be voluntarily prepaid at VICI PropCo's option, in whole or in part, at any time, and are subject to mandatory prepayment in the event of receipt by VICI PropCo or any of its restricted subsidiaries of the proceeds from the occurrence of certain events, including asset sales, casualty events and issuance of certain indebtedness. In February 2018, the Company completed an initial public offering resulting in net proceeds of approximately \$1,307.1 million. The Company 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 principal amount of the Term Loan B Facility.

Second Lien Notes

The Second Lien Notes were issued in October 2017, pursuant to an indenture (the "Indenture") by and among VICI Properties 1 LLC and VICI FC Inc., a wholly owned subsidiary of VICI PropCo, as issuers (together, the "Issuers"), the subsidiary guarantors party thereto, and UMB Bank National Association, as trustee. The Second Lien Notes are guaranteed by each of the Issuers' existing and subsequently acquired wholly owned material domestic restricted subsidiaries, and secured by a second priority lien on substantially all of the Issuers' and such restricted subsidiaries' material assets, including mortgages on their respective real estate, subject to customary exclusions. None of VICI or certain subsidiaries of VICI PropCo, including CPLV and its subsidiaries, are subject to the covenants of the Indenture or are guarantors of the Second Lien Notes.

The Indenture contains covenants that limit the Issuers' and their restricted subsidiaries' ability to, among other things: (i) incur additional debt; (ii) pay dividends on or make other distributions in respect of their capital stock or make other restricted payments; (iii) make certain investments; (iv) sell certain assets; (v) create or permit to exist dividend and/or payment restrictions affecting their restricted subsidiaries; (vi) create liens on certain assets to secure debt; (vii) consolidate, merge, sell or otherwise dispose of all or substantially all of their assets; (viii) enter into certain transactions with their affiliates; and (ix) designate their subsidiaries as unrestricted subsidiaries. At March 31, 2018, the Company is in compliance with all required covenants under the Second Lien Notes.

The Second Lien Notes are redeemable at the option of the Issuers, with the option to redeem up to 35% of the original aggregate principal amount thereof with the net cash proceeds of certain issuances of common or preferred equity by VICI PropCo or VICI, at a price equal to 108% of such principal amount of the Second Lien Notes redeemed. In February 2018, the Company used a portion of the proceeds from its initial public offering to redeem \$268.4 million of the Second Lien Notes, which represented 35% of the original aggregate principal amount, at a redemption price of 108% plus accrued and unpaid interest to the date of redemption.

CPLV CMBS Debt

The CPLV CMBS Debt is secured by all of the assets of CPLV Borrower, including, but not limited to, the CPLV Borrower's (1) fee interest (except as provided in (2)) in and to CPLV, (2) leasehold interest with respect to Octavius Tower, and (3) interest in the CPLV Lease Agreements and all related agreements, including the Lease Agreements. The CPLV CMBS Debt is a first priority lien, subject only to permitted encumbrances (which are as set forth in the loan documentation), and an obligation to repay a specified sum with interest at 4.36% per annum. The CPLV CMBS Debt is evidenced by one or more promissory notes and secured by, among other things, a mortgage, deed of trust or other similar security instrument that creates a mortgage lien on the fee and/or leasehold interest of the CPLV Borrower.

The loan documents governing the CPLV CMBS Debt contain covenants limiting CPLV Borrower's ability to, among other things: (i) incur additional debt; (ii) enter into certain transactions with its affiliates; (iii) consolidate, merge, sell or otherwise dispose of its assets; and (iv) allow transfers of its direct or indirect equity interests. At March 31, 2018, the Company is in compliance with all required covenants under the CPLV CMBS Debt.

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

Summary of Debt-related transactions since December 31, 2017:

Description of Debt	Face Value (In thousands)		
	Debt at December 31, 2017	Payment Activity	Debt at March 31, 2018
VICI PropCo Senior Secured Credit Facilities:			
Revolving Credit Facility	\$ 300,000	\$ (300,000)	\$ —
Term Loan B Facility	2,200,000	(100,000)	2,100,000
Second Lien Notes	766,892	(268,412)	498,480
CPLV Debt:			
CPLV CMBS Debt	1,550,000	—	1,550,000
Total Debt	\$ 4,816,892	\$ (668,412)	\$ 4,148,480

Note 9 — Fair Value

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

Cash, Cash Equivalents, and Restricted Cash

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

Debt

The fair value is estimated based on quoted market prices and as such is a Level 1 measurement as defined under ASC 820.

The estimated fair values of the Company's financial instruments at March 31, 2018 and December 31, 2017 are as follows:

(In thousands)	March 31, 2018		December 31, 2017	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets:				
Cash and cash equivalents	\$ 918,215	\$ 918,215	\$ 183,646	\$ 183,646
Restricted cash	13,808	13,808	13,760	13,760
Financial liabilities:				
Senior Secured Credit Facilities				
Revolving Credit Facility	\$ —	\$ —	\$ 300,000	\$ 300,000
Term Loan B Facility	2,070,783	2,107,875	2,168,864	2,200,000
Second Lien Notes	498,480	553,313	766,892	853,167
CPLV Debt				
CPLV CMBS Debt	1,550,000	1,546,869	1,550,000	1,559,486

Note 10 — Commitments and Contingent Liabilities

Litigation

In the ordinary course of business, from time to time, the Company may be subject to legal claims and administrative proceedings, none of which are currently outstanding, which the Company believes could have, individually or in the aggregate, a material adverse effect on its business, financial condition or results of operations, liquidity or cash flows.

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

Operating Lease Commitments

The Company is liable under various operating leases for: (i) land at the Cascata golf course, which expires in 2039 and (ii) offices in Las Vegas, Nevada and New Orleans, Louisiana, which expire in 2018 and 2019, respectively. Total rental expense under these agreements, included in golf-related and general and administrative expenses in our Statement of Operations, was approximately \$0.3 million for the three months ended March 31, 2018.

The future minimum lease commitments relating to the base lease rent portion of noncancelable operating leases at March 31, 2018 are as follows:

<i>(In thousands)</i>	Lease Commitments
2018	\$ 799
2019	948
2020	908
2021	926
2022	945
2023 and thereafter	17,966
Total minimum rental commitments	\$ 22,492

Other golf-related commitments

The TRS utilizes a third-party golf maintenance company for its Rio Secco and Cascata golf courses. The agreements are for five years and expire in February 2019 and include all labor and equipment necessary to maintain both golf course grounds. Total expense under these agreements included as golf-related expenses in our Statement of Operations was approximately \$0.8 million for the three months ended March 31, 2018.

Total commitments relating to golf-related maintenance agreements at March 31, 2018 are as follows:

<i>(In thousands)</i>	Golf-related maintenance agreements
2018	\$ 2,160
2019	225
Total golf-related maintenance agreement commitments	\$ 2,385

Note 11 — Shareholders' Equity

Common Stock

Effective with its formation, the Company has authority to issue 750,000,000 shares of stock, consisting of 700,000,000 shares of Common Stock, \$0.01 par value per share and 50,000,000 shares of Preferred Stock, \$0.01 par value per share ("Preferred Stock"), of which 12,000,000 shares has been classified as Series A Convertible Preferred Stock, \$0.01 par value per share ("Series A Preferred Stock").

Initial Public Offering

On February 5, 2018, the Company completed an initial public offering of 69,575,000 shares of common stock at an offering price of \$20.00 per share for an aggregate offering value of \$1,391.5 million, resulting in net proceeds of approximately \$1,307.1 million after commissions and expenses. After giving effect to the initial public offering and certain Stock Incentive Plan transactions, the Company has 370,128,832 shares of Common Stock issued and outstanding as of March 31, 2018.

Distributions

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

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

Note 12 — Earnings Per Share

Basic earnings per share is computed by dividing net income attributable to common shareholders by the weighted-average number of common shares outstanding during the period, excluding net income attributable to participating securities (unvested restricted stock awards). Diluted earnings per share reflects the additional dilution for all potentially-dilutive securities such as stock options, unvested restricted shares and unvested performance-based restricted shares. The following table reconciles the weighted-average common shares outstanding used in the calculation of basic earnings per share to the weighted-average common shares outstanding used in the calculation of diluted earnings per share for the three months ended March 31, 2018:

<i>(In thousands)</i>	<u>Three Months Ended March 31, 2018</u>
Determination of shares:	
Weighted-average common shares outstanding	342,901
Assumed conversion of restricted stock	156
Diluted weighted-average common shares outstanding	<u>343,057</u>

Basic and Diluted Earnings Per Share

<i>(In thousands, except per share data)</i>	<u>Three Months Ended March 31, 2018</u>
Basic:	
Net income attributable to common shareholders	\$ 112,122
Weighted-average common shares outstanding	342,901
Basic EPS	<u>\$ 0.33</u>
Diluted:	
Net income attributable to common shareholders	\$ 112,122
Diluted weighted-average common shares outstanding	343,057
Diluted EPS	<u>\$ 0.33</u>

Note 13 — Share-Based Compensation

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

Total share-based compensation expense recorded as General and administrative expense in the Statement of Operations totaled \$0.4 million for the three months ended March 31, 2018. Compensation expense is recognized on a straight-line basis for awards with only service conditions.

Restricted Stock Activity

	Units	Weighted Average Fair Value
Outstanding as of December 31, 2017	123,610	\$ 15.61
Granted	100,322	20.04
Vested	(26,557)	20.04
Forfeited	—	—
Canceled	—	—
Outstanding as of March 31, 2018	<u>197,375</u>	<u>\$ 17.27</u>

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

As of March 31, 2018, there was \$2.9 million of unrecognized compensation cost related to non-vested share-based compensation arrangements under the Plan. This cost is expected to be recognized over a weighted average period of 2.9 years.

Note 14 — Segment Information

The following table presents certain information with respect to the Company's segments.

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

The results of each reportable segment presented below are consistent with the way VICI management assesses these results and allocates resources, which is a consolidated view that adjusts for the impact of certain transactions between reportable segments within VICI, as described below. Accordingly, the results of certain reportable segments presented in this footnote differ from the financial statement information presented in their standalone reports.

<i>(In thousands)</i>	Three Months Ended March 31, 2018		
	Real Property Business	Golf Course Business	VICI Consolidated
Net revenues	\$ 211,488	\$ 6,788	\$ 218,276
Operating income	186,936	1,788	188,724
Interest expense	(52,875)	—	(52,875)
Loss on extinguishment of debt	(23,040)	—	(23,040)
Income before income taxes	112,699	1,788	114,487
Income tax expense	—	(384)	(384)
Net income	112,699	1,404	114,103
Depreciation	—	906	906
Total assets	\$ 10,404,715	\$ 81,524	\$ 10,486,239

All of our real estate holdings (other than those related to the Golf Course Business) are leased to Caesars and certain of its subsidiaries, and substantially all of our revenues are derived from the Lease Agreements, which represents a concentration of credit risk due to the single tenant nature of our leases. Management does not believe there are any other significant concentrations of credit risk.

Note 15 — Subsequent Events

On April 24, 2018, VICI Properties 1 LLC, a wholly owned subsidiary of Company, entered into interest rate swap transactions with third party financial institutions having an aggregate notional amount of \$1,500.0 million. The interest rate swap transactions each have an effective date of May 22, 2018 and a termination date of April 22, 2023. The interest rate swap transactions are intended to be cash flow hedges that effectively fix at 2.8297% the LIBOR portion of the interest rate on the outstanding debt under the Term Loan B Facility.

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

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

	Three Months Ended March 31, 2017
Revenues	
Golf (\$1,042 attributable to related parties)	\$ 3,570
Food and beverage	525
Retail and other	538
Net revenues	4,633
Operating expenses	
Direct	
Golf	1,796
Food and beverage	416
Retail and other	387
Property costs	679
Depreciation	805
Administrative and other	550
Total operating expenses	4,633
Net income (loss)	\$ —

See accompanying Notes to Condensed Combined Financial Statements.

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

	Three Months Ended March 31, 2017
Cash flows from operating activities	
Net income (loss)	\$ —
Adjustments to reconcile net income to cash flows provided by operating activities:	
Depreciation	805
Provisions for (recoveries of) bad debt	12
Change in current assets and liabilities:	
Receivables	(109)
Inventories	(69)
Prepayments	(4)
Accounts payable	214
Accrued expenses	60
Cash flows provided by operating activities	909
Cash flows from investing activities	
Acquisitions of property and equipment, net of change in related payables	(66)
Cash flows used in investing activities	(66)
Cash flows from financing activities	
Repayments for capital leases	(14)
Transactions with parent, net	(1,671)
Cash flows used in financing activities	(1,685)
Net increase (decrease) in cash and cash equivalents	(842)
Cash and cash equivalents, beginning of period	920
Cash and cash equivalents, end of period	\$ 78
 Supplemental Cash Flow Information:	
Cash paid for interest	\$ —

See accompanying Notes to Condensed Combined Financial Statements.

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

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

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

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

Note 1 — Business and Basis of Presentation

Organization

At March 31, 2017, the Outdoor Business was a wholly-owned business of CEOC, and included the operations of the Cascata golf course in Boulder City, Nevada, the Rio Secco golf course in Henderson, Nevada, the Grand Bear golf course in Biloxi, Mississippi, and the Chariot Run golf course in Elizabeth, Indiana. Caesars Entertainment Golf, Inc., Rio Development Company, Inc., Grand Casinos of Biloxi, LLC, and Riverboat Casino, LLC, directly owned these golf courses, respectively, and were debtor-in-possession subsidiaries of CEOC. The golf courses generated revenue through fees charged for general golf course usage (including green fees, golf club rentals, and cart charges), annual or corporate memberships (at Rio Secco, Grand Bear and Chariot Run), a school of golf (at Rio Secco), and food, beverage, and merchandise sales.

Bankruptcy

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

Transfer of Operations and Assets to VICI

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

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

Basis of Presentation

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

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

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

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

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

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

Going Concern

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

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

Golf Revenue

Golf revenue from CEOC and Caesars' affiliates includes reimbursement for below market-rate golf tee times and free play for certain casino guests. Included in golf revenue are market-rate fees received from public customers as well as discounted fees received from CEOC and Caesars-affiliated customers or associates. In addition, certain VIP casino guests play the golf courses for free. In these cases, the golf course receives amounts paid by CEOC and Caesars' affiliates at an agreed upon rate for the free play provided to their VIP guests. The reimbursement for free play was approximately \$170,000 for the three months ended March 31, 2017

There are additional variable golf fees provided by CEOC and Caesars' affiliates based on revenue shortfalls necessary to cover the cost of operating the courses at a high level appropriate for casino guests. The variable fee is dependent upon the number of rounds played, the types of rounds played (market-rate or discounted rate), and costs incurred to allow the golf course to continue to offer golf as an amenity to its gaming customers. Variable golf fees included in golf revenue were approximately \$733,000 for the three months ended March 31, 2017.

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

Note 2 — Liabilities Subject to Compromise

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

As of March 31, 2017, the Business had received 55 proofs of claim, a portion of which assert, in part or in whole, unliquidated claims. These proofs of claims include 9 claims that were carved out of the legal entities that own the Business and that have additional claims, which do not correspond to the Business. In addition, the Business has been assigned by the court an additional 12 claims. In the aggregate, total asserted liquidated proofs of claim for approximately \$122.2 million had been filed against or assigned to the Business. Based on reasonable current estimates, the Business expects to ask the Bankruptcy Court to disallow 21 claims representing approximately \$121.5 million of such claims. These claims are classified by the Business as amended and

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

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

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

Note 3 — Income Taxes

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

The tax benefit/expense for the three months ended March 31, 2017 is primarily related to the federal and state tax impact of the pre-tax book income/loss. As there was no pre-tax book income/loss recorded for Q1 2017, no tax benefit/expense was recorded for that period.

Note 4 — Related Party Transactions

We had transactions with CEOC resulting in net distributions of approximately \$1,671,000 for the three months ended March 31, 2017. The net distributions were the result of cash generated by the operations of the Business and proceeds from the sale of assets, partially offset by amounts contributed by CEOC to fund capital improvements and capital lease obligations.

Related Party Fees and Expenses

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

Transaction type	Recorded as:	(In thousands)	
		Three Months Ended March 31, 2017	
Insurance expense	Administrative and other	\$	14
Allocation of indirect expenses from CEOC and Caesars' affiliates ⁽¹⁾	Administrative and other		84
Golf revenue from CEOC and Caesars' affiliates ⁽²⁾	Golf revenue		903
Pass-through revenue with CEOC and Caesars' affiliates ⁽³⁾	Golf revenue		139
	Food and beverage revenue		16
	Retail and other revenue		25

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

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

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

Savings and Retirement Plans

CEOC maintained a defined contribution savings and retirement plan that allows certain employees of the Business to make pre-tax and after-tax contributions. Under the plan, participating employees could elect to contribute up to 50% of their eligible earnings, subject to IRS rules and regulations, and be eligible to receive a company match of up to \$600. Participating employees became vested in matching contributions on a pro-rata basis over five years of credited service. Our contribution expense, included in direct operating expenses and administrative and other expense, was approximately \$16,000 for the three months ended March 31, 2017.

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

Note 5 — Litigation, Contractual Commitments and Contingent Liabilities

Litigation

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

Contingent Liabilities

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

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

Operating Lease Commitments

The Business is liable under operating leases for land at the Cascata golf course, equipment and other miscellaneous assets, which expire at various dates through 2039. Total rental expense under these agreements included in direct golf operating expenses and property costs in our Statement of Operations was approximately \$211,000 for the three months ended March 31, 2017.

The future minimum lease commitments relating to the base lease rent portion of noncancelable operating leases at March 31, 2017 are as follows:

	(In thousands)	
	Operating Leases	
2017	\$	645
2018		873
2019		891
2020		908
2021		926
2022 and thereafter		18,911
Total minimum rental commitments	\$	23,154

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

Other Commitments

The Business utilizes a third-party golf maintenance company for its Rio Secco and Cascata golf courses. The agreements are for five years and expire in February 2019 and include all labor and equipment necessary to maintain both golf course grounds. Total expense under these agreements included in direct golf operating expenses in the Statements of Operations were approximately \$796,000 for the three months ended March 31, 2017.

The future commitments relating to these agreements at March 31, 2017 are as follows:

	(In thousands)
	Maintenance Agreements
2017	\$ 2,128
2018	2,969
2019	225
Total maintenance agreement commitments	\$ 5,322

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 months ended March 31, 2018 should be read in conjunction with the financial statements and related notes thereto and other financial information contained elsewhere in this Form 10-Q and the audited consolidated financial statements and related notes for the period ended December 31, 2017, which were included in our Annual Report on Form 10-K.

The statements in this discussion regarding our expectations regarding our future performance, liquidity and capital resources, and other non-historical statements are forward-looking statements. These forward-looking statements are subject to numerous risks and uncertainties. Our actual results may differ materially from those contained in or implied by any forward-looking statements. Please refer to the section entitled "Cautionary Note Regarding Forward-Looking Statements."

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

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

The forward-looking statements included herein are based upon our current expectations, plans, estimates, assumptions and beliefs that involve numerous risks and uncertainties. Assumptions relating to the foregoing involve judgments with respect to, among other things, future economic, competitive and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond our control. Although we believe that the expectations reflected in such forward-looking statements are based on reasonable assumptions, our actual results, performance and achievements could differ materially from those expressed in or by the forward-looking statements and may be affected by a variety of risks and other factors, including, among others:

- our dependence on subsidiaries of Caesars as tenant of our properties and Caesars or its subsidiaries as guarantor of the lease payments and the consequences any material adverse effect on their business could have on us;
- our dependence on the gaming industry;
- our ability to pursue our business and growth strategies may be limited by our substantial debt service requirements and by the requirement that we distribute 90% of our REIT taxable income in order to qualify for taxation as a REIT and that we distribute 100% of our REIT taxable income in order to avoid current entity level U.S. Federal income taxes;
- the impact of extensive regulation from gaming and other regulatory authorities;
- the ability of our tenants to obtain and maintain regulatory approvals in connection with the operation of our properties;
- the possibility that the tenants may choose not to renew the Lease Agreements following the initial or subsequent terms of the leases;
- restrictions on our ability to sell our properties subject to the Lease Agreements;
- Caesars' historical results may not be a reliable indicator of its future results;
- our historical financial information may not be reliable indicators of future results of operations and financial condition;
- our inability to achieve the expected benefits from operating as a company independent of Caesars;
- our reliance on distributions received from our Operating Partnership to make distributions to our stockholders due to our being a holding company;
- our dividend yield could be reduced if we were to sell any of our properties in the future;

- there can be no assurance that we will be able to make distributions to shareholders of our common stock or maintain anticipated level of distributions over time;
- the possibility our separation from CEOC fails to qualify as a tax-free spin-off, which could subject us to significant tax liabilities;
- the impact of changes to the U.S. Federal income tax laws;
- the possibility of foreclosure of our properties if we are unable to meet required debt service payments;
- the impact of a rise in interest rates on us;
- our substantial amount of indebtedness and ability to service and refinance such indebtedness;
- limits on our operational and financial flexibility imposed by our debt agreements;
- our inability to successfully pursue investments in, and acquisitions of, additional properties;
- the impact of natural disasters or terrorism on our properties;
- the loss of the services of key personnel;
- the inability to attract, retain and motivate employees;
- the costs and liabilities associated with environmental compliance;
- failure to establish and maintain an effective system of integrated internal controls;
- the costs of operating as a public company;
- our inability to operate as a stand-alone company;
- our inability to qualify or maintain our qualification for taxation as a REIT;
- our management team's limited experience operating as a company that intends to qualify for taxation as a REIT;
- competition for acquisition opportunities from other REITs and gaming companies that may have greater resources and access to capital and a lower cost of capital than us; and
- additional factors discussed herein and listed from time to time as "Risk Factors" in our filings with the SEC, including without limitation, in our reports on Form 10-K and Form 8-K and subsequent reports on Form 10-Q.

Accordingly, you are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date on which they are made. We do not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise. In light of the significant uncertainties inherent in forward-looking statements, the inclusion of such forward-looking statements should not be regarded as a representation by us.

OVERVIEW

VICI is a Maryland corporation that was created to hold certain real estate assets owned by Caesars Entertainment Operating Company ("CEOC"), upon CEOC's emergence from bankruptcy. Pursuant to CEOC's Plan of Reorganization, on October 6, 2017, the historical business of CEOC was separated by means of a spin-off transaction whereby the real property assets of CEOC and certain of its subsidiaries, including four golf course businesses, were transferred through a series of transactions to VICI.

VICI is an owner and acquirer of experiential real estate assets across leading gaming, hospitality, entertainment and leisure destinations. Our national, geographically diverse portfolio consists of 20 market leading properties, including Caesars Palace Las Vegas and Harrah's Las Vegas, two of the most iconic entertainment facilities on the Las Vegas Strip. Our entertainment facilities are leased to leading brands that seek to drive consumer loyalty and value with guests through superior services, experiences, products and continuous innovation. Across more than 36 million square feet, our well-maintained properties are located in nine states, contain nearly 14,500 hotel rooms and feature over 150 restaurants, bars and nightclubs. Our portfolio also includes approximately 34 acres of undeveloped land adjacent to the Las Vegas Strip that is leased to Caesars, which we may look to monetize as appropriate. We also own and operate four championship golf courses located near certain of our properties, two of which are in close proximity to the Las Vegas Strip. As a growth focused public real estate company, we expect our relationship with our partners will position us for the acquisition of additional properties across leisure and hospitality.

We believe we have a mutually beneficial relationship with Caesars, a leading owner and operator of gaming, entertainment and leisure properties. Our long-term triple-net Lease Agreements with subsidiaries of Caesars provide us with a highly predictable revenue stream with embedded growth potential. We believe our geographic diversification limits the effect of changes in any one market on our overall performance. We are focused on driving long-term total returns through managing assets and allocating capital diligently, maintaining a highly productive tenant base, and optimizing our capital structure to support external growth.

Our portfolio is competitively positioned and well-maintained. Pursuant to the terms of the Lease Agreements, which require Caesars to invest in our properties, and in line with its commitment to build guest loyalty, we anticipate Caesars will continue to make strategic value-enhancing investments in our properties over time, helping to maintain their competitive position. In addition, given our scale and deep industry knowledge, we believe we are well-positioned to execute highly complementary single-asset and portfolio acquisitions to augment growth.

We intend to elect and qualify to be taxed as a REIT for U.S. Federal income tax purposes commencing with our taxable year ending December 31, 2017. We believe our election of REIT status combined with the income generation from the Lease Agreements will enhance our ability to make distributions to our stockholders, providing investors with current income as well as long-term growth.

The financial information included in this Form 10-Q are the consolidated results of VICI (including the real property business and the golf course business) for the three months ended March 31, 2018. Other financial information included in Part I Item 1 of this Quarterly Report on Form 10-Q are the historical combined Financial Statements of Caesars Entertainment Outdoor, the golf course business owned by CEOC until Formation Date. The financial information included for Caesars Entertainment Outdoor includes the three months ended March 31, 2017.

SIGNIFICANT ACTIVITIES DURING THE QUARTER

Impact of Initial Public Offering

On February 5, 2018, the Company completed an initial public offering of 69,575,000 shares of common stock (which included 9,075,000 shares of common stock related to the overallotment option exercised by the underwriters in full) at an offering price of \$20.00 per share for gross proceeds of \$1,391.5 million, resulting in net proceeds of approximately \$1,307.1 million after commissions and expenses. The Company utilized a portion of the net proceeds from the stock offering to: (a) pay down \$300.0 million of indebtedness outstanding under the Revolving Credit Facility; (b) redeem \$268.4 million in aggregate principal amount of the Second Lien Notes at a redemption price of 108% plus accrued and unpaid interest to the date of the redemption; and (c) repay \$100.0 million in aggregate principal amount of the Term Loan B Facility.

The impact of these subsequent payments of debt decreased our weighted average contractual interest rate on outstanding debt from 4.64% at December 31, 2017 to 4.54% at March 31, 2018 and decreased our 2018 debt service requirements from \$249.3 million to \$220.1 million.

DISCUSSION OF OPERATING RESULTS

Segments

Our real property business and our golf course business represent two reportable segments. The real property business segment consists of leased real property and represents the substantial majority of our business. The golf course business segment consists of four golf courses, with each being operating segments that are aggregated into one reportable segment. The results of each reportable segment presented below are consistent with the way VICI management assesses these results and allocates resources, which is a consolidated view that adjusts for the impact of certain transactions between reportable segments within VICI.

Revenue

For the three months ended March 31, 2018, our revenue was \$218.3 million and was comprised of \$211.5 million from our real property business and \$6.8 million from our golf course business.

Real Property Business Revenue

Real property business revenue of \$211.5 million was generated from rent and reimbursements of property taxes, pursuant to the leases with Caesars, including the HLV Lease which became effective in December 2017. Real property business revenue for the

three months ended March 31, 2018, was comprised of \$182.0 million of earned income from direct financing leases, \$12.2 million of rental income from operating leases and \$17.2 million of property taxes paid by our tenants on the leased properties.

For the three months ended March 31, 2018, cash received under our lease agreements was \$174.1 million, including \$53.2 million received for April 2018 rent. Cash received under our lease agreements excludes \$60.4 million for January 2018 rent, as this cash was received at the end of 2017.

Golf Course Business Revenue

For the three months ended March 31, 2018 and 2017, golf course business revenue was \$6.8 million and \$4.6 million, respectively. In October 2017, we entered into a Golf Course Use Agreement with Caesars. Revenue for the three months ended March 31, 2018 earned pursuant to that agreement included \$2.5 million from the Caesars membership fee and accounted for most of the increase.

Revenue for the three months ended March 31, 2018 and 2017 also included \$0.4 million and \$0.5 million of food and beverage; and \$0.4 million and \$0.5 million from merchandise sales and other, respectively.

Operating Expenses

General and Administrative Expenses

For the three months ended March 31, 2018, general and administrative expenses were \$7.3 million, comprised primarily of \$4.0 million of legal and professional fees; \$ 2.0 million of compensation costs; and \$0.5 million of franchise and other taxes.

On March 15, 2018, the Company announced its intentions to relocate the Company's corporate headquarters from Las Vegas, NV to New York, NY. In connection with that office move, the Company recorded in General and administrative expenses for the three months ended March 31, 2018, \$0.5 million of severance costs for certain employees not expecting to relocate. In addition, the Company incurred certain non-recurring costs including \$0.5 million in professional fees and \$0.3 million in executive recruiting costs.

Loss on Extinguishment of Debt

We recognized a loss on extinguishment of debt of \$23.0 million during the three months ended March 31, 2018, primarily resulting from the redemption of \$268.4 million in aggregate principal of our Second Lien Notes at a redemption price of 108%.

Property Taxes

Property taxes paid or reimbursed by our tenants were \$17.2 million for the three months ended March 31, 2018.

Golf-related Expenses

Golf-related expenses totaled \$4.1 million and \$3.8 million for the three months ended March 31, 2018 and 2017, respectively.

In addition, \$0.9 million and \$0.8 million of depreciation expense was incurred by the golf business during the three months ended March 31, 2018 and 2017, respectively.

Interest Expense

During the three months ended March 31, 2018, we incurred \$52.9 million of interest expense from our borrowing obligations based upon a weighted average interest rate of 4.65% versus a weighted average interest rate of 5.19% for the period ended December 31, 2017. We paid cash interest costs of \$47.1 million during the three months ended March 31, 2018. See "Liquidity and Capital Resources" below for more information.

RECONCILIATION OF NON-GAAP MEASURES

We present Funds From Operations (“FFO”), Adjusted Funds From Operations (“AFFO”) 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, AFFO and Adjusted EBITDA provide a meaningful perspective of the underlying operating performance of our business.

FFO is a non-GAAP financial measure that is considered a supplemental measure for the real estate industry and a supplement to GAAP measures. Consistent with the definition used by The National Association of Real Estate Investment Trusts (“NAREIT”), we define FFO as net income (or loss) (computed in accordance with GAAP) excluding gains (or losses) from sales of property plus real estate depreciation. AFFO is a non-GAAP measure that is used as a supplemental operating measure specifically for comparing year over year ability to fund dividend distributions from operating activities. AFFO is used by us as a basis to address our ability to fund our dividend payments. We calculate AFFO by adding or subtracting from FFO direct financing lease adjustments, transaction costs incurred in connection with the acquisition of real estate investments, non-cash stock-based compensation expense, amortization of debt issuance costs and original issue discount, non-cash interest expense, non-real estate depreciation (which is comprised of the depreciation related to our golf course operations), impairment charges on non-real estate assets, amortization of capitalized leasing costs and debt extinguishment gains and losses. We define Adjusted EBITDA as net income as adjusted for gains (or losses) from sales of property, real estate depreciation, direct financing lease adjustments, transaction costs incurred in connection with the acquisition of real estate investments, non-cash stock-based compensation expense, amortization of debt issuance costs and original issue discount, other non-cash interest expense, non-real estate depreciation (which is comprised of the depreciation related to our golf course operations), impairment charges on non-real estate assets, amortization of capitalized leasing costs, debt extinguishment gains and losses, provision for income taxes and interest expense, net.

Because not all companies calculate FFO, AFFO and Adjusted EBITDA in the same way we do and other companies may not perform such calculations, those measures as used by other companies may not be consistent with the way we calculate such measures and should not be considered as alternative measures of operating income or net income. Our presentation of these measures does not replace the presentation of our financial results in accordance with GAAP.

Reconciliation of FFO, AFFO and Adjusted EBITDA

<i>(In thousands)</i>	For the Three Months Ended March 31, 2018	
Net income attributable to common shareholders	\$	112,122
Real estate depreciation		—
FFO		112,122
Direct financing lease adjustments attributable to common shareholders		(12,914)
Loss on extinguishment of debt		23,040
Non-cash stock compensation		391
Amortization of debt issuance costs and original issue discount		1,494
Other depreciation		906
AFFO		125,039
Interest expense, net		49,703
Income tax expense		384
Adjusted EBITDA	\$	175,126

LIQUIDITY AND CAPITAL RESOURCES

General

VICI intends to use funds for payment of operating expenses, cash distributions, principal and interest on our outstanding indebtedness and other investments. We believe that we have sufficient liquidity to meet our liquidity and capital resource requirements primarily through currently available cash and cash equivalents, restricted cash, cash received under our lease agreements, borrowings from banks, including undrawn capacity under our Revolving Credit Facility, and proceeds from the

issuance of debt and equity securities. As of March 31, 2018, our cash balance was \$918.2 million, our restricted cash balance was \$13.8 million, and \$400.0 million was available for future borrowings under our Revolving Credit Facility.

Cash Flow Analysis

The table below summarizes our cash flows for the three months ended March 31, 2018:

<i>(In thousands)</i>	Three Months Ended March 31, 2018	
Cash, cash equivalents and restricted cash		
Provided by operating activities	\$	122,483
Used in investing activities		(345)
Provided by financing activities		612,479
Net increase in cash, cash equivalents and restricted cash		734,617
Balance at December 31, 2017		197,406
Balance at March 31, 2018	\$	932,023

Cash Flows from Operating Activities

Net cash provided by operating activities totaled \$122.5 million for the three months ended March 31, 2018 with the primary source being from cash rent collected by our leasing operations of \$174.1 million and the primary uses being \$47.1 million cash paid for interest on our debt obligations and \$21.5 million premium paid on the redemption of our Second Lien Notes. The remaining change in cash provided by operating activities was amounts paid for our general and administrative costs offset by cash generated by our golf course business.

Cash Flows from Investing Activities

Net cash used in investing activities totaled \$0.3 million for the three months ended March 31, 2018 and was for the purchase of property and equipment used in golf operations.

Cash Flows from Financing Activities

Net cash provided by financing activities totaled \$612.5 million for the three months ended March 31, 2018.

The primary sources of cash from financing activities include:

- Gross proceeds from our initial public offering of \$1,391.5 million of our common stock

The primary uses of cash from financing activities include:

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

Capital Expenditures

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

Debt

Activity During Quarter

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

At their inception, the Revolving Credit Facility and Term Loan B Facility bore interest at LIBOR plus 2.25%; provided that following an underwritten public offering of the equity interests of any parent entity of VICI PropCo which results in such equity interests being listed on a national securities exchange and generates gross cash proceeds of at least \$500.0 million, such interest rate will be reduced by 25 basis points. As a result of our successful initial public offering which generated gross cash proceeds of \$1,391.5 million, the interest rate on this debt was reduced to LIBOR plus 2.00% on February 5, 2018.

Covenants

At March 31, 2018, the Company was in compliance with all required debt-related covenants.

Distribution Policy

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

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

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

We intend to continue to make distributions to our stockholders to comply with the REIT requirements of the Code and to avoid or otherwise minimize paying entity level Federal income or excise tax (other than at any TRS of ours). We may generate taxable income greater than our income for financial reporting purposes prepared in accordance with GAAP. In particular, during the first several years of our current leases, rental income will be allocated for tax purposes generally in an amount greater than cash rents. Further, we may generate REIT taxable income greater than our cash flow from operations after operating expenses and debt service as a result of differences in timing between the recognition of REIT taxable income and the actual receipt of cash or the effect of nondeductible capital expenditures, the creation of reserves or required debt or amortization payments.

Critical Accounting Policies and Estimates

A complete discussion of our critical accounting policies and estimates is included in our Form 10-K for the period ended December 31, 2017. There have been no significant changes in our critical policies and estimates for the three months ended March 31, 2018.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

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

At March 31, 2018, we had \$4,148.5 million aggregate principal amount of outstanding indebtedness. Approximately \$2,100.0 million of our indebtedness has variable interest rates. A one percent increase or decrease in the annual interest rate on our variable rate borrowings of \$2,100.0 million would increase or decrease our annual cash interest expense by approximately \$21.0 million.

We may manage, or hedge, interest rate risks related to our borrowings by means of interest rate swap agreements. We also expect to manage our exposure to interest rate risk by maintaining a mix of fixed and variable rates for our indebtedness. However, the REIT provisions of the Code substantially limit our ability to hedge our assets and liabilities.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures designed to provide reasonable assurance that information required to be disclosed in reports filed under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), is recorded, processed, summarized and reported within the specified time periods and 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, with the participation of our principal executive officer and principal financial officer, evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) or 15d-15(e) promulgated under the Exchange Act) at March 31, 2018. Based on this evaluation required by paragraph (b) of Rules 13a-15 or 15d-15, our principal executive officer and principal financial officer concluded that our disclosure controls and procedures were effective as of March 31, 2018.

Changes in Internal Control Over Financial Reporting

There have not been changes in our internal control over financial reporting during the three months ended March 31, 2018, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

In the ordinary course of business, from time to time, the Company may be subject to legal claims and administrative proceedings, none of which are currently outstanding, which the Company believes could have, individually or in the aggregate, a material adverse effect on its business, financial condition or results of operations, liquidity or cash flows.

Item 1A. Risk Factors

A description of certain factors that may affect our future results and risk factors is set forth in our Annual Report on Form 10-K for the year ended December 31, 2017. There have been no material changes to those factors for the three months ended March 31, 2018.

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

Use of Proceeds from Initial Public Offering of Common Stock

On January 31, 2018, our Registration Statement on Form S-11, as amended (Commission File No. 333-221997) and our Registration Statement on Form S-11MEF (Commission File No. 333-222806) were declared effective by the SEC, pursuant to which we sold a total of 69,575,000 shares of our common stock at a price per share of \$20.00, for an aggregate offering price of \$1.3915 billion (the "Offering") before fees, expenses and commissions. Morgan Stanley & Co. LLC, Goldman Sachs & Co. LLC and Merrill Lynch, Pierce, Fenner & Smith Incorporated acted as principal representatives of the underwriters in the Offering. The Offering was completed on February 5, 2018, after sales of all 69,575,000 shares of common stock (inclusive of the full exercise by the underwriters of their overallotment option to purchase 9,075,000 additional shares of common stock). There has been no material change in the planned use of proceeds from our Offering as described in our final prospectus filed with the SEC pursuant to Rule 424(b) under the Securities Act on February 2, 2018.

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
<u>10.1</u>	<u>Second Amendment to Lease (Non-CPLV) dated as of February 16, 2018, by and among the entities listed on Schedules A and B thereto and CEOC, LLC.</u>	X
<u>10.2</u>	<u>Third Amendment to Lease (Non-CPLV) dated as of April 2, 2018, by and among the entities listed on Schedules A and B thereto and CEOC, LLC.</u>	X
<u>10.3</u>	<u>First Amendment to Golf Course Use Agreement, dated as of April 20, 2018 by and among Rio Secco LLC, Cascata LLC, Chariot Run LLC, and Grand Bear LLC, Caesars Enterprise Services LLC, CEOC, LLC, and solely for certain sections referenced therein, Caesars License Company, LLC.</u>	X
<u>31.1</u>	<u>Certification of Principal Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</u>	X
<u>31.2</u>	<u>Certification of Principal Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</u>	X
<u>32.1</u>	<u>Certification of Principal Executive Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</u>	*
<u>32.2</u>	<u>Certification of Principal Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</u>	*
101.INS	XBRL Instance Document	X
101.SCH	XBRL Taxonomy Extension Schema Document	X
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document	X
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document	X
101.LAB	XBRL Taxonomy Extension Label Linkbase Document	X
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document	X

* 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
<hr/> <i>/S/ EDWARD B. PITONIAK</i> <hr/> Edward B. Pitoniak	Chief Executive Officer and Director (Principal Executive Officer)	May 4, 2018
<hr/> <i>/S/ DAVID KIESKE</i> <hr/> David Kieske	Chief Financial Officer (Principal Financial Officer)	May 4, 2018
<hr/> <i>/S/ KENNETH J. KUICK</i> <hr/> Kenneth J. Kuick	Chief Accounting Officer (Principal Accounting Officer)	May 4, 2018

SECOND AMENDMENT TO LEASE (NON-CPLV) AND RATIFICATION OF SNDA

THIS SECOND AMENDMENT TO LEASE (NON-CPLV) AND RATIFICATION OF SNDA (this “**Agreement**”), is made as of February 16, 2018, by and among the entities listed on Schedule A attached hereto (collectively, and together with their respective successors and assigns, “**Landlord**”), and CEOC, LLC, a Delaware limited liability company, and the entities listed on Schedule B attached hereto (collectively, and together with their respective successors and assigns, “**Tenant**”) and with respect to Section 3 below, agreed and consented to by (i) Goldman Sachs Bank USA, as administrative agent for those certain lenders pursuant to the Credit Agreement (as defined below), a New York State-chartered bank (together with its successors and assigns in such capacity, “**First Lien Agent**”) and (ii) UMB Bank, National Association, as collateral agent for the Secured Parties (as defined in the Collateral Agreement (as defined below)), as beneficiary, assignee, and secured party (in such capacities and, together with its successors and assigns in such capacities, “**Second Lien Agent**” and, together with First Lien Agent, “**Agent**” or “**Agents**”).

RECITALS

A. Landlord and Tenant are parties to that certain LEASE (NON-CPLV) dated October 6, 2017 as amended by that certain First Amendment to Lease (Non-CPLV) dated December 22, 2017 (as amended, the “**Lease**”). Capitalized terms used in this Amendment and not otherwise defined herein shall have the meanings ascribed thereto in the Lease;

B. First Lien Agent and certain other lenders have made or intend to make a loan (the “**Loan**”) to an affiliate of the Landlord pursuant to the terms of that certain Credit Agreement, dated as of December 22, 2017, by and among VICI Properties 1 LLC, as the borrower, the First Lien Agent, and the other financial institutions party thereto from time to time (as the same may be amended, modified, restated, severed, consolidated, renewed, replaced, or supplemented from time to time, the “**Credit Agreement**”), which Loan is intended to be secured by, among other things, one or more of the following:

(i) that certain First Lien Mortgage, Security Agreement, Assignment of Rents and Leases and Fixture Filing, to be dated on or about February 16, 2018 or thereafter, and then to be recorded in the Pottawattamie County Recorder’s Office (as the same may be amended, restated, replaced, severed, split, supplemented or otherwise modified from time to time, the “**Horseshoe Council Bluffs First Mortgage**”) encumbering the real property more particularly described on Exhibit A-1 annexed hereto and made a part hereof (the “**Horseshoe Council Bluffs Property**”);

(ii) that certain First Lien Mortgage, Security Agreement, Assignment of Rents and Leases and Fixture Filing, to be dated on or about February 16, 2018 or thereafter, and then to be recorded in the Pottawattamie County Recorder’s Office (as the same may be amended, restated, replaced, severed, split, supplemented or otherwise modified from time to time, the “**Harrah’s Council Bluffs First Mortgage**”) encumbering the real property more particularly described on Exhibit A-2 annexed hereto and made a part hereof (the “**Harrah’s Council Bluffs Property**”);

(iii) that certain First Lien Mortgage, Security Agreement, Assignment of Rents and Leases and Fixture Filing, to be dated on or about February 16, 2018 or thereafter, and then to be recorded in the Massac County Recorder’s Office (as the same may be amended, restated, replaced, severed, split, supplemented or otherwise modified from time to time, the “**Harrah’s Metropolis First Mortgage**”) encumbering the real property more particularly described on Exhibit A-3 annexed hereto and made a part hereof (the “**Harrah’s Metropolis Property**”);

(iv) that certain First Lien Mortgage, Security Agreement, Assignment of Rents and Leases and Fixture Filing, to be dated on or about February 16, 2018 or thereafter, and then to be recorded in the Harrison County Recorder’s Office and in the Floyd County Recorder’s Office (as the same may be amended, restated, replaced, severed, split, supplemented or otherwise modified from time to time, the “**Horseshoe Southern Indiana First Mortgage**”) encumbering the real property more particularly described on Exhibit A-4 annexed hereto and made a part hereof (the “**Horseshoe Southern Indiana Property**”);

(v) that certain First Lien Mortgage, Security Agreement, Assignment of Rents and Leases and Fixture Filing, to be dated on or about February 16, 2018 or thereafter, and then to be recorded in the Lake County Recorder’s Office (as the same may be amended, restated, replaced, severed, split, supplemented or otherwise modified from time to time, the “**Horseshoe Hammond First Mortgage**”) encumbering the real property more particularly described on Exhibit A-5 annexed hereto and made a part hereof (the “**Horseshoe Hammond Property**”);

(vi) that certain First Lien Multiple Indebtedness Mortgage, Security Agreement, and Pledge of Rents and Leases, to be dated on or about February 16, 2018 or thereafter, and then to be recorded in the Bossier Parish Clerk of Court's Office and in the Caddo Clerk of Court's Office (as the same may be amended, restated, replaced, severed, split, supplemented or otherwise modified from time to time, the "**Horseshoe Bossier City First Mortgage**") encumbering the real property more particularly described on **Exhibit A-6** annexed hereto and made a part hereof (the "**Horseshoe Bossier City Property**");

(vii) that certain First Lien Multiple Indebtedness Mortgage, Security Agreement, and Pledge of Rents and Leases, to be dated on or about February 16, 2018 or thereafter, and then to be recorded in the Caddo Clerk of Court's Office (as the same may be amended, restated, replaced, severed, split, supplemented or otherwise modified from time to time, the "**Harrah's Bossier City First Mortgage**") encumbering the real property more particularly described on **Exhibit A-7** annexed hereto and made a part hereof (the "**Harrah's Bossier City Property**");

(viii) that certain First Lien Deed of Trust, Security Agreement, Assignment of Rents and Leases and Fixture Filing, to be dated on or about February 16, 2018 or thereafter, and then to be recorded in the Clay County Recorder's Office (as the same may be amended, restated, replaced, severed, split, supplemented or otherwise modified from time to time, the "**Harrah's North Kansas City First Mortgage**") encumbering the real property more particularly described on **Exhibit A-8** annexed hereto and made a part hereof (the "**Harrah's North Kansas City Property**");

(ix) that certain First Lien Deed of Trust, Security Agreement, Assignment of Rents and Leases and Fixture Filing, to be dated on or about February 16, 2018 or thereafter, and then to be recorded in the Harrison County Chancery Clerk's Office (as the same may be amended, restated, replaced, severed, split, supplemented or otherwise modified from time to time, the "**Grand Biloxi First Mortgage**") encumbering the real property more particularly described on **Exhibit A-9** annexed hereto and made a part hereof (the "**Grand Biloxi Property**");

(x) that certain First Lien Deed of Trust, Security Agreement, Assignment of Rents and Leases and Fixture Filing, to be dated on or about February 16, 2018 or thereafter, and then to be recorded in the Tunica County Chancery Clerk's Office (as the same may be amended, restated, replaced, severed, split, supplemented or otherwise modified from time to time, the "**Horseshoe Tunica First Mortgage**") encumbering the real property more particularly described on **Exhibit A-10** annexed hereto and made a part hereof (the "**Horseshoe Tunica Property**");

(xi) that certain First Lien Deed of Trust, Security Agreement, Assignment of Rents and Leases and Fixture Filing, to be dated on or about February 16, 2018 or thereafter, and then to be recorded in the Tunica County Chancery Clerk's Office (as the same may be amended, restated, replaced, severed, split, supplemented or otherwise modified from time to time, the "**Tunica Roadhouse First Mortgage**") encumbering the real property more particularly described on **Exhibit A-11** annexed hereto and made a part hereof (the "**Tunica Roadhouse Property**");

(xii) that certain First Lien Mortgage, Security Agreement, Assignment of Rents and Leases and Fixture Filing, to be dated on or about February 16, 2018 or thereafter, and then to be recorded in the Atlantic County Clerk's Office (as the same may be amended, restated, replaced, severed, split, supplemented or otherwise modified from time to time, the "**Caesar's Atlantic City First Mortgage**") encumbering the real property more particularly described on **Exhibit A-12** annexed hereto and made a part hereof (the "**Caesar's Atlantic City Property**");

(xiii) that certain First Lien Mortgage, Security Agreement, Assignment of Rents and Leases and Fixture Filing, to be dated on or about February 16, 2018 or thereafter, and then to be recorded in the Atlantic County Clerk's Office (as the same may be amended, restated, replaced, severed, split, supplemented or otherwise modified from time to time, the "**Bally's Atlantic City First Mortgage**") encumbering the real property more particularly described on **Exhibit A-13** annexed hereto and made a part hereof (the "**Bally's Atlantic City Property**");

(xiv) that certain First Lien Deed of Trust, Security Agreement, Assignment of Rents and Leases and Fixture Filing, to be dated on or about February 16, 2018 or thereafter, and then to be recorded in the Carson City Recorder's Office, the Clark County Recorder's Office and the Douglas County Recorder's Office (as the same may be amended, restated, replaced, severed, split, supplemented or otherwise modified from time to time, the "**Harrah's Lake Tahoe First Mortgage**") encumbering the real property more particularly described on **Exhibit A-14** annexed hereto and made a part hereof (the "**Harrah's Lake Tahoe Property**");

(xv) that certain First Lien Deed of Trust, Security Agreement, Assignment of Rents and Leases and Fixture Filing, to be dated on or about February 16, 2018 or thereafter, and then to be recorded in the Carson City Recorder's Office, the Clark County Recorder's Office and the Douglas County Recorder's Office (as the same may be amended, restated, replaced, severed, split, supplemented or otherwise modified from time to time, the "**Harvey's Lake Tahoe First Mortgage**") encumbering the real property more particularly described on **Exhibit A-15** annexed hereto and made a part hereof (the "**Harvey's Lake Tahoe Property**"); and

(xvi) that certain First Lien Deed of Trust, Security Agreement, Assignment of Rents and Leases and Fixture Filing, to be dated on or about February 16, 2018 or thereafter, and then to be recorded in the Washoe County Recorder's Office (as the same may be amended, restated, replaced, severed, split, supplemented or otherwise modified from time to time, the "**Harrah's Reno First Mortgage**") and with Horseshoe Council Bluffs First Mortgage, Harrah's Council Bluffs First Mortgage, Harrah's Metropolis First Mortgage, Horseshoe Southern Indiana First Mortgage, Horseshoe Hammond First Mortgage, Horseshoe Bossier City First Mortgage, Harrah's Bossier City First Mortgage, Harrah's North Kansas City First Mortgage, Grand Biloxi First Mortgage, Horseshoe Tunica First Mortgage, Tunica Roadhouse First Mortgage, Caesar's Atlantic City First Mortgage, Bally's Atlantic City First Mortgage, Harrah's Lake Tahoe First Mortgage and Harvey's Lake Tahoe First Mortgage, individually a "**First Mortgage**" and collectively, the "**First Mortgages**") encumbering the real property more particularly described on **Exhibit A-16** annexed hereto and made a part hereof (the "**Harrah's Reno Property**") and with the Horseshoe Council Bluffs Property, Harrah's Council Bluffs Property, Harrah's Metropolis Property, Horseshoe Southern Indiana Property, Horseshoe Hammond Property, Horseshoe Bossier City Property, Harrah's Bossier City Property, Harrah's North Kansas City Property, Grand Biloxi Property, Horseshoe Tunica Property, Tunica Roadhouse Property, Caesar's Atlantic City Property, Bally's Atlantic City Property, Harrah's Lake Tahoe Property and Harvey's Lake Tahoe Property, individually a "**Leased Property**" and collectively, the "**Leased Property**");

C. Pursuant to that certain Indenture dated as of October 6, 2017 (as amended, restated, supplemented, waived or otherwise modified from time to time, the "**Notes Indenture**"), among VICI Properties 1 LLC, as the borrower, and VICI FC Inc., a Delaware corporation, as issuers (in such collective capacity, the "**Issuers**"), Agent, as trustee, and the other parties party thereto, the Issuers have agreed to issue a series of Notes (as defined in the Notes Indenture), which Notes are intended to be secured by, among other things, one or more of the following:

(i) that certain Second Lien Mortgage, Security Agreement, Assignment of Rents and Leases and Fixture Filing, dated on or about February 16, 2018 or thereafter, and then to be recorded in the Pottawattamie County Recorder's Office (as the same may be amended, restated, replaced, severed, split, supplemented or otherwise modified from time to time, the "**Horseshoe Council Bluffs Second Mortgage**") encumbering the Horseshoe Council Bluffs Property;

(ii) that certain Second Lien Mortgage, Security Agreement, Assignment of Rents and Leases and Fixture Filing, dated on or about February 16, 2018 or thereafter, and then to be recorded in the Pottawattamie County Recorder's Office (as the same may be amended, restated, replaced, severed, split, supplemented or otherwise modified from time to time, the "**Harrah's Council Bluffs Second Mortgage**") encumbering the Harrah's Council Bluffs Property;

(iii) that certain Second Lien Mortgage, Security Agreement, Assignment of Rents and Leases and Fixture Filing, to be dated on or about February 16, 2018 or thereafter, and then to be recorded in the Massac County Recorder's Office (as the same may be amended, restated, replaced, severed, split, supplemented or otherwise modified from time to time, the "**Harrah's Metropolis Second Mortgage**") encumbering the Harrah's Metropolis Property;

(iv) that certain Second Lien Mortgage, Security Agreement, Assignment of Rents and Leases and Fixture Filing, to be dated on or about February 16, 2018 or thereafter, and then to be recorded in the Harrison County Recorder's Office and in the Floyd County Recorder's Office (as the same may be amended, restated, replaced, severed, split, supplemented or otherwise modified from time to time, the "**Horseshoe Southern Indiana Second Mortgage**") encumbering the Horseshoe Southern Indiana Property;

(v) that certain Second Lien Mortgage, Security Agreement, Assignment of Rents and Leases and Fixture Filing, to be dated on or about February 16, 2018 or thereafter, and then to be recorded in the Lake County Recorder's Office (as the same may be amended, restated, replaced, severed, split, supplemented or otherwise modified from time to time, the "**Horseshoe Hammond Second Mortgage**") encumbering the Horseshoe Hammond Property;

(vi) that certain Second Lien Multiple Indebtedness Mortgage, Security Agreement, and Pledge of Rents and Leases, to be dated on or about February 16, 2018 or thereafter, and then to be recorded in the Bossier Parish Clerk of Court's Office and in the Caddo Clerk of Court's Office (as the same may be amended, restated, replaced, severed, split, supplemented or otherwise modified from time to time, the "**Horseshoe Bossier City Second Mortgage**") encumbering the Horseshoe Bossier City Property;

(vii) that certain Second Lien Multiple Indebtedness Mortgage, Security Agreement, and Pledge of Rents and Leases, to be dated on or about February 16, 2018 or thereafter, and then to be recorded in the Bossier Parish Clerk of Court's Office and in the Caddo Clerk of Court's Office (as the same may be amended, restated, replaced, severed, split, supplemented or otherwise modified from time to time, the "**Harrah's Bossier City Second Mortgage**") encumbering the Harrah's Bossier City Property;

(viii) that certain Second Lien Deed of Trust, Security Agreement, Assignment of Rents and Leases and Fixture Filing, to be dated on or about February 16, 2018 or thereafter, and then to be recorded in the Clay County Recorder's Office (as the same may be amended, restated, replaced, severed, split, supplemented or otherwise modified from time to time, the "**Harrah's North Kansas City Second Mortgage**") encumbering the Harrah's North Kansas City Property;

(ix) that certain Second Lien Deed of Trust, Security Agreement, Assignment of Rents and Leases and Fixture Filing, to be dated on or about February 16, 2018 or thereafter, and then to be recorded in the Harrison County Chancery Clerk's Office (as the same may be amended, restated, replaced, severed, split, supplemented or otherwise modified from time to time, the "**Grand Biloxi Second Mortgage**") encumbering the Grand Biloxi Property;

(x) that certain Second Lien Deed of Trust, Security Agreement, Assignment of Rents and Leases and Fixture Filing, to be dated on or about February 16, 2018 or thereafter, and then to be recorded in the Tunica County Chancery Clerk's Office (as the same may be amended, restated, replaced, severed, split, supplemented or otherwise modified from time to time, the "**Horseshoe Tunica Second Mortgage**") encumbering the Horseshoe Tunica Property;

(xi) that certain Second Lien Deed of Trust, Security Agreement, Assignment of Rents and Leases and Fixture Filing, to be dated on or about February 16, 2018 or thereafter, and then to be recorded in the Tunica County Chancery Clerk's Office (as the same may be amended, restated, replaced, severed, split, supplemented or otherwise modified from time to time, the "**Tunica Roadhouse Second Mortgage**") encumbering the Tunica Roadhouse Property;

(xii) that certain Second Lien Mortgage, Security Agreement, Assignment of Rents and Leases and Fixture Filing, to be dated on or about February 16, 2018 or thereafter, and then to be recorded in the Atlantic County Clerk's Office (as the same may be amended, restated, replaced, severed, split, supplemented or otherwise modified from time to time, the "**Caesar's Atlantic City Second Mortgage**") encumbering the Caesar's Atlantic City Property;

(xiii) that certain Second Lien Mortgage, Security Agreement, Assignment of Rents and Leases and Fixture Filing, to be dated on or about February 16, 2018 or thereafter, and then to be recorded in the Atlantic County Clerk's Office (as the same may be amended, restated, replaced, severed, split, supplemented or otherwise modified from time to time, the "**Bally's Atlantic City Second Mortgage**") encumbering the Bally's Atlantic City Property;

(xiv) that certain Second Lien Deed of Trust, Security Agreement, Assignment of Rents and Leases and Fixture Filing, to be dated on or about February 16, 2018 or thereafter, and then to be recorded in the Carson City Recorder's Office, the Clark County Recorder's Office and the Douglas County Recorder's Office (as the same may be amended, restated, replaced, severed, split, supplemented or otherwise modified from time to time, the "**Harrah's Lake Tahoe Second Mortgage**") encumbering the Harrah's Lake Tahoe Property;

(xv) that certain Second Lien Deed of Trust, Security Agreement, Assignment of Rents and Leases and Fixture Filing, to be dated on or about February 16, 2018 or thereafter, and then to be recorded in the Carson City Recorder's Office, the Clark County Recorder's Office and the Douglas County Recorder's Office (as the same may be amended, restated, replaced, severed, split, supplemented or otherwise modified from time to time, the "**Harvey's Lake Tahoe Second Mortgage**") encumbering the Harvey's Lake Tahoe Property; and

(xvi) that certain Second Lien Deed of Trust, Security Agreement, Assignment of Rents and Leases and Fixture Filing, to be dated on or about February 16, 2018 or thereafter, and then to be recorded in the Washoe County Recorder's Office (as the same may be amended, restated, replaced, severed, split, supplemented or otherwise modified from time to time, the "**Harrah's Reno Second Mortgage**" and with the Horseshoe Council Bluffs Second Mortgage, Harrah's Council Bluffs Second Mortgage, Harrah's Metropolis Second Mortgage, Horseshoe Southern Indiana Second Mortgage, Horseshoe Hammond Second Mortgage, Horseshoe Bossier City Second Mortgage, Harrah's Bossier City Second Mortgage, Harrah's North Kansas City Second Mortgage, Grand Biloxi Second Mortgage, Horseshoe Tunica Second Mortgage, Tunica Roadhouse Second Mortgage, Caesar's Atlantic City Second Mortgage, Bally's Atlantic City Second Mortgage, Harrah's Lake Tahoe Second Mortgage and Harvey's Lake Tahoe Second Mortgage, individually a "**Second Mortgage**" and collectively, the "**Second Mortgages**") encumbering the Harrah's Reno Property;

D. Reference is made to that certain Collateral Agreement (Second Lien) dated as of October 6, 2017 (as amended, restated, supplemented or otherwise modified from time to time, the "**Collateral Agreement**"), made by and among, inter alios, the Issuers, each subsidiary of the Issuers party thereto, and Second Lien Agent;

E. Pursuant to Section 31.1 of the Lease, with respect to the subordination of Tenant's leasehold interest under the Lease to the First Mortgages, Tenant has agreed to deliver each subordination, nondisturbance and attornment agreement described on the attached **Exhibit B** (collectively, the "**First Mortgage SNDAs**"), which will bind Tenant and each First Lien Agent and each of their successors and assigns as well as any person who acquires any portion of the Leased Property in a foreclosure of a First Mortgage or similar proceeding or in a transfer in lieu of any such foreclosure; and

F. Pursuant to Section 31.1 of the Lease, with respect to the subordination of Tenant's leasehold interest under the Lease to the Second Mortgages, Tenant has agreed to deliver each subordination, nondisturbance and attornment agreement described on the attached **Exhibit C** (collectively, the "**Second Mortgage SNDAs**" and with the First Mortgage SNDAs, individually

a “**SNDA**” and collectively, the “**SNDA**s”), which will bind Tenant and each Second Lien Agent and each of their successors and assigns as well as any person who acquires any portion of the Leased Property in a foreclosure of a Second Mortgage or similar proceeding or in a transfer in lieu of any such foreclosure; and

G. As more particularly set forth in this Agreement, (i) Landlord and Tenant desire in Section 1 of this Agreement to amend the Lease to address certain scrivener’s errors, (ii) Landlord and Tenant desire to ratify the SNDAs as provided in Section 2 of this Agreement, and (iii) Landlord, Tenant, First Lien Agent and Second Lien Agent desire to make certain acknowledgements with respect to the SNDAs as provided in Section 3 of this Agreement;

NOW THEREFORE, in consideration of the premises and the mutual covenants hereinafter contained, the Parties do hereby stipulate, covenant and agree as follows:

1. Amendment.

(a) The Lease is hereby amended as follows: the words “Year 8-10 Variable Rent” appearing in clauses (b)(ii)(B)(x) and (b)(ii)(B)(y) of the definition of “Rent” are hereby deleted and in each case replaced with “Second Variable Rent Base”.

(b) The Lease is hereby amended by replacing Schedule 2 (Ground Leases) attached thereto with the Schedule attached hereto as Exhibit D.

2. Ratification of the SNDAs.

(a) Each Tenant agrees that each Tenant that is executing any SNDA, as applicable, (i) is authorized to execute such SNDA on behalf of all Tenants, and (ii) the obligations and actions in each SNDA are valid and legally binding upon all Tenants.

(b) Each Landlord agrees that each Landlord that is executing any SNDA, as applicable, (i) is authorized to execute such SNDA on behalf of all Landlords, and (ii) the obligations and actions in each SNDA are valid and legally binding upon all Landlords.

3. Severance Leases.

(a) Notwithstanding anything to the contrary contained in this Agreement or in any First Mortgage SNDA, without any further action by First Lien Agent, each of First Lien Agent, each Tenant and each Landlord consents to any Severance Lease entered into in accordance with Article XVIII of the Lease (and pursuant to Section 5(b) of each Second Mortgage SNDA) which results from a foreclosure under a Second Mortgage and acknowledges that each such Severance Lease shall constitute a Severance Lease for all purposes of the Lease (including Section 18.2 of the Lease).

(b) Notwithstanding anything to the contrary contained in this Agreement or in any Second Mortgage SNDA, without any further action by Second Lien Agent, each of Second Lien Agent, each Tenant and each Landlord consents to any Severance Lease entered into in accordance with Article XVIII of the Lease (and pursuant to Section 5(b) of each First Mortgage SNDA) which results from a foreclosure under a First Mortgage and acknowledges that each such Severance Lease shall constitute a Severance Lease for all purposes of the Lease (including Section 18.2 of the Lease).

4. Miscellaneous.

a. This Agreement shall be construed according to and governed by the laws of the jurisdiction(s) which are specified by the Lease without regard to its conflicts of law principles. The Parties hereby irrevocably submit to the jurisdiction of any court of competent jurisdiction located in such applicable jurisdiction in connection with any proceeding arising out of or relating to this Agreement.

b. If any provision of this Agreement is adjudicated to be invalid, illegal or unenforceable, in whole or in part, it will be deemed omitted to that extent and all other provisions of this Agreement will remain in full force and effect.

c. Neither this Agreement nor any provision hereof may be changed, modified, waived, discharged or terminated orally, but only by an instrument in writing signed by the party against whom enforcement of such change, modification, waiver, waiver, discharge or termination is sought.

d. The paragraph headings and captions contained in this Agreement are for convenience of reference only and in no event define, describe or limit the scope or intent of this Agreement or any of the provisions or terms hereof.

e. This Agreement shall be binding upon and inure to the benefit of the parties and their respective heirs, legal representatives, successors and permitted assigns.

f. This Agreement may be executed in any number of counterparts with the same effect as if all parties hereto had signed the same document. All such counterparts shall be construed together and shall constitute one instrument, but in making proof hereof it shall only be necessary to produce one such counterpart.

g. Except as specifically modified in Section 1 of this Agreement, all of the provisions of the Lease remain unchanged and continue in full force and effect.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK][Signature page to Second Amendment to Lease (Non-CPLV) and Ratification of SNDA]1

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their duly authorized representatives, all as of the day, month and year first above written.

LANDLORD:

HORSESHOE COUNCIL BLUFFS LLC,
a Delaware limited liability company

By: _____
Name:
Title:

HARRAH'S COUNCIL BLUFFS LLC,
a Delaware limited liability company

By: _____
Name:
Title:

HARRAH'S METROPOLIS LLC,
a Delaware limited liability company

By: _____
Name:
Title:

HORSESHOE SOUTHERN INDIANA LLC,
a Delaware limited liability company

By: _____
Name:
Title:

NEW HORSESHOE HAMMOND LLC,
a Delaware limited liability company

By: _____
Name:
Title:

HORSESHOE BOSSIER CITY PROP LLC,
a Louisiana limited liability company

By: _____
Name:
Title:

HARRAH'S BOSSIER CITY LLC,
a Louisiana limited liability company

By: _____
Name:
Title:

NEW HARRAH'S NORTH KANSAS CITY LLC,
a Delaware limited liability company

By: _____
Name:
Title:

GRAND BILOXI LLC,
a Delaware limited liability company

By: _____
Name:
Title:

HORSESHOE TUNICA LLC,
a Delaware limited liability company

By: _____
Name:
Title:

NEW TUNICA ROADHOUSE LLC,
a Delaware limited liability company

By: _____
Name:
Title:

CAESARS ATLANTIC CITY LLC,
a Delaware limited liability company

By: _____
Name:
Title:

BALLY'S ATLANTIC CITY LLC,
a Delaware limited liability company

By: _____
Name:
Title:

HARRAH'S LAKE TAHOE LLC,
a Delaware limited liability company

By: _____
Name:
Title:

HARVEY'S LAKE TAHOE LLC,
a Delaware limited liability company

By: _____
Name:
Title:

HARRAH'S RENO LLC,
a Delaware limited liability company

By: _____
Name:
Title:

BLUEGRASS DOWNS PROPERTY OWNER LLC,
a Delaware limited liability company

By: _____
Name:
Title:

VEGAS DEVELOPMENT LLC,
a Delaware limited liability company

By: _____
Name:
Title:

VEGAS OPERATING PROPERTY LLC,
a Delaware limited liability company

By: _____
Name:
Title:

MISCELLANEOUS LAND LLC,
a Delaware limited liability company

By: _____
Name:
Title:

PROPCO GULFPORT LLC,
a Delaware limited liability company

By: _____
Name:
Title:

[Signatures Continue on Following Pages]

TENANT:

CEOC, LLC,
a Delaware limited liability company

By: _____
Name:
Title:

CAESARS ENTERTAINMENT OPERATING COMPANY, INC.,
a Delaware corporation

By: _____
Name:
Title:

HBR REALTY COMPANY LLC,
a Nevada limited liability company

By: _____
Name:
Title:

HARVEYS IOWA MANAGEMENT COMPANY LLC,
a Nevada limited liability company

By: _____
Name:
Title:

SOUTHERN ILLINOIS RIVERBOAT/CASINO CRUISES LLC,
an Illinois limited liability company

By: _____
Name:
Title:

CAESARS RIVERBOAT CASINO, LLC,
an Indiana limited liability company

By: _____
Name:
Title:

ROMAN HOLDING COMPANY OF INDIANA LLC,
an Indiana limited liability company

By: _____
Name:
Title:

HORSESHOE HAMMOND, LLC,
an Indiana limited liability company

By: _____
Name:
Title:

HORSESHOE ENTERTAINMENT,
a Louisiana limited partnership

By: New Gaming Capital Partnership,
a Nevada limited partnership
Its general partner

By: Horseshoe GP, LLC,
a Nevada limited liability company
Its general partner

By: _____
Name:
Title:

HARRAH'S BOSSIER CITY INVESTMENT COMPANY, L.L.C.,
a Louisiana limited liability company

By: _____
Name:
Title:

HARRAH'S NORTH KANSAS CITY LLC,
a Missouri limited liability company

By: _____
Name:
Title:

GRAND CASINOS OF BILOXI, LLC,
a Minnesota limited liability company

By: _____
Name:
Title:

ROBINSON PROPERTY GROUP LLC,
a Mississippi limited liability company

By: _____
Name:
Title:

TUNICA ROADHOUSE LLC,
a Delaware limited liability company

By: _____
Name:
Title:

BOARDWALK REGENCY LLC,
a New Jersey limited liability company

By: _____
Name:
Title:

CAESARS NEW JERSEY LLC,
a New Jersey limited liability company

By: _____
Name:
Title:

BALLY'S PARK PLACE LLC,
a New Jersey limited liability company

By: _____
Name:
Title:

HARVEYS TAHOE MANAGEMENT COMPANY LLC,
a Nevada limited liability company

By: _____
Name:
Title:

PLAYERS BLUEGRASS DOWNS, LLC,
a Kentucky limited liability company

By: _____
Name:
Title:

CASINO COMPUTER PROGRAMMING, INC.,
an Indiana corporation

By: _____
Name:
Title:

HARVEYS BR MANAGEMENT COMPANY, INC.,
a Nevada corporation

By: _____
Name:
Title:

HOLE IN THE WALL, LLC,
a Nevada limited liability company

By: _____
Name:
Title:

[Signatures Continue on Following Pages]

**WITH RESPECT TO SECTION 3 ONLY, AGREED AND CONSENTED TO BY
THE AGENTS:**

GOLDMAN SACHS BANK USA,
a New York State-chartered bank

By: _____
Name:
Title:

UMB BANK, NATIONAL ASSOCIATION

By: _____
Name:
Title:

Schedule A

LANDLORD ENTITIES

Horseshoe Council Bluffs LLC
Harrah's Council Bluffs LLC
Harrah's Metropolis LLC
Horseshoe Southern Indiana LLC
New Horseshoe Hammond LLC
Horseshoe Bossier City Prop LLC
Harrah's Bossier City LLC
New Harrah's North Kansas City LLC
Grand Biloxi LLC
Horseshoe Tunica LLC
New Tunica Roadhouse LLC
Caesars Atlantic City LLC
Bally's Atlantic City LLC
Harrah's Lake Tahoe LLC
Harvey's Lake Tahoe LLC
Harrah's Reno LLC
Bluegrass Downs Property Owner LLC
Vegas Development LLC
Vegas Operating Property LLC
Miscellaneous Land LLC
Propco Gulfport LLC

Schedule B

TENANT ENTITIES

CEOC, LLC, successor in interest by merger to Caesars Entertainment Operating Company, Inc.
Caesars Entertainment Operating Company, Inc.
HBR Realty Company LLC
Harveys Iowa Management Company LLC
Southern Illinois Riverboat/Casino Cruises LLC
Caesars Riverboat Casino LLC
Roman Holding Company of Indiana LLC
Horseshoe Hammond, LLC
Horseshoe Entertainment
Harrah's Bossier City Investment Company, LLC
Harrah's North Kansas City LLC
Grand Casinos of Biloxi, LLC
Robinson Property Group LLC
Tunica Roadhouse LLC
Boardwalk Regency LLC
Caesars New Jersey LLC
Bally's Park Place LLC
Harveys Tahoe Management Company LLC
Players Bluegrass Downs LLC
Casino Computer Programming, Inc.
Harveys BR Management Company, Inc.
Hole in the Wall, LLC

Exhibits A-1 - A-16

LEGAL DESCRIPTION

[To be attached]

Exhibit B

FIRST MORTGAGE SNDAS

1. Subordination, Nondisturbance and Attornment Agreement, dated on or about even date with the Horseshoe Council Bluffs First Mortgage, by and among Goldman Sachs Bank USA, as collateral agent, Horseshoe Council Bluffs LLC, as landlord, and HBR Realty Company LLC and Harveys BR Management Company, Inc., as tenants, relating to the Horseshoe Council Bluffs Property;
2. Subordination, Nondisturbance and Attornment Agreement, dated on or about even date with the Harrah's Council Bluffs First Mortgage, by and among Goldman Sachs Bank USA, as collateral agent, Harrah's Council Bluffs LLC, as landlord, and Harveys Iowa Management Company LLC and CEOC, LLC, as tenants, relating to the Harrah's Council Bluffs Property;
3. Subordination, Nondisturbance and Attornment Agreement, dated on or about even date with the Harrah's Metropolis First Mortgage, by and among Goldman Sachs Bank USA, as collateral agent, Harrah's Metropolis LLC, as landlord, and Southern Illinois Riverboat/Casino Cruises LLC, as tenant, relating to the Harrah's Metropolis Property;
4. Subordination, Nondisturbance and Attornment Agreement, dated on or about even date with the Horseshoe Southern Indiana First Mortgage, by and among Goldman Sachs Bank USA, as collateral agent, Horseshoe Southern Indiana LLC, as landlord, and Caesars Riverboat Casino, LLC and Roman Holding Company of Indiana LLC, as tenants, relating to the Horseshoe Southern Indiana Property;
5. Subordination, Nondisturbance and Attornment Agreement, dated on or about even date with the Horseshoe Hammond First Mortgage, by and among Goldman Sachs Bank USA, as collateral agent, New Horseshoe Hammond LLC, as landlord, and Horseshoe Hammond, LLC, as tenant, relating to the Horseshoe Hammond Property;
6. Subordination, Nondisturbance and Attornment Agreement, dated on or about even date with the Horseshoe Bossier City First Mortgage, by and among Goldman Sachs Bank USA, as collateral agent, Horseshoe Bossier City Prop LLC, as landlord, and Horseshoe Entertainment, as tenant, relating to the Horseshoe Bossier City Property;
7. Subordination, Nondisturbance and Attornment Agreement, dated on or about even date with the Harrah's Bossier City First Mortgage, by and among Goldman Sachs Bank USA, as collateral agent, Harrah's Bossier City LLC, as landlord, and Harrah's Bossier City Investment Company, L.L.C., as tenant, relating to the Harrah's Bossier City Property;
8. Subordination, Nondisturbance and Attornment Agreement, dated on or about even date with the Harrah's North Kansas City First Mortgage, by and among Goldman Sachs Bank USA, as collateral agent, New Harrah's North Kansas City LLC, as landlord, and Harrah's North Kansas City LLC and CEOC, LLC, as tenants, relating to the Harrah's North Kansas City Property;
9. Subordination, Nondisturbance and Attornment Agreement, dated on or about even date with the Grand Biloxi First Mortgage, by and among Goldman Sachs Bank USA, as collateral agent, Grand Biloxi LLC, as landlord, and Grand Casinos of Biloxi, LLC and Casino Computer Programming, Inc., as tenants, relating to the Grand Biloxi Casino Hotel Property;
10. Subordination, Nondisturbance and Attornment Agreement, dated on or about even date with the Horseshoe Tunica First Mortgage, by and among Goldman Sachs Bank USA, as collateral agent, Horseshoe Tunica LLC, as landlord, and Robinson Property Group LLC, as tenant, relating to the Horseshoe Tunica Property;
11. Subordination, Nondisturbance and Attornment Agreement, dated on or about even date with the Tunica Roadhouse First Mortgage, by and among Goldman Sachs Bank USA, as collateral agent, New Tunica Roadhouse LLC, as landlord, and Tunica Roadhouse LLC, as tenant, relating to the Tunica Roadhouse Property;

12. Subordination, Nondisturbance and Attornment Agreement, dated on or about even date with the Caesars Atlantic City First Mortgage, by and among Goldman Sachs Bank USA, as collateral agent, Caesars Atlantic City LLC, as landlord, and Boardwalk Regency LLC and Caesars New Jersey LLC, as tenants, relating to the Caesars Atlantic City Property;

13. Subordination, Nondisturbance and Attornment Agreement, dated on or about even date with the Bally's Atlantic City First Mortgage, by and among Goldman Sachs Bank USA, as collateral agent, Bally's Atlantic City LLC, as landlord, and Bally's Park Place LLC, as tenant, relating to the Bally's Atlantic City Property;

14. Subordination, Nondisturbance and Attornment Agreement, dated on or about even date with the Harrah's Lake Tahoe First Mortgage, by and among Goldman Sachs Bank USA, as collateral agent, Harrah's Lake Tahoe LLC, as landlord, and Harveys Tahoe Management Company LLC and CEOC, LLC, as tenants, relating to the Harrah's Lake Tahoe Property;

15. Subordination, Nondisturbance and Attornment Agreement, dated on or about even date with the Harvey's Lake Tahoe First Mortgage, by and among Goldman Sachs Bank USA, as collateral agent, Harvey's Lake Tahoe LLC, as landlord, and Harveys Tahoe Management Company LLC, as tenant, relating to the Harvey's Lake Tahoe Property;

16. Subordination, Nondisturbance and Attornment Agreement, dated on or about even date with the Harrah's Reno First Mortgage, by and among Goldman Sachs Bank USA, as collateral agent, Harrah's Reno LLC, as landlord, and CEOC, LLC, as tenant, relating to the Harrah's Reno Property.

Exhibit C

SECOND MORTGAGE SNDAS

1. Subordination, Nondisturbance and Attornment Agreement, dated on or about even date with the Horseshoe Council Bluffs Second Mortgage, by and among UMB Bank, National Association, as collateral agent, Horseshoe Council Bluffs LLC, as landlord, and HBR Realty Company LLC and Harveys BR Management Company, Inc., as tenants, relating to the Horseshoe Council Bluffs;
2. Subordination, Nondisturbance and Attornment Agreement, dated on or about even date with the Harrah's Council Bluffs Second Mortgage, by and among UMB Bank, National Association, as collateral agent, Harrah's Council Bluffs LLC, as landlord, and Harveys Iowa Management Company LLC and CEOC, LLC, as tenants, relating to the Harrah's Council Bluffs Property;
3. Subordination, Nondisturbance and Attornment Agreement, dated on or about even date with the Harrah's Metropolis Second Mortgage, by and among UMB Bank, National Association, as collateral agent, Harrah's Metropolis LLC, as landlord, and Southern Illinois Riverboat/Casino Cruises LLC, as tenant, relating to the Harrah's Metropolis Property;
4. Subordination, Nondisturbance and Attornment Agreement, dated on or about even date with the Horseshoe Southern Indiana Second Mortgage, by and among UMB Bank, National Association, as collateral agent, Horseshoe Southern Indiana LLC, as landlord, and Caesars Riverboat Casino, LLC and Roman Holding Company of Indiana LLC, as tenants, relating to the Horseshoe Southern Indiana Property;
5. Subordination, Nondisturbance and Attornment Agreement, dated on or about even date with the Horseshoe Hammond Second Mortgage, by and among UMB Bank, National Association, as collateral agent, New Horseshoe Hammond LLC, as landlord, and Horseshoe Hammond, LLC, as tenant, relating to the Horseshoe Hammond Property;
6. Subordination, Nondisturbance and Attornment Agreement, dated on or about even date with the Horseshoe Bossier City Second Mortgage, by and among UMB Bank, National Association, as collateral agent, Horseshoe Bossier City Prop LLC, as landlord, and Horseshoe Entertainment, as tenant, relating to the property known as Horseshoe Bossier City;
7. Subordination, Nondisturbance and Attornment Agreement, dated on or about even date with the Harrah's Bossier City Second Mortgage, by and among UMB Bank, National Association, as collateral agent, Harrah's Bossier City LLC, as landlord, and Harrah's Bossier City Investment Company, L.L.C., as tenant, relating to the Harrah's Bossier City;
8. Subordination, Nondisturbance and Attornment Agreement, dated on or about even date with the Harrah's North Kansas City Second Mortgage, by and among UMB Bank, National Association, as collateral agent, New Harrah's North Kansas City LLC, as landlord, and Harrah's North Kansas City LLC and CEOC, LLC, as tenants, relating to the Harrah's North Kansas City Property;
9. Subordination, Nondisturbance and Attornment Agreement, dated on or about even date with the Grand Biloxi Second Mortgage, by and among UMB Bank, National Association, as collateral agent, Grand Biloxi LLC, as landlord, and Grand Casinos of Biloxi, LLC and Casino Computer Programming, Inc., as tenants, relating to the Grand Biloxi Casino Hotel Property;
10. Subordination, Nondisturbance and Attornment Agreement, dated on or about even date with the Horseshoe Tunica Second Mortgage, by and among UMB Bank, National Association, as collateral agent, Horseshoe Tunica LLC, as landlord, and Robinson Property Group LLC, as tenant, relating to the Horseshoe Tunica Property;
11. Subordination, Nondisturbance and Attornment Agreement, dated on or about even date with the Tunica Roadhouse Second Mortgage, by and among UMB Bank, National Association, as collateral agent, New Tunica Roadhouse LLC, as landlord, and Tunica Roadhouse LLC, as tenant, relating to the Tunica Roadhouse Property;

12. Subordination, Nondisturbance and Attornment Agreement, dated on or about even date with the Caesars Atlantic City Second Mortgage, by and among UMB Bank, National Association, as collateral agent, Caesars Atlantic City LLC, as landlord, and Boardwalk Regency LLC and Caesars New Jersey LLC, as tenants, relating to the Caesars Atlantic City Property;

13. Subordination, Nondisturbance and Attornment Agreement, dated on or about even date with the Bally's Atlantic City Second Mortgage, by and among UMB Bank, National Association, as collateral agent, Bally's Atlantic City LLC, as landlord, and Bally's Park Place LLC, as tenant, relating to the Bally's Atlantic City Property;

14. Subordination, Nondisturbance and Attornment Agreement, dated on or about even date with the Harrah's Lake Tahoe Second Mortgage, by and among UMB Bank, National Association, as collateral agent, Harrah's Lake Tahoe LLC, as landlord, and Harveys Tahoe Management Company LLC and CEOC, LLC, as tenants, relating to the Harrah's Lake Tahoe Property;

15. Subordination, Nondisturbance and Attornment Agreement, dated on or about even date with the Harvey's Lake Tahoe Second Mortgage, by and among UMB Bank, National Association, as collateral agent, Harvey's Lake Tahoe LLC, as landlord, and Harveys Tahoe Management Company LLC, as tenant, relating to the Harvey's Lake Tahoe Property;

16. Subordination, Nondisturbance and Attornment Agreement, dated on or about even date with the Harrah's Reno Second Mortgage, by and among UMB Bank, National Association, as collateral agent, Harrah's Reno LLC, as landlord, and CEOC, LLC, as tenant, relating to the Harrah's Reno Property.

Exhibit D

SCHEDULE 2
GROUND LEASES

Bluegrass Downs

Lease Agreement dated as of May 22, 1987, by and between the Inez Johnson, as landlord, and Coy Stacey and Bobby Dexter, as tenant, as assigned to Bluegrass Downs of Paducah, LTD, as of June 1, 1987, as further assigned to Players Bluegrass Downs, Inc. as of November 22, 1993

Leases dated as of July 31, 1987, by and between the Inez Johnson, as landlord, and Wayne and Gloria Simpson, as tenant, as assigned to Players Bluegrass Downs Inc., as of December 16, 1999, and as extended by that certain Extension of Lease Agreement dated as of September 8, 2017

Grand Biloxi

Public Trust Tidelands Lease dated November 16, 2015, and recorded December 1, 2015, by and between Secretary of State, for and on behalf of the State of Mississippi, as lessor, and Grand Casinos of Biloxi, LLC, as tenant

Ground Lease, dated June 23, 1992, recorded on June 25, 1992 in Book 244 at Page 309, as amended by (i) that certain First Amendment to Ground Lease, dated November 9, 1992, evidenced of record by that Memorandum of First Amendment to Lease, dated February 1, 1993, recorded on February 5, 1993 in Deed Book 251 at Page 385, (ii) that certain Second Amendment to Lease Agreement, dated as of February 1, 1993, and recorded February 5, 1993, in Deed Book 251 at Page 593, and re-recorded [] in Deed Book 253 at Page 385, (iii) that certain Third Amendment to Ground Lease, dated as of July 31, 1998, and recorded August 7, 1998, at Deed Book 328, at Page 253, and (iv) that certain Addendum to Ground Lease, dated September 29, 2005, by and between Mavar, Inc. as landlord, and Grand Casinos of Biloxi, LLC, successor in interest to Grand Casinos of Mississippi, Inc. - Biloxi, as tenant

Harrah's Airplane Hangar

Lease Agreement dated May 19, 1998, as amended pursuant to that certain First Amendment to Imperial Place Air, Ltd. Lease Agreement, dated September 21, 1999, and that certain Second Amendment to Imperial Palace Lease Agreement dated October 7, 2003, and as assigned pursuant to that certain Assignment and Assumption of Agreement dated December 12, 2005, and as further amended pursuant to that Third Amendment to Lease Agreement dated October 2, 2007, by and between the County of Clark, as lessor, and Caesar's Entertainment Operating Company, Inc., successor in interest to Harrah's Operating Company, Inc., successor in interest to Sunrise Hangar, LLC, as lessee

Harrah's Council Bluffs

Sublease Agreement filed of record in Book 95 Page 21438 of the Pottawattamie County records, and later amended by First Amendment to Sublease Agreement filed of record May 4, 2011 in Book 2011 Page 5607 of the Pottawattamie County, Iowa

Harrah's Metropolis

Lease, dated as of October 9, 1995, by and between the City of Metropolis, as landlord, and Southern Illinois Riverboat/Casino Cruises, Inc., as tenant, as amended by that certain First Amendment to Lease Agreement dated March 26, 2001, and that certain Second Amendment to Lease Agreement dated March 9, 2004

Lease, dated as of December 10, 1990, by and between the City of Metropolis as landlord, and Southern Illinois Riverboat/Casino Cruises, Inc. (as successor in interest to P.C.I., Inc., a Nevada corporation), as tenant as amended by that certain Amendment to Lease dated May 26, 1992, Amendment to Lease dated July 13, 1992, Amendment to Lease dated August 25, 1995, Amendment to Lease dated March 26, 2001, Amendment to Lease dated March 9, 2004 and Amendment to Lease dated September 13, 2004

Harrah's North Kansas City

Ground Lease between Harrah's North Kansas City LLC, a Missouri limited liability company, as successor-by-merger to Harrah's North Kansas City Corporation, a Nevada corporation, as Lessee, and The City of North Kansas City, Missouri, as Lessor, dated July 12, 1993, as amended by that certain First Amendment to Ground Lease dated November 22, 1994, that certain Second Amendment to Ground Lease dated as of December 19, 1995, that certain Third Amendment to Ground Lease dated December 22, 1998, that certain Fourth Amendment to Ground Lease dated June 28, 2005, that certain Letter Re: Extension of that certain Ground Lease dated July 12, 1993, dated February 11, 2010, and that certain Letter Re: Extension of that certain Ground Lease dated July 12, 1993, dated October 14, 2014, and as evidenced by that certain Short Form Lease recorded July 28, 1993, in Book 2252, Page 712, of the Office of the Recorder of Deeds for Clay County, Missouri

Harvey's Lake Tahoe

Parcel 1:

A Leasehold Estate as created and set forth in that certain unrecorded Lease, dated July 9, 1973, by and between PARK CATTLE CO., a Nevada Corporation, as Lessor and HARVEY'S WAGON WHEEL, INC., a Nevada corporation, as Lessee dated February 28, 1985 as disclosed by a MEMORANDUM OF LEASE, dated February 28, 1985 and recorded March 18, 1985, in Book 385, Page 1631, as Document No. 114959, and as modified by (i) an unrecorded Modification of Lease dated April 27, 1979, (ii) an unrecorded Second Amendment to Lease dated February 28, 1985, and (iii) by a unrecorded Third Amendment to the Parking Lease and Assignment of Leases dated June 1, 1997, as disclosed by a MEMORANDUM OF LEASE, dated February 11, 1998, recorded March 6, 1998 in Book 398, Page 1298, as Document No. 434235, and (iv) an unrecorded Fourth Amendment to Lease Agreement, effective as of September 1, 2014, by and between EDGEWOOD COMPANIES, formerly known as PARK CATTLE COMPANY, a Nevada Corporation, as Lessor and TAHOE GARAGE PROPCO, as Lessee and as assigned (x) by that certain unrecorded Assignment of Leases, effective June 1, 1997, where by HARVEY'S CASINO RESORTS, a Nevada corporation, formerly known as HARVEY'S WAGON WHEEL, INC., a Nevada corporation assigned to HARVEY'S TAHOE MANAGEMENT COMPANY, INC., a Nevada corporation and (y) by that certain ASSIGNMENT AND ASSUMPTION OF LEASES recorded January 21, 2008, in Book 108, Page 5387, as Document No. 716866 where HARVEY'S TAHOE MANAGEMENT COMPANY, INC., a Nevada corporation assigned to TAHOE PROPCO, LLC, a Delaware limited liability company and (z) by that certain ASSIGNMENT AND ASSUMPTION OF LEASES recorded January 21, 2008, in Book 108, Page 5393, as Document No. 716867 where TAHOE PROPCO, LLC, a Delaware limited liability company assigned to TAHOE GARAGE PROPCO, LLC, a Delaware limited liability Company as to Parcel 1; and

Parcel 2:

A Leasehold Estate as created and set forth in that certain unrecorded Lease, dated July 9 April 17, 1973 1979, by and between PARK CATTLE CO., a Nevada Corporation, as Lessor and HARVEY'S WAGON WHEEL, INC., a Nevada corporation, as Lessee, as superseded by that certain Net Lease Agreement, dated February 1985, by and between PARK CATTLE CO., a Nevada Corporation, as Lessor and HARVEY'S WAGON WHEEL, INC., a Nevada corporation, as Lessee and by an unrecorded Modification of Lease dated February 28, 1985, as disclosed by a MEMORANDUM OF LEASE, recorded March 18, 1985, in Book 385, Page 1636, as Document No. 114960, and as modified by a unrecorded First Amendment to the Douglas County Greenbelt Lease Agreement dated June 1, 1997, as disclosed by a MEMORANDUM OF LEASE recorded March 6, 1998 in Book 398, Page 1288, as Document No. 434233, and as assigned (i) by that certain unrecorded Assignment of Leases, effective June 1, 1997, where by HARVEY'S CASINO RESORTS, a Nevada corporation, formerly known as HARVEY'S WAGON WHEEL, INC., a Nevada corporation assigned to HARVEY'S TAHOE MANAGEMENT COMPANY, INC., a Nevada corporation and (ii) by that certain ASSIGNMENT AND ASSUMPTION OF LEASES recorded January 21, 2008, in Book 108, Page 5387, as Document No. 716866 where HARVEY'S TAHOE MANAGEMENT COMPANY, INC., a Nevada corporation assigned to TAHOE PROPCO, LLC, a Delaware limited liability company and (iii) by that certain ASSIGNMENT AND ASSUMPTION OF LEASES recorded January 21, 2008, in Book 108, Page 5393, as Document No. 716867 where TAHOE PROPCO, LLC, a Delaware limited liability company assigned to TAHOE GARAGE PROPCO, LLC, a Delaware limited liability Company as to Parcel 2

A leasehold as created by that certain lease dated February 28, 1985, executed by Park Cattle Co., a Nevada corporation, as lessor, and Harvey's Wagon Wheel, Inc., a Nevada corporation, as lessee, as referenced in the document entitled, "Memorandum of Lease", which was recorded March 18, 1985 at Book 2410, Page 354, of Official Records, for the term, upon and subject to all the provisions contained in said document, and in said lease.

By First Amendment dated June 1, 1997, executed by Park Cattle Company, a Nevada corporation, as lessor and Harvey's Casino Resorts, formerly known as Harvey's Wagon Wheel, Inc., a Nevada corporation, lessee, said lease was modified, as disclosed by that certain Memorandum of Lease, recorded March 30, 1998 at Instrument No. 98-0016398-00, of Official Records.

By Assignment dated February 11, 1998, executed by Harvey's Wagon Wheel, Inc., a Nevada corporation, as assignor, the interest of the assignor in and to the above leasehold estate was assigned to Harvey's Tahoe Management Company, Inc., a Nevada corporation, as assignee, recorded March 30, 1998 at Instrument No. 98-0016398-00, of Official Records.

By Assignment dated January 30, 2008, executed by Harvey's Tahoe Management Company, Inc., a Nevada corporation, as assignor, the interest of the assignor in and to the above leasehold estate was assigned to Tahoe Propco, LLC, a Delaware limited liability company, as assignee, recorded February 1, 2008 at Instrument No. 2008-0005109-00, of Official Records.

By Assignment dated January 30, 2008, executed by Tahoe Propco, LLC, a Delaware limited liability company, as assignor, the interest of the assignor in and to the above leasehold estate was assigned to Tahoe Garage Propco, LLC, a Delaware limited liability company, as assignee, recorded February 1, 2008 at Instrument No. 2008-0005108-00, of Official Records.

Horseshoe Bossier City

State of Louisiana Commercial Lease by and between State of Louisiana, State Land Office and Horseshoe Entertainment, a Louisiana Ltd. Partnership, dated July 6, 1994, recorded in the public records of Bossier Parish, Louisiana on July 13, 2004 as Registry No. 810117, as extended by that certain Letter RE: Renewal of Commercial Water Bottom Lease Contract No. 3000, dated June 30, 2014

Lease Agreement by and between Johnny Bonomo, Jr., and Mary C. Bonomo, and Horseshoe Entertainment, dated February 8, 1996

Horseshoe Hammond

Lease Agreement dated April 16, 2002, by and between the National Railroad Passenger Corporation (aka Amtrak), as landlord, and Horseshoe Hammond, LLC, as tenant, as extended by that certain Letter Re: Renewal of Lease Agreement, dated September 11, 2008, as amended pursuant to that certain First Amendment to Lease Agreement dated April 13, 2012, as amended pursuant to that certain Letter Re: Renewal of Lease Agreement dated January 10, 2017

License Agreement dated June 19, 1996, by and between the Department of Waterworks of the City of Hammond and the City of Hammond, Indiana, by and through its Department of Waterworks, as landlord, and Horseshoe Hammond, LLC, as tenant, as amended pursuant to that certain First Amendment to Lease, dated April [], 2007

Lease (Casino and Parking) dated June 19, 1996, by and between City of Hammond, Department of Redevelopment, as landlord, and Horseshoe Hammond, LLC, as tenant, as amended pursuant to that certain undated Amendment to Lease, that certain Second Amendment to Lease dated December 5, 2002, that certain Third Amendment to Lease dated December 5, 2006

License Agreement dated June 21, 1996, by and between Hammond Port Authority, as landlord, and Horseshoe Hammond, LLC, as tenant, as amended pursuant to that certain Amendment to License Agreement, dated December 19, 2002.

THIRD AMENDMENT TO LEASE (NON-CPLV)

THIS THIRD AMENDMENT TO LEASE (NON-CPLV) (this “**Agreement**”), is made as of April 2, 2018, by and among the entities listed on Schedule A attached hereto (collectively, and together with their respective successors and assigns, “**Landlord**”), and CEOC, LLC, a Delaware limited liability company, and the entities listed on Schedule B attached hereto (collectively, and together with their respective successors and assigns, “**Tenant**”).

RECITALS

A. Landlord and Tenant are parties to that certain LEASE (NON-CPLV) dated October 6, 2017 as amended by (i) that certain First Amendment to Lease (Non-CPLV) dated December 22, 2017 and (ii) that certain Second Amendment to Lease (Non-CPLV) and Ratification of SNDA dated February 16, 2018 (collectively, as amended, the “**Lease**”). Capitalized terms used in this Agreement and not otherwise defined herein shall have the meanings ascribed thereto in the Lease; and

B. As more particularly set forth in this Agreement, Landlord and Tenant desire to amend the Lease to address certain scrivener’s errors.

NOW THEREFORE, in consideration of the premises and the mutual covenants hereinafter contained, the Parties do hereby stipulate, covenant and agree as follows:

1. Amendment.

(a) Exhibit B of the Lease is hereby amended to insert the following at the end of the legal description for Harrah’s Bossier City (Louisiana Downs):

“TRACT V:

Together with the benefit of the electrical and irrigation facilities rights granted pursuant to Agreement of Servitude (Facilities) by and between Harrah's Bossier City Investment Company, L.L.C. and Home Federal Bank dated and recorded December 9, 2013 under Instrument No. 1087383 of the Conveyance Records of Bossier Parish, Louisiana.

TRACT VI:

Together with the benefit of the electrical and irrigation facilities rights granted pursuant to Agreement of Servitude (Facilities) by and between Harrah's Bossier City Investment Company, L.L.C. and Sifuentes Properties, LLC dated and recorded December 9, 2013 under Instrument No. 1087372 of the Conveyance Records of Bossier Parish, Louisiana.”

2. Miscellaneous.

a. This Agreement shall be construed according to and governed by the laws of the jurisdiction(s) which are specified by the Lease without regard to its conflicts of law principles. The Parties hereby irrevocably submit to the jurisdiction of any court of competent jurisdiction located in such applicable jurisdiction in connection with any proceeding arising out of or relating to this Agreement.

b. If any provision of this Agreement is adjudicated to be invalid, illegal or unenforceable, in whole or in part, it will be deemed omitted to that extent and all other provisions of this Agreement will remain in full force and effect.

c. Neither this Agreement nor any provision hereof may be changed, modified, waived, discharged or terminated orally, but only by an instrument in writing signed by the party against whom enforcement of such change, modification, waiver, discharge or termination is sought.

d. The paragraph headings and captions contained in this Agreement are for convenience of reference only and in no event define, describe or limit the scope or intent of this Agreement or any of the provisions or terms hereof.

e. This Agreement shall be binding upon and inure to the benefit of the parties and their respective heirs, legal representatives, successors and permitted assigns.

f. This Agreement may be executed in any number of counterparts with the same effect as if all parties hereto had signed the same document. All such counterparts shall be construed together and shall constitute one instrument, but in making proof hereof it shall only be necessary to produce one such counterpart.

g. Except as specifically modified pursuant to this Agreement, all of the provisions of the Lease remain unchanged and continue in full force and effect.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their duly authorized representatives, all as of the day, month and year first above written.

LANDLORD:

HORSESHOE COUNCIL BLUFFS LLC,
a Delaware limited liability company

By: _____
Name: David Kieske
Title: Treasurer

HARRAH'S COUNCIL BLUFFS LLC,
a Delaware limited liability company

By: _____
Name: David Kieske
Title: Treasurer

HARRAH'S METROPOLIS LLC,
a Delaware limited liability company

By: _____
Name: David Kieske
Title: Treasurer

HORSESHOE SOUTHERN INDIANA LLC,
a Delaware limited liability company

By: _____
Name: David Kieske
Title: Treasurer

NEW HORSESHOE HAMMOND LLC,
a Delaware limited liability company

By: _____
Name: David Kieske
Title: Treasurer

HORSESHOE BOSSIER CITY PROP LLC,
a Louisiana limited liability company

By: _____
Name: David Kieske
Title: Treasurer

HARRAH'S BOSSIER CITY LLC,
a Louisiana limited liability company

By: _____
Name: David Kieske
Title: Treasurer

NEW HARRAH'S NORTH KANSAS CITY LLC,
a Delaware limited liability company

By: _____
Name: David Kieske
Title: Treasurer

GRAND BILOXI LLC,
a Delaware limited liability company

By: _____
Name: David Kieske
Title: Treasurer

HORSESHOE TUNICA LLC,
a Delaware limited liability company

By: _____
Name: David Kieske
Title: Treasurer

NEW TUNICA ROADHOUSE LLC,
a Delaware limited liability company

By: _____
Name: David Kieske
Title: Treasurer

CAESARS ATLANTIC CITY LLC,
a Delaware limited liability company

By: _____
Name: David Kieske
Title: Treasurer

BALLY'S ATLANTIC CITY LLC,
a Delaware limited liability company

By: _____
Name: David Kieske
Title: Treasurer

HARRAH'S LAKE TAHOE LLC,
a Delaware limited liability company

By: _____
Name: David Kieske
Title: Treasurer

HARVEY'S LAKE TAHOE LLC,
a Delaware limited liability company

By: _____
Name: David Kieske
Title: Treasurer

HARRAH'S RENO LLC,
a Delaware limited liability company

By: _____
Name: David Kieske
Title: Treasurer

BLUEGRASS DOWNS PROPERTY OWNER LLC,
a Delaware limited liability company

By: _____
Name: David Kieske
Title: Treasurer

VEGAS DEVELOPMENT LLC,
a Delaware limited liability company

By: _____
Name: David Kieske
Title: Treasurer

VEGAS OPERATING PROPERTY LLC,
a Delaware limited liability company

By: _____
Name: David Kieske
Title: Treasurer

MISCELLANEOUS LAND LLC,
a Delaware limited liability company

By: _____
Name: David Kieske
Title: Treasurer

PROPCO GULFPORT LLC,
a Delaware limited liability company

By: _____
Name: David Kieske
Title: Treasurer

[Signatures Continue on Following Pages]

TENANT:

CEOC, LLC,

a Delaware limited liability company

By: _____

Name:

Title:

CAESARS ENTERTAINMENT OPERATING COMPANY, INC.,

a Delaware corporation

By: _____

Name:

Title:

HBR REALTY COMPANY LLC,

a Nevada limited liability company

By: _____

Name:

Title:

HARVEYS IOWA MANAGEMENT COMPANY LLC,

a Nevada limited liability company

By: _____

Name:

Title:

SOUTHERN ILLINOIS RIVERBOAT/CASINO CRUISES LLC,

an Illinois limited liability company

By: _____

Name:

Title:

CAESARS RIVERBOAT CASINO, LLC,

an Indiana limited liability company

By: _____

Name:

Title:

ROMAN HOLDING COMPANY OF INDIANA LLC,
an Indiana limited liability company

By: _____
Name:
Title:

HORSESHOE HAMMOND, LLC,
an Indiana limited liability company

By: _____
Name:
Title:

HORSESHOE ENTERTAINMENT,
a Louisiana limited partnership

By: New Gaming Capital Partnership,
a Nevada limited partnership
Its general partner

By: Horseshoe GP, LLC,
a Nevada limited liability company
Its general partner

By: _____
Name:
Title:

HARRAH'S BOSSIER CITY INVESTMENT COMPANY, L.L.C.,
a Louisiana limited liability company

By: _____
Name:
Title:

HARRAH'S NORTH KANSAS CITY LLC,
a Missouri limited liability company

By: _____
Name:
Title:

GRAND CASINOS OF BILOXI, LLC,
a Minnesota limited liability company

By: _____

Name:

Title:

ROBINSON PROPERTY GROUP LLC,
a Mississippi limited liability company

By: _____

Name:

Title:

TUNICA ROADHOUSE LLC,
a Delaware limited liability company

By: _____

Name:

Title:

BOARDWALK REGENCY LLC,
a New Jersey limited liability company

By: _____

Name:

Title:

CAESARS NEW JERSEY LLC,
a New Jersey limited liability company

By: _____

Name:

Title:

BALLY'S PARK PLACE LLC,
a New Jersey limited liability company

By: _____

Name:

Title:

HARVEYS TAHOE MANAGEMENT COMPANY LLC,
a Nevada limited liability company

By: _____
Name:
Title:

PLAYERS BLUEGRASS DOWNS, LLC,
a Kentucky limited liability company

By: _____
Name:
Title:

CASINO COMPUTER PROGRAMMING, INC.,
an Indiana corporation

By: _____
Name:
Title:

HARVEYS BR MANAGEMENT COMPANY, INC.,
a Nevada corporation

By: _____
Name:
Title:

HOLE IN THE WALL, LLC,
a Nevada limited liability company

By: CEOC, LLC, as sole member,

By: _____
Name:
Title:

Schedule A

LANDLORD ENTITIES

Horseshoe Council Bluffs LLC
Harrah's Council Bluffs LLC
Harrah's Metropolis LLC
Horseshoe Southern Indiana LLC
New Horseshoe Hammond LLC
Horseshoe Bossier City Prop LLC
Harrah's Bossier City LLC
New Harrah's North Kansas City LLC
Grand Biloxi LLC
Horseshoe Tunica LLC
New Tunica Roadhouse LLC
Caesars Atlantic City LLC
Bally's Atlantic City LLC
Harrah's Lake Tahoe LLC
Harvey's Lake Tahoe LLC
Harrah's Reno LLC
Bluegrass Downs Property Owner LLC
Vegas Development LLC
Vegas Operating Property LLC
Miscellaneous Land LLC
Propco Gulfport LLC

Schedule B

TENANT ENTITIES

CEOC, LLC, successor in interest by merger to Caesars Entertainment Operating Company, Inc.
Caesars Entertainment Operating Company, Inc.
HBR Realty Company LLC
Harveys Iowa Management Company LLC
Southern Illinois Riverboat/Casino Cruises LLC
Caesars Riverboat Casino LLC
Roman Holding Company of Indiana LLC
Horseshoe Hammond, LLC
Horseshoe Entertainment
Harrah's Bossier City Investment Company, LLC
Harrah's North Kansas City LLC
Grand Casinos of Biloxi, LLC
Robinson Property Group LLC
Tunica Roadhouse LLC
Boardwalk Regency LLC
Caesars New Jersey LLC
Bally's Park Place LLC
Harveys Tahoe Management Company LLC
Players Bluegrass Downs LLC
Casino Computer Programming, Inc.
Harveys BR Management Company, Inc.
Hole in the Wall, LLC

**FIRST AMENDMENT TO
GOLF COURSE USE AGREEMENT**

THIS FIRST AMENDMENT TO GOLF COURSE USE AGREEMENT (this "First Amendment") is made this 20 day of April, 2018 (the "Effective Date") by and among Rio Secco LLC, Cascata LLC, Chariot Run LLC and Grand Bear LLC, each a Delaware limited liability company (collectively, and together with their respective successors and assigns, "Owner"), and Caesars Enterprise Services, LLC and CEOC, LLC, each a Delaware limited liability company (collectively, and together with their respective successors and assigns, "User"), and, solely for purposes of reaffirming its obligations under Section 2.1(c) of the Use Agreement (as defined below), Caesars License Company, LLC, a Nevada limited liability company ("CLC").

WHEREAS, Owner and User (and CLC solely for purposes of Section 2.1(c) of the Use Agreement) entered into that certain Golf Course Use Agreement dated October 6, 2017 (the "Use Agreement") for certain rights and privileges with respect to access and use of the Golf Courses, as more particularly described in the Use Agreement; and

WHEREAS, Owner, User and CLC desire to amend the Use Agreement as set forth herein (capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Use Agreement).

NOW, THEREFORE, for and in consideration of Ten Dollars (\$10.00) in hand paid, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. The first bullet point of Exhibit C to the Use Agreement is hereby deleted in its entirety and replaced with the following:

"Guaranteed access to use up to 120 rooms at User's (or User's Affiliates') hotels, at a cost equal to the NET rate per room, as more particularly described on Schedule 1 attached hereto. As used herein, "NET rate per room" shall mean the then-current rate available to the general public on the User's (or User's Affiliates') online hotel room reservation system, discounted by twenty percent (20%). Notwithstanding anything contained herein to the contrary, Owner acknowledges and agrees that (i) one hundred percent (100%) of standard, customarily applied, resort fees and room taxes calculated on the basis of the applicable NET rate per room (without any discount) shall still apply and (ii) no guaranteed access or use shall be available (1) Monday, Tuesday or Wednesday during week of the Consumer Electronics Show (CES), (2) Monday, Tuesday or Wednesday during the week of the Specialty Equipment Market Association Conference (SEMA) (3) Monday, Tuesday or Wednesday at Caesars Palace Las Vegas during the week of CinemaCon, (4) New Year's Eve, (5) the Saturday before the National Football League "Super Bowl", (6) the Saturday before or after "Cinco de Mayo" (whichever has greater demand, as measured on the date that is 60 days prior to the Saturday before "Cinco de Mayo") or (7) the Saturday before Memorial Day."

2. Except as hereby specifically amended, the Use Agreement is hereby confirmed and ratified in all respects and shall remain in full force and effect.

3. This First Amendment may be executed in multiple counterparts, each of which shall be deemed to be a valid and binding original and all of which taken together shall constitute but one and the same instrument, and any party hereto may execute this First Amendment by signing such counterpart. This First Amendment may be effectuated by the exchange of electronic copies of signatures (*e.g.*, .pdf), with electronic copies of this executed First Amendment having the same force and effect as original counterpart signatures hereto for all purposes.

4. Each person executing this First Amendment by such person's execution hereof, represents and warrants that such person is fully authorized to execute this First Amendment on behalf of the party such person is executing this First Amendment on behalf of, and that no further action or consent on the part of the party for whom

such person is acting is required to the effectiveness and enforceability of this First Amendment against such party following the execution hereof.

- Signature page attached -

IN WITNESS WHEREOF, the parties hereto have executed this First Amendment as of the Effective Date.

OWNER:

RIO SECCO LLC,
a Delaware limited liability company

By: _____
Name: _____
Title: _____

CASCATA LLC,
a Delaware limited liability company

By: _____
Name: _____
Title: _____

CHARIOT RUN LLC,
a Delaware limited liability company

By: _____
Name: _____
Title: _____

GRAND BEAR LLC,
a Delaware limited liability company

By: _____
Name: _____
Title: _____

USER:

CEOC, LLC,
a Delaware limited liability company

By: _____
Name: _____
Title: _____

CAESARS ENTERPRISE SERVICES, LLC,
a Delaware limited liability company

By: _____
Name: _____
Title: _____

CLC:

CAESARS LICENSE COMPANY, LLC,
a Nevada limited liability company

By: _____
Name: _____
Title: _____

I, Edward B. Pitoniak, certify that:

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

Date: May 4, 2018

By: _____ /S/ EDWARD B. PITONIAK
Edward B. Pitoniak
Chief Executive Officer

I, David Kieske, certify that:

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

Date: May 4, 2018

By: _____ /S/ DAVID KIESKE

David Kieske
Chief Financial Officer

Certification of Principal Executive Officer

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

- (i) the accompanying Quarterly Report on Form 10-Q of the Company for the quarterly period ended March 31, 2018 (the "Report") fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and
- (ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 4, 2018

By: _____ /S/ EDWARD B. PITONIAK

Edward B. Pitoniak
Chief Executive Officer

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

Certification of Principal Executive Officer

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

- (i) the accompanying Quarterly Report on Form 10-Q of the Company for the quarterly period ended March 31, 2018 (the "Report") fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and
- (ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 4, 2018

By: _____ /S/ DAVID KIESKE

David 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.