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

FORM 10-Q

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

For the Quarterly Period Ended September 30, 2022

or

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

For the transition period from _________ to __________

Commission file number: 001-38372 (VICI Properties Inc.)
Commission file number: 333-264352-01 (VICI Properties L.P.)

VICI Properties Inc.
VICI Properties L.P.

(Exact name of registrant as specified in its charter)

Maryland	**(VICI Properties Inc.)**	**81-4177147**
Delaware	**(VICI Properties L.P.)**	**35-2576503**
(State or other jurisdiction of incorporation or organization)		**(I.R.S. Employer Identification No.)**

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

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

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

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

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

VICI Properties Inc. Yes ☒ No ☐ VICI Properties L.P. Yes ☒ No ☐

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

VICI Properties Inc. Yes ☒ No ☐ VICI Properties L.P. 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):

	VICI Properties Inc.				VICI Properties L.P.		
Large Accelerated Filer	☒	Accelerated filer	☐	Large Accelerated Filer	☐	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐	Non-accelerated filer	☒	Smaller reporting company	☐
		Emerging growth company	☐			Emerging growth company	☐

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

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

VICI Properties Inc. Yes ☐ No ☒ VICI Properties L.P. Yes ☐ No ☒

As of October 26, 2022, VICI Properties Inc. had 963,097,848 shares of common stock, $0.01 par value per share, outstanding. VICI Properties L.P. has no common stock outstanding.

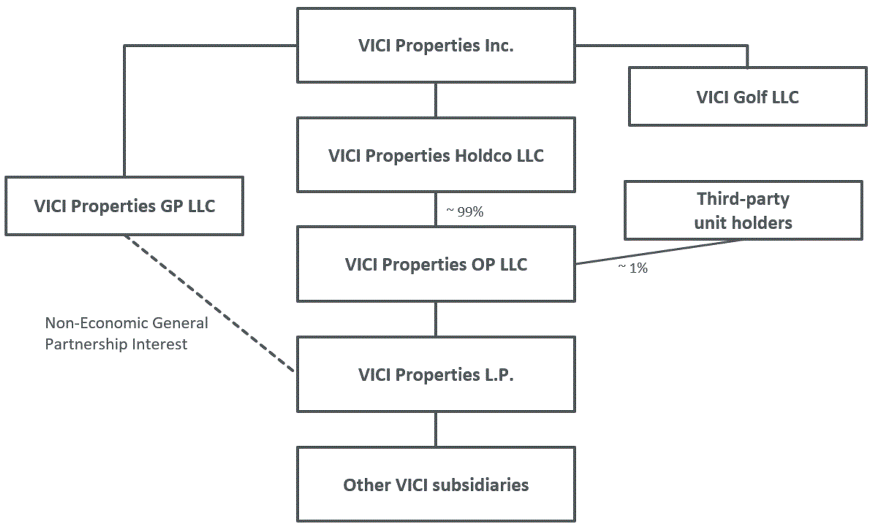
EXPLANATORY NOTE

This report combines the quarterly reports on Form 10-Q for the three and nine months ended September 30, 2022 of VICI Properties Inc. and VICI Properties L.P. Unless stated otherwise or the context otherwise requires, references to “VICI” mean VICI Properties Inc. and its consolidated subsidiaries, including VICI Properties OP LLC (“VICI OP”), and references to “VICI LP” mean VICI Properties L.P. and its consolidated subsidiaries. Unless stated otherwise or the context otherwise requires, the terms “the Company,” “we,” “our” and “us” mean VICI and VICI LP, including, collectively, their consolidated subsidiaries.

In order to highlight the differences between VICI and VICI LP, the separate sections in this report for VICI and VICI LP described below specifically refer to VICI and VICI LP. In the sections that combine disclosure of VICI and VICI LP, this report refers to actions or holdings of VICI and VICI LP as being “our” actions or holdings. Although VICI LP is generally the entity that directly or indirectly enters into contracts and joint ventures, holds assets and incurs debt, we believe that references to “we,” “us” or “our” in this context is appropriate because the business is one enterprise and we operate substantially all of our business and own, either directly or through subsidiaries, substantially all of our assets through VICI LP.

VICI is a real estate investment trust (“REIT”) that is the sole owner of VICI Properties GP LLC (the “General Partner”), the sole general partner of VICI LP. As of September 30, 2022, VICI owns 100% of the limited liability company interests of VICI Properties HoldCo LLC (“HoldCo”), which in turn owns approximately 98.7% of the limited liability company interest of VICI OP (such interests, “VICI OP Units”), our operating partnership, which in turns owns 100% of the limited partnership interest in VICI LP. The balance of the VICI OP Units not held by HoldCo are held by MGM Resorts International or its affiliates.

The following diagram details VICI’s organizational structure as of September 30, 2022.



We believe combining the quarterly reports on Form 10-Q of VICI and VICI LP into this single report:

- enhances investors’ understanding of VICI and VICI LP by enabling investors to view the business as a whole in the same manner as management views and operates the business;
- eliminates duplicative disclosure and provides a more streamlined and readable presentation; and
- creates time and cost efficiencies through the preparation of one combined report instead of two separate reports.

We operate VICI and VICI LP as one business. Because VICI LP is managed by VICI, and VICI conducts substantially all of its operations and owns, either directly or through subsidiaries, substantially all of its assets indirectly through VICI LP, VICI’s executive officers are VICI LP’s executive officers, although, as a partnership, VICI LP does not have a board of directors.

We believe it is important to understand the few differences between VICI and VICI LP in the context of how VICI and VICI LP operate as a consolidated company. VICI is a REIT whose only material assets are its indirect interest in VICI LP, through which it conducts its real property business. VICI also conducts its golf course business through a taxable REIT subsidiary (a “TRS”), VICI Golf LLC, a Delaware limited liability company (“VICI Golf”). As a result, VICI does not conduct business itself other than issuing public equity from time to time and does not directly incur any material indebtedness, rather VICI LP holds substantially all of our assets, except for those held in VICI Golf. Except for net proceeds from public equity issuances by VICI, VICI LP generates all capital required by the Company's business, which sources include VICI LP's operations and its direct or indirect incurrence of indebtedness.

VICI consolidates VICI LP for financial reporting purposes, and VICI does not have material assets other than its indirect investment in VICI LP. Therefore, while there are some areas of difference between the unaudited Consolidated Financial Statements of VICI and those of VICI LP, the assets and liabilities of VICI and VICI LP are materially the same on their respective financial statements. As of September 30, 2022, the primary areas of difference between the unaudited Consolidated Financial Statements of VICI and those of VICI LP were stockholders' equity and partners' capital, non-controlling interests, and golf operations, which include the assets and liabilities and income and expenses of VICI Golf.

To help investors understand the differences between VICI and VICI LP, this report provides:

- separate consolidated financial statements for VICI and VICI LP;
- a single set of notes to such consolidated financial statements that includes separate discussions of stockholders' equity or partners' equity and per share and per unit data, as applicable;
- a combined Management's Discussion and Analysis of Financial Condition and Results of Operations section that also includes discrete information related to each entity, as applicable;
- separate Part I, Item 4. Controls and Procedures sections;
- separate Part II, Item 2. Issuer Purchases of Equity Securities sections related to each entity; and
- separate Exhibits 31 and 32 certifications for each VICI and VICI LP in order to establish that the requisite certifications have been made and that VICI and VICI LP are each compliant with Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934 and 18 U.S.C. §1350.

The separate discussions of VICI and VICI LP in this report should be read in conjunction with each other to understand our results on a consolidated basis and how management operates our business.

VICI PROPERTIES INC.
VICI PROPERTIES L.P.
FORM 10-Q
FOR THE QUARTER ENDED SEPTEMBER 30, 2022
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PART I FINANCIAL INFORMATION

Item 1. Financial Statements

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

	September 30, 2022	December 31, 2021
Assets		
Real estate portfolio:		
Investments in leases - sales-type, net	$ 17,011,585	$ 13,136,664
Investments in leases - financing receivables, net	16,441,616	2,644,824
Investments in loans, net	579,805	498,002
Investment in unconsolidated affiliate	1,463,230	—
Land	153,560	153,576
Cash and cash equivalents	518,383	739,614
Short-term investments	207,722	—
Other assets	932,081	424,693
Total assets	$ 37,307,982	$ 17,597,373
Liabilities		
Debt, net	$ 13,730,503	$ 4,694,523
Accrued expenses and deferred revenue	202,888	113,530
Dividends and distributions payable	380,174	226,309
Other liabilities	932,120	375,837
Total liabilities	15,245,685	5,410,199
Commitments and contingent liabilities (Note 10)		
Stockholders' equity		
Common stock, $0.01 par value, 1,350,000,000 shares authorized and 963,093,424 and 628,942,092 shares issued and outstanding at September 30, 2022 and December 31, 2021, respectively	9,631	6,289
Preferred stock, $0.01 par value, 50,000,000 shares authorized and no shares outstanding at September 30, 2022 and December 31, 2021	—	—
Additional paid-in capital	21,641,945	11,755,069
Accumulated other comprehensive income	191,314	884
Retained (deficit) earnings	(133,311)	346,026
Total VICI stockholders' equity	21,709,579	12,108,268
Non-controlling interests	352,718	78,906
Total stockholders' equity	22,062,297	12,187,174
Total liabilities and stockholders' equity	$ 37,307,982	$ 17,597,373

Note: As of September 30, 2022 and December 31, 2021, our Investments in leases - sales-type, Investments in leases - financing receivables, Investments in loans and Other assets (sales-type sub-leases) are net of $687.4 million, $660.8 million, $6.0 million and $22.0 million, respectively, and $434.9 million, $91.1 million, $0.8 million and $6.5 million of Allowance for credit losses, respectively. Refer to *Note 5 - Allowance for Credit Losses* *for further details.*

See accompanying Notes to Consolidated Financial Statements.

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

	Three Months Ended September 30, 2022	Three Months Ended September 30, 2021	Nine Months Ended September 30, 2022	Nine Months Ended September 30, 2021
Revenues				
Income from sales-type leases	$ 376,048	$ 292,059	$ 1,077,952	$ 873,337
Income from lease financing receivables and loans	350,945	70,205	685,544	210,578
Other income	17,862	6,936	41,811	20,897
Golf revenues	6,688	6,504	25,484	21,602
Total revenues	751,543	375,704	1,830,791	1,126,414
Operating expenses				
General and administrative	12,063	8,379	33,311	24,092
Depreciation	816	771	2,371	2,320
Other expenses	17,862	6,936	41,811	20,897
Golf expenses	5,186	5,143	16,330	14,881
Change in allowance for credit losses	232,763	9,031	865,459	(24,453)
Transaction and acquisition expenses	1,947	177	19,366	9,689
Total operating expenses	270,637	30,437	978,648	47,426
Income from unconsolidated affiliate	22,719	—	37,853	—
Interest expense	(169,354)	(165,099)	(370,624)	(321,953)
Interest income	3,024	26	3,897	75
Loss from extinguishment of debt	—	(15,622)	—	(15,622)
Income before income taxes	337,295	164,572	523,269	741,488
Income tax expense	(417)	(388)	(1,844)	(2,128)
Net income	336,878	164,184	521,425	739,360
Less: Net income attributable to non-controlling interests	(5,973)	(2,322)	(7,843)	(6,988)
Net income attributable to common stockholders	$ 330,905	$ 161,862	$ 513,582	$ 732,372
Net income per common share				
Basic	$ 0.34	$ 0.29	$ 0.61	$ 1.35
Diluted	$ 0.34	$ 0.28	$ 0.60	$ 1.31
Weighted average number of shares of common stock outstanding				
Basic	962,573,646	555,153,692	848,839,357	542,843,855
Diluted	964,134,340	571,894,545	850,823,037	557,113,510
Other comprehensive income				
Net income	$ 336,878	$ 164,184	$ 521,425	$ 739,360
Reclassification of derivative (gain) loss to Interest expense	(6,037)	64,239	(10,196)	64,239
Unrealized gain on cash flow hedges	—	6,576	200,550	28,282
Comprehensive income	330,841	234,999	711,779	831,881
Comprehensive income attributable to non-controlling interest	(5,897)	(2,322)	(7,715)	(6,988)
Comprehensive income attributable to common stockholders	$ 324,944	$ 232,677	$ 704,064	$ 824,893

See accompanying Notes to Consolidated Financial Statements.

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

	Common Stock	Additional Paid-in Capital	Accumulated Other Comprehensive (Loss) Income	Retained Earnings (Deficit)	Total VICI Stockholders' Equity	Non-controlling Interests	Total Stockholders' Equity
Balance as of December 31, 2020	$ 5,367	$ 9,363,539	$ (92,521)	$ 139,454	$ 9,415,839	$ 77,906	$ 9,493,745
Net income	—	—	—	269,801	269,801	2,298	272,099
Dividends and distributions declared ($0.3300 per common share)	—	—	—	(177,217)	(177,217)	(2,071)	(179,288)
Stock-based compensation, net of forfeitures	3	755	—	—	758	—	758
Unrealized gain on cash flow hedges	—	—	12,378	—	12,378	—	12,378
Balance as of March 31, 2021	5,370	9,364,294	(80,143)	232,038	9,521,559	78,133	9,599,692
Net income	—	—	—	300,709	300,709	2,368	303,077
Dividends and distributions declared ($0.3300 per common share)	—	—	—	(177,223)	(177,223)	(2,072)	(179,295)
Stock-based compensation, net of forfeitures	—	2,267	—	—	2,267	—	2,267
Unrealized gain on cash flow hedges	—	—	9,328	—	9,328	—	9,328
Balance as of June 30, 2021	5,370	9,366,561	(70,815)	355,524	9,656,640	78,429	9,735,069
Net income	—	—	—	161,862	161,862	2,322	164,184
Issuance of common stock, net	919	2,383,896	—	—	2,384,815	—	2,384,815
Dividends and distributions declared ($0.3600 per common share)	—	—	—	(226,420)	(226,420)	(2,072)	(228,492)
Stock-based compensation, net of forfeitures	—	2,395	—	—	2,395	—	2,395
Unrealized gain on cash flow hedges	—	—	6,576	—	6,576	—	6,576
Reclassification of derivative loss to Interest expense	—	—	64,239	—	64,239	—	64,239
Balance as of September 30, 2021	$ 6,289	$ 11,752,852	$ —	$ 290,966	$ 12,050,107	$ 78,679	$ 12,128,786

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

	Common Stock	Additional Paid-in Capital	Accumulated Other Comprehensive (Loss) Income	Retained Earnings (Deficit)	Total VICI Stockholders' Equity	Non-controlling Interests	Total Stockholders' Equity
Balance as of December 31, 2021	$ 6,289	$ 11,755,069	$ 884	$ 346,026	$ 12,108,268	$ 78,906	$ 12,187,174
Net income	—	—	—	240,383	240,383	2,305	242,688
Issuance of common stock, net	1,190	3,216,907	—	—	3,218,097	—	3,218,097
Dividends and distributions declared ($0.3600 per common share)	—	—	—	(270,600)	(270,600)	(2,103)	(272,703)
Stock-based compensation, net of forfeitures	5	(86)	—	—	(81)	—	(81)
Unrealized gain on cash flow hedges	—	—	108,611	—	108,611	—	108,611
Balance as of March 31, 2022	7,484	14,971,890	109,495	315,809	15,404,678	79,108	15,483,786
Net loss	—	—	—	(57,706)	(57,706)	(435)	(58,141)
Issuance of common stock, net	2,147	6,570,084	—	—	6,572,231	—	6,572,231
Issuance of VICI OP Units	—	—	—	—	—	374,769	374,769
Reallocation of equity	—	99,029	(52)	—	98,977	(94,573)	4,404
Dividends and distributions declared ($0.3600 per common share)	—	—	—	(346,713)	(346,713)	(6,465)	(353,178)
Stock-based compensation, net of forfeitures	—	3,195	—	—	3,195	41	3,236
Unrealized gain on cash flow hedges	—	—	91,939	—	91,939	—	91,939
Reclassification of derivative gain to Interest expense	—	—	(4,107)	—	(4,107)	(52)	(4,159)
Balance as of June 30, 2022	9,631	21,644,198	197,275	(88,610)	21,762,494	352,393	22,114,887
Net income	—	—	—	330,905	330,905	5,973	336,878
Reallocation of equity	—	(5,702)	—	—	(5,702)	1,298	(4,404)
Dividends and distributions declared ($0.3900 per common share)	—	—	—	(375,606)	(375,606)	(6,914)	(382,520)
Stock-based compensation, net of forfeitures	—	3,449	—	—	3,449	44	3,493
Reclassification of derivative gain to Interest expense	—	—	(5,961)	—	(5,961)	(76)	(6,037)
Balance as of September 30, 2022	$ 9,631	$ 21,641,945	$ 191,314	$ (133,311)	$ 21,709,579	$ 352,718	$ 22,062,297

See accompanying Notes to Consolidated Financial Statements.

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

	Nine Months Ended September 30,	
	2022	**2021**
Cash flows from operating activities		
Net income	$ 521,425	$ 739,360
Adjustments to reconcile net income to cash flows provided by operating activities:		
Non-cash leasing and financing adjustments	(230,522)	(89,714)
Stock-based compensation	9,359	7,067
Non-cash transaction costs	8,816	—
Depreciation	2,371	2,320
Amortization of debt issuance costs and original issue discount	28,099	50,723
Change in allowance for credit losses	865,459	(24,453)
Income from unconsolidated affiliate	(37,853)	—
Distributions from unconsolidated affiliate	40,437	—
Net proceeds from settlement of derivatives	201,433	—
Loss on extinguishment of debt	—	15,622
Change in operating assets and liabilities:		
Other assets	(4,052)	2,694
Accrued expenses and deferred revenue	50,676	(94,542)
Other liabilities	(171)	1,847
Net cash provided by operating activities	1,455,477	610,924
Cash flows from investing activities		
Net cash paid in connection with MGP Transactions	(4,574,536)	—
Investments in leases - sales-type	(4,012,845)	—
Investments in leases - financing receivables	—	(6,000)
Investments in loans	(87,166)	(19,161)
Principal repayments of lease financing receivables	—	1,651
Principal repayments of loans and receipts of deferred fees	1,130	30,448
Capitalized transaction costs	(6,801)	(9,215)
Investments in short-term investments	(207,722)	—
Maturities of short-term investments	—	19,973
Proceeds from sale of real estate	—	3,813
Acquisition of property and equipment	(1,158)	(1,653)
Net cash (used in) provided by investing activities	(8,889,098)	19,856

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

Cash flows from financing activities				
Proceeds from offering of common stock, net		3,219,101		2,386,129
Proceeds from April 2022 Notes offering		5,000,000		—
Proceeds from Revolving Credit Facility		600,000		—
Repayment of Term Loan B Facility		—		(2,100,000)
Repayment of Revolving Credit Facility		(600,000)		—
Debt issuance costs		(146,176)		(23,166)
Repurchase of stock for tax withholding		(6,118)		(1,647)
Distributions to non-controlling interests		(10,711)		(6,215)
Dividends paid		(843,706)		(532,360)
Net cash provided by (used in) financing activities		7,212,390		(277,259)
Net (decrease) increase in cash, cash equivalents and restricted cash		(221,231)		353,521
Cash, cash equivalents and restricted cash, beginning of period		739,614		315,993
Cash, cash equivalents and restricted cash, end of period	$	518,383	$	669,514
Supplemental cash flow information:				
Cash paid for interest	$	290,119	$	272,574
Cash paid for income taxes	$	2,306	$	1,790
Supplemental non-cash investing and financing activity:				
Dividends and distributions declared, not paid	$	380,377	$	226,420
Debt issuance costs payable	$	13	$	50,716
Deferred transaction costs payable	$	1,479	$	12,426
Equity issuance costs payable	$	—	$	350
Non-cash change in Investments in leases - financing receivables	$	120,709	$	15,292
Lease liabilities arising from obtaining right-of-use assets	$	541,676	$	—

See accompanying Notes to Consolidated Financial Statements.

VICI PROPERTIES L.P.
CONSOLIDATED BALANCE SHEETS
(UNAUDITED)
(In thousands, except unit and per unit data)

	September 30, 2022	December 31, 2021
Assets		
Real estate portfolio:		
Investments in leases - sales-type, net	$ 17,011,585	$ 13,136,664
Investments in leases - financing receivables, net	16,441,616	2,644,824
Investments in loans, net	579,805	498,002
Investment in unconsolidated affiliate	1,463,230	—
Land	153,560	153,576
Cash and cash equivalents	455,343	705,566
Short-term investments	207,722	—
Other assets	853,382	344,014
Total assets	$ 37,166,243	$ 17,482,646
Liabilities		
Debt, net	$ 13,730,503	$ 4,694,523
Accrued expenses and deferred revenue	198,943	110,056
Distributions payable	380,377	226,309
Other liabilities	917,393	361,270
Total liabilities	15,227,216	5,392,158
Commitments and contingent liabilities (Note 10)		
Partners' Capital		
Partners' capital, 975,324,797 and 628,942,092 operating partnership units issued and outstanding as of September 30, 2022 and December 31, 2021, respectively	21,669,219	12,010,698
Accumulated other comprehensive income	191,238	884
Total VICI LP's capital	21,860,457	12,011,582
Non-controlling interest	78,570	78,906
Total capital attributable to partners	21,939,027	12,090,488
Total liabilities and partners' capital	$ 37,166,243	$ 17,482,646

Note: As of September 30, 2022 and December 31, 2021, our Investments in leases - sales-type, Investments in leases - financing receivables, Investments in loans and Other assets (sales-type sub-leases) are net of $687.4 million, $660.8 million, $6.0 million and $22.0 million, respectively, and $434.9 million, $91.1 million, $0.8 million and $6.5 million of Allowance for credit losses, respectively. Refer to *Note 5 - Allowance for Credit Losses* *for further details.*

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	**2021**	**2022**	**2021**
Revenues				
Income from sales-type leases	$ 376,048	$ 292,059	$ 1,077,952	$ 873,337
Income from lease financing receivables and loans	350,945	70,205	685,544	210,578
Other income	17,862	6,936	41,811	20,897
Total revenues	744,855	369,200	1,805,307	1,104,812
Operating expenses				
General and administrative	12,055	8,379	33,303	24,092
Depreciation	31	29	90	92
Other expenses	17,862	6,936	41,811	20,897
Change in allowance for credit losses	232,763	9,031	865,459	(24,453)
Transaction and acquisition expenses	1,947	177	19,366	9,689
Total operating expenses	264,658	24,552	960,029	30,317
Income from unconsolidated affiliate	22,719	—	37,853	—
Interest expense	(169,354)	(165,099)	(370,624)	(321,953)
Interest income	2,735	23	3,378	61
Loss from extinguishment of debt	—	(15,622)	—	(15,622)
Income before income taxes	336,297	163,950	515,885	736,981
Income tax expense	(245)	(245)	(328)	(1,128)
Net income	336,052	163,705	515,557	735,853
Less: Net income attributable to non-controlling interest	(1,781)	(2,322)	(5,973)	(6,988)
Net income attributable to partners	$ 334,271	$ 161,383	$ 509,584	$ 728,865
Net income per Partnership unit				
Basic	$ 0.34	$ 0.29	$ 0.60	$ 1.34
Diluted	$ 0.34	$ 0.28	$ 0.59	$ 1.31
Weighted average number of Partnership units outstanding				
Basic	974,805,019	555,153,692	855,783,910	542,843,855
Diluted	976,365,713	571,894,545	857,767,590	557,113,510
Other comprehensive income				
Net income attributable to partners	$ 334,271	$ 161,383	$ 509,584	$ 728,865
Reclassification of derivative (gain) loss to Interest expense	(6,037)	64,239	(10,196)	64,239
Unrealized gain on cash flow hedges	—	6,576	200,550	28,282
Comprehensive income attributable to partners	$ 328,234	$ 232,198	$ 699,938	$ 821,386

See accompanying Notes to Consolidated Financial Statements.

VICI PROPERTIES L.P.
CONSOLIDATED STATEMENTS OF PARTNERS' CAPITAL
(UNAUDITED)
(In thousands, except unit and per unit data)

	Partners' Capital	Accumulated Other Comprehensive (Loss) Income	Non-Controlling Interest	Total
Balance as of December 31, 2020	$ 9,417,794	$ (92,521)	$ 77,906	$ 9,403,179
Net income	268,593	—	2,298	270,891
Contributions from parent	13,173	—	—	13,173
Distributions to parent	(189,915)	—	—	(189,915)
Distributions to non-controlling interest	—	—	(2,071)	(2,071)
Stock-based compensation, net of forfeitures	2,252	—	—	2,252
Unrealized gain on cash flow hedges	—	12,378	—	12,378
Balance as of March 31, 2021	9,511,897	(80,143)	78,133	9,509,887
Net income	298,889	—	2,368	301,257
Contributions from parent	3,152	—	—	3,152
Distributions to parent	(180,744)	—	—	(180,744)
Distributions to non-controlling interest	—	—	(2,072)	(2,072)
Stock-based compensation, net of forfeitures	2,366	—	—	2,366
Unrealized gain on cash flow hedges	—	9,328	—	9,328
Balance as of June 30, 2021	9,635,560	(70,815)	78,429	9,643,174
Net income	161,383	—	2,322	163,705
Contributions from parent	2,386,874	—	—	2,386,874
Distributions to parent	(228,937)	—	—	(228,937)
Distributions to non-controlling interest	—	—	(2,072)	(2,072)
Stock-based compensation, net of forfeitures	2,366	—	—	2,366
Unrealized gain on cash flow hedges	—	6,576	—	6,576
Reclassification of derivative loss to Interest expense		64,239		64,239
Balance as of September 30, 2021	$ 11,957,246	$ —	$ 78,679	$ 12,035,925

VICI PROPERTIES L.P.
CONSOLIDATED STATEMENTS OF PARTNERS' CAPITAL
(UNAUDITED)
(In thousands, except unit and per unit data)

	Partners' Capital	Accumulated Other Comprehensive (Loss) Income	Non-Controlling Interest	Total
Balance as of December 31, 2021	$ 12,010,698	$ 884	$ 78,906	$ 12,090,488
Net income	238,348	—	2,305	240,653
Contributions from parent	3,229,165	—	—	3,229,165
Distributions to parent	(281,990)	—	—	(281,990)
Distributions to non-controlling interest	—	—	(2,103)	(2,103)
Stock-based compensation, net of forfeitures	2,602	—	—	2,602
Unrealized gain on cash flow hedges	—	108,611	—	108,611
Balance as of March 31, 2022	15,198,823	109,495	79,108	15,387,426
Net loss	$ (63,035)	$ —	$ 1,887	$ (61,148)
Contributions from parent	6,949,119	—	—	6,949,119
Distributions to parent	(375,626)	—	—	(375,626)
Distributions to non-controlling interest	—	—	(2,062)	(2,062)
Stock-based compensation, net of forfeitures	3,236	—	—	3,236
Unrealized gain on cash flow hedges	—	91,939	—	91,939
Reclassification of derivative gain to Interest expense	—	(4,159)	—	(4,159)
Balance as of June 30, 2022	21,712,517	197,275	78,933	21,988,725
Net income	334,271	—	1,781	336,052
Contributions from parent	142	—	—	142
Distributions to parent	(381,204)	—	—	(381,204)
Distributions to non-controlling interest	—	—	(2,144)	(2,144)
Stock-based compensation, net of forfeitures	3,493	—	—	3,493
Reclassification of derivative gain to Interest expense	—	(6,037)	—	(6,037)
Balance as of September 30, 2022	$ 21,669,219	$ 191,238	$ 78,570	$ 21,939,027

See accompanying Notes to Consolidated Financial Statements.

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

	Nine Months Ended September 30,	
	2022	2021
Cash flows from operating activities		
Net income	$ 515,557	$ 735,853
Adjustments to reconcile net income to cash flows provided by operating activities:		
Non-cash leasing and financing adjustments	(230,522)	(89,714)
Stock-based compensation	9,272	6,984
Depreciation	90	92
Amortization of debt issuance costs and original issue discount	28,099	50,723
Change in allowance for credit losses	865,459	(24,453)
Income from unconsolidated affiliate	(37,853)	—
Distributions from unconsolidated affiliate	40,437	—
Net proceeds from settlement of derivatives	201,433	—
Loss on extinguishment of debt	—	15,622
Change in operating assets and liabilities:		
Other assets	(2,182)	3,936
Accrued expenses and deferred revenue	46,508	(94,172)
Other liabilities	(331)	296
Net cash provided by operating activities	1,435,967	605,167
Cash flows from investing activities		
Net cash paid in connection with MGP Transactions	(4,574,536)	—
Investments in leases - sales-type	(4,012,845)	—
Investments in leases - financing receivables	—	(6,000)
Investments in loans	(87,166)	(19,161)
Principal repayments of lease financing receivables	—	1,651
Principal repayments of loans and receipts of deferred fees	1,130	30,448
Capitalized transaction costs	(6,801)	(9,215)
Investments in short-term investments	(207,722)	—
Maturities of short-term investments	—	19,973
Proceeds from sale of real estate	—	3,813
Acquisition of property and equipment	(65)	(15)
Net cash (used in) provided by investing activities	(8,888,005)	21,494
Cash flows from financing activities		
Contributions from Parent	3,219,202	2,386,911
Distributions to Parent	(864,902)	(532,000)
Proceeds from April 2022 Notes offering	5,000,000	—
Proceeds from Revolving Credit Facility	600,000	—
Repayment of Term Loan B Facility	—	(2,100,000)
Repayment of Revolving Credit Facility	(600,000)	—
Debt issuance costs	(146,176)	(23,166)
Distributions to non-controlling interest	(6,309)	(6,215)
Net cash provided by (used in) financing activities	7,201,815	(274,470)

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

Net (decrease) increase in cash, cash equivalents and restricted cash		(250,223)		352,191
Cash, cash equivalents and restricted cash, beginning of period		705,566		286,245
Cash, cash equivalents and restricted cash, end of period	$	455,343	$	638,436
Supplemental cash flow information:				
Cash paid for interest	$	290,119	$	272,574
Cash paid for income taxes	$	996	$	1,397
Supplemental non-cash investing and financing activity:				
Distributions payable	$	380,377	$	226,420
Debt issuance costs payable	$	13	$	50,716
Deferred transaction costs payable	$	1,479	$	12,426
Non-cash change in Investments in leases - financing receivables	$	120,709	$	15,292
Lease liabilities arising from obtaining right-of-use assets	$	541,676	$	—

See accompanying Notes to Consolidated Financial Statements.

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

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

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

“Apollo” refers to Apollo Global Management, Inc., a Delaware corporation, and, as the context requires, certain of its subsidiaries and affiliates.

“April 2022 Notes” refer collectively to (i) the $500.0 million aggregate principal amount of 4.375% senior unsecured notes due 2025, (ii) the $1,250.0 million aggregate principal amount of 4.750% senior unsecured notes due 2028, (iii) the $1,000.0 million aggregate principal amount of 4.950% senior unsecured notes due 2030, (iv) the $1,500.0 million aggregate principal amount of 5.125% senior unsecured notes due 2032, and (v) the $750.0 million aggregate principal amount of 5.625% senior unsecured notes due 2052, in each case issued by VICI LP in April 2022.

“BREIT JV” refers to the joint venture between MGP and Blackstone Real Estate Income Trust, Inc. in which the Company holds a 50.1% ownership stake following the MGP Transactions.

“BREIT JV Lease” refers to the lease agreement for MGM Grand Las Vegas and Mandalay Bay.

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

“Caesars Las Vegas Master Lease” refers to the lease agreement for Caesars Palace Las Vegas and the Harrah’s Las Vegas facilities, as amended from time to time.

“Caesars Leases” refer collectively to the Caesars Las Vegas Master Lease, the Caesars Regional Master Lease and the Joliet Lease, in each case, unless the context otherwise requires.

“Caesars Regional Master Lease” refers to the lease agreement for the regional properties (other than the facility in Joliet, Illinois) leased to Caesars, as amended from time to time.

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

“Century Master Lease” refers to the lease agreement for the (i) Mountaineer Casino, Racetrack & Resort located in New Cumberland, West Virginia, (ii) Century Casino Caruthersville located in Caruthersville, Missouri and (iii) Century Casino Cape Girardeau located in Cape Girardeau, Missouri, as amended from time to time.

“Chelsea Piers Mortgage Loan” refers to an $80.0 million mortgage loan agreement entered into on August 31, 2020 with Chelsea Piers New York with a term of seven years and secured by the Chelsea Piers complex in New York City.

“Co-Issuer” refers to VICI Note Co. Inc., a Delaware corporation, and co-issuer of the November 2019 Notes, February 2020 Notes and Exchange Notes.

“Credit Agreement” refers to the Credit Agreement, dated as of February 8, 2022, by and among VICI LP, the lenders from time to time party thereto, and JPMorgan Chase Bank, N.A., as administrative agent, as amended from time to time.

“Credit Facilities” refers collectively to the Delayed Draw Term Loan and the Revolving Credit Facility.

“Delayed Draw Term Loan” refers to the three-year unsecured delayed draw term loan facility of VICI LP provided under the Credit Agreement entered into in February 2022, as amended from time to time.

“EBCI” refers to the Eastern Band of Cherokee Indians, a federally recognized Tribe located in western North Carolina, and, as the context requires, its subsidiary and affiliate entities.

“Exchange Notes” refer collectively to (i) the $1,024.2 million aggregate principal amount of 5.625% senior unsecured notes due 2024, (ii) the $799.4 million aggregate principal amount of 4.625% senior unsecured notes due 2025, (iii) the $480.5 million aggregate principal amount of 4.500% senior unsecured notes due 2026, (iv) the $729.5 million aggregate principal amount of 5.750% senior unsecured notes due 2027, (v) the $349.3 million aggregate principal amount of 4.500% senior unsecured notes due 2028, and (vi) the $727.1 million aggregate principal amount of 3.875% senior unsecured notes due 2029, in each case issued by VICI LP and Co-Issuer, in April 2022 pursuant to the Exchange Offers and Consent

Solicitations (as defined herein).

"February 2020 Notes" refer collectively to (i) the $750.0 million aggregate principal amount of 3.500% senior unsecured notes due 2025, (ii) the $750.0 million aggregate principal amount of 3.750% senior unsecured notes due 2027, and (iii) the $1.0 billion aggregate principal amount of 4.125% senior unsecured notes due 2030, in each case issued by VICI LP and Co-Issuer in February 2020.

"Forum Convention Center Mortgage Loan" refers to a $400.0 million mortgage loan agreement entered into on September 18, 2020 with a subsidiary of Caesars with a term of five years and secured by, among other things, the Caesars Forum Convention Center in Las Vegas.

"Greektown Lease" refers to the lease agreement for the Greektown Casino-Hotel, located in Detroit, Michigan, as amended from time to time.

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

"Hard Rock Cincinnati Lease" refers to the lease agreement for the Hard Rock Cincinnati Casino, located in Cincinnati, Ohio, as amended from time to time.

"JACK Cleveland/Thistledown Lease" refers to the lease agreement for the JACK Cleveland Casino located in Cleveland, Ohio, and the JACK Thistledown Racino facility located in North Randall, Ohio, as amended from time to time.

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

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

"Lease Agreements" refer collectively to the BREIT JV Lease, the Caesars Leases, the Century Master Lease, the Southern Indiana Lease, the Hard Rock Cincinnati Lease, the JACK Cleveland/Thistledown Lease, the MGM Master Lease, the PENN Entertainment Leases, and the Venetian Lease, unless the context otherwise requires.

"Margaritaville Lease" refers to the lease agreement for Margaritaville Resort Casino, located in Bossier City, Louisiana, as amended from time to time.

"Mergers" refer to a series of transactions governed by the MGP Master Transaction Agreement that occurred on April 29, 2022, consisting of (i) the contribution of our interest in VICI LP to VICI OP, which subsequent to the MGP Transactions serves as our new operating partnership, followed by (ii) the merger of MGP with and into Venus Sub LLC, a Delaware limited liability company and wholly owned subsidiary of VICI LP ("REIT Merger Sub"), with REIT Merger Sub surviving the merger, followed by (iii) the distribution by REIT Merger Sub of the interests of the general partner of MGP OP to VICI LP and (iv) the merger of REIT Merger Sub with and into MGP OP, with MGP OP surviving such merger.

"MGM" refers to MGM Resorts International, a Delaware corporation, and, as the context requires, its subsidiaries.

"MGM Master Lease" refers to the lease agreement for the wholly-owned properties leased to MGM.

"MGM Tax Protection Agreement" refers to the tax protection agreement entered into with MGM upon consummation of the MGP Transactions.

"MGP" refers to MGM Growth Properties LLC, a Delaware limited liability company, and, as the context requires, its subsidiaries.

"MGP Master Transaction Agreement" refers to that certain Master Transaction Agreement between the Company, MGP, MGP OP, VICI LP, REIT Merger Sub, VICI OP, and MGM entered into on August 4, 2021.

"MGP OP" refers to MGM Growth Properties Operating Partnership LP, a Delaware limited partnership, and, as the context requires, its subsidiaries.

"MGP OP Notes" refer collectively to the notes issued by MGP OP and MGP Finance Co-Issuer, Inc. ("MGP Co-Issuer" and, together with MGP OP, the "MGP Issuers"), consisting of (i) the 5.625% Senior Notes due 2024 issued pursuant to the indenture, dated as of April 20, 2016, (ii) the 4.625% Senior Notes due 2025 issued pursuant to the indenture, dated as of June 5, 2020, (iii) the 4.500% Senior Notes due 2026 issued pursuant to the indenture, dated as of August 12, 2016, (iv) the 5.750% Senior Notes due 2027 issued pursuant to the indenture, dated as of January 25, 2019, (v) the 4.500% Senior Notes due 2028 issued pursuant to the indenture, dated as of September 21, 2017, and (vi) the 3.875% Senior Notes due 2029 issued pursuant to the indenture, dated as of November 19, 2020, in each case, as amended or supplemented as of the date hereof, among the MGP Issuers and U.S. Bank National Association, as trustee (the "MGP Trustee").

"MGP Transactions" refer collectively to a series of transactions pursuant to the MGP Master Transaction Agreement between us, MGP and MGM and the other parties thereto in connection with our acquisition of MGP on April 29, 2022, as contemplated by the MGP Master Transaction Agreement, including the MGM Tax Protection Agreement and the MGM Master Lease.

"November 2019 Notes" refer collectively to (i) the $1.25 billion aggregate principal amount of 4.250% senior unsecured notes due 2026, and (ii) the $1.0 billion aggregate principal amount of 4.625% senior unsecured notes due 2029, in each case issued by VICI LP and VICI Note Co. Inc., as Co-Issuer, in November 2019.

"Partner Property Growth Fund" refers to certain arrangements with certain tenants relating to our funding of "same-store" capital improvements, including redevelopment, new construction projects and other property improvements, in exchange for increased rent pursuant to the terms of our existing Lease Agreements with such tenants.

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

"PENN Entertainment Leases" refer collectively to the Margaritaville Lease and the Greektown Lease, unless the context otherwise requires.

"Revolving Credit Facility" refers to the four-year unsecured revolving credit facility of VICI LP provided under the Credit Agreement entered into in February 2022, as amended from time to time.

"Secured Revolving Credit Facility" refers to the five-year first lien revolving credit facility entered into by VICI PropCo in December 2017, as amended, which was terminated on February 8, 2022.

"Seminole Hard Rock" refers to Seminole Hard Rock Entertainment, Inc.

"Senior Unsecured Notes" refer collectively to the November 2019 Notes, the February 2020 Notes, the April 2022 Notes and the Exchange Notes and the MGP OP Notes.

"Southern Indiana Lease" refers to the lease agreement with EBCI for the Caesars Southern Indiana Casino and Hotel, located in Elizabeth, Indiana ("Caesars Southern Indiana"), as amended from time to time.

"Term Loan B Facility" refers to the seven-year senior secured first lien term loan B facility entered into by VICI PropCo in December 2017, as amended from time to time, which was repaid in full on September 15, 2021.

"Venetian Acquisition" refers to our acquisition of the Venetian Resort, with Apollo, which closed on February 23, 2022.

"Venetian Lease" refers to the lease agreement for the Venetian Resort Las Vegas and Venetian Expo, located in Las Vegas, Nevada (the "Venetian Resort").

"Venetian Tenant" refers to an affiliate of certain funds managed by affiliates of Apollo.

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

"VICI Issuers" refers to VICI Properties L.P., a Delaware limited partnership and VICI Note Co. Inc., a Delaware corporation.

"VICI LP" refers to VICI Properties L.P., a Delaware limited partnership and an indirect wholly owned subsidiary of VICI.

"VICI OP" refers to VICI Properties OP LLC, a Delaware limited liability company and a consolidated subsidiary of VICI, which serves as our operating partnership.

"VICI OP Units" refer to limited liability company interests in VICI OP.

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

Note 1 — Business and Organization

Business

We are primarily engaged in the business of owning and acquiring gaming, hospitality and entertainment destinations, subject to long-term triple-net leases. As of September 30, 2022, our national, geographically diverse real estate portfolio consisted of 43 market-leading properties, including Caesars Palace Las Vegas, MGM Grand and the Venetian Resort. Our properties are leased to, and our tenants are, subsidiaries of, or entities managed by, Apollo, Caesars, Century Casinos, EBCI, JACK Entertainment, MGM, PENN Entertainment and Seminole Hard Rock, with Caesars and MGM being our largest tenants. VICI also owns four championship golf courses located near certain of our properties.

VICI, the parent company, is a Maryland corporation and internally managed real estate investment trust ("REIT") for U.S. federal income tax purposes. Our real property business, which represents the substantial majority of our assets, is conducted through VICI OP and indirectly through VICI LP and our golf course business, VICI Golf, is conducted through a direct wholly-owned taxable REIT subsidiary ("TRS") of VICI. As a REIT, we generally will not be subject to U.S. federal income taxes on our taxable income to the extent that we annually distribute all of our net taxable income to stockholders and maintain our qualification as a REIT.

Note 2 — Summary of Significant Accounting Policies

Basis of Presentation

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

We believe the disclosures made are adequate to prevent the information presented from being misleading. However, the accompanying unaudited Financial Statements and related notes should be read in conjunction with VICI's audited financial statements and notes thereto included in VICI's most recent Annual Report on Form 10-K and VICI LP's audited financial statements and notes thereto included as an exhibit to the Current Report on Form 8-K filed on April 18, 2022, as updated from time to time in our other filings with the SEC.

All adjustments (consisting of normal recurring accruals) considered necessary for a fair statement of results for the interim period have been included. Certain prior period amounts have been reclassified to conform to the current period presentation.

Use of Estimates

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

Operating results for the three and nine months ended September 30, 2022 are not necessarily indicative of the results that may be expected for the year ending December 31, 2022.

Principles of Consolidation

The accompanying consolidated financial statements include our accounts and the accounts of VICI LP, and the subsidiaries in which we or VICI LP has a controlling interest. All intercompany account balances and transactions have been eliminated in consolidation. We consolidate all subsidiaries in which we have a controlling financial interest and VIEs for which we or one of our consolidated subsidiaries is the primary beneficiary.

Non-controlling Interests

We present non-controlling interests and classify such interests as a component of consolidated stockholders' equity or partners' capital, separate from VICI stockholders' equity and VICI LP partners' capital. As of September 30, 2022, VICI's non-controlling interests represent an approximate 1.3% third-party ownership of VICI OP in the form of VICI OP Units and a 20% third-party ownership of Harrah's Joliet LandCo LLC, the entity that owns the Harrah's Joliet facility and is the lessor under the related Joliet Lease. As VICI OP is a parent entity of VICI LP, VICI LP's only non-controlling interest is that of third-party ownership of Harrah's Joliet LandCo LLC.

Cash, Cash Equivalents and Restricted Cash

Cash consists of cash-on-hand and cash-in-bank. Any investments with an original maturity of three months or less from the date of purchase are considered cash equivalents and are carried at cost, which approximates fair value. As of September 30, 2022 and December 31, 2021, we did not have any restricted cash.

Investments in Leases - Sales-type, Net

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

We have determined that the land and building components of all of the Caesars Leases (excluding the Harrah's New Orleans, Harrah's Laughlin and Harrah's Atlantic City real estate asset components (the "Harrah's Call Properties") of the Caesars Regional Master Lease), Century Master Lease, Hard Rock Cincinnati Lease, PENN Entertainment Leases, Southern Indiana Lease, and Venetian Lease meet the definition of a sales-type lease under ASC 842.

Investments in Leases - Financing Receivables, Net

In accordance with ASC 842, for transactions in which we enter into a contract to acquire an asset and lease it back to the seller under a lease classified as a sales-type lease (i.e., a sale leaseback transaction), control of the asset is not considered to have transferred to us. As a result, we do not recognize the net investment in the lease but instead recognize a financial asset in accordance with ASC 310 "Receivables" ("ASC 310"); however, the accounting for the financing receivable under ASC 310 is materially consistent with the accounting for our investments in leases - sales-type under ASC 842.

We determined that the land and building components of the MGM Master Lease, JACK Cleveland/Thistledown Lease and the Harrah's Call Properties asset components of the Caesars Regional Master Lease meet the definition of a sales-type lease and, since we purchased and leased the assets back to the sellers under sale leaseback transactions, control is not considered to have transferred to us under GAAP. Accordingly, the MGM Master Lease, JACK Cleveland/Thistledown Lease and the Harrah's Call Properties component of the Caesars Regional Master Lease are accounted for as Investments in leases - financing receivables on our Balance Sheet, net of allowance for credit losses, in accordance with ASC 310.

Lease Term

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

Investment in Unconsolidated Affiliate

We account for our investment in unconsolidated affiliate using the equity method of accounting as we have the ability to exercise significant influence, but not control, over operating and financing policies of the investment. Our equity method investment represents our 50.1% ownership interest in the BREIT JV, which was acquired in the MGP Transactions and, as a result, was recorded at relative fair value. The difference in basis between our share of the carrying value of the BREIT JV and the relative fair value upon acquisition is amortized into Income from unconsolidated affiliate over the estimated useful life of the respective underlying real estate assets, the remaining lease term of the BREIT JV Lease, or the remaining term of the assumed debt, as applicable.

We assess our investment in unconsolidated affiliate for recoverability and, if it is determined that a loss in value of the investment is other than temporary, we write down the investment to its fair value.

Income from Leases and Lease Financing Receivables

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

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

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

Investments in Loans, net

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

Allowance for Credit Losses

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

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

Expected losses within our cash flows are determined by estimating the probability of default (“PD”) and loss given default (“LGD”) of our tenants and borrowers and their parent guarantors, as applicable, over the life of each individual lease or financial asset. We have engaged a nationally recognized data analytics firm to assist us with estimating both the PD and LGD of our tenants and borrowers and their parent guarantors, as applicable. The PD and LGD are estimated during a reasonable and supportable period for which we believe we are able to estimate future economic conditions (the “R&S Period”) and a long-term period for which we revert to long-term historical averages (the “Long-Term Period”). The PD and LGD estimates for the R&S Period are developed using the current financial condition of the tenant or borrower and parent guarantor, as applicable, and applied to a projection of economic conditions over a two-year term. The PD and LGD for the Long-Term Period are estimated using the average historical default rates and historical loss rates, respectively, of public companies over approximately the past 40 years that have similar credit profiles or characteristics to our tenants, borrowers and their parent guarantors, as applicable. We are unable to use our historical data to estimate losses as we have no loss history to date.

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

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

Charge-offs are deducted from the allowance in the period in which they are deemed uncollectible. Recoveries previously written off are recorded when received. There were no charge-offs or recoveries for the three and nine months ended September 30, 2022 and 2021.

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

Other income and Other expenses

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

Fair Value Measurements

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

Refer to Note 9 - Fair Value for further information.

Derivative Financial Instruments

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

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

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

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

Concentrations of Credit Risk

Caesars and MGM are the guarantors of all the lease payment obligations of the tenants under the applicable leases of the properties that they respectively lease from us. Revenue from Caesars, which includes the Caesars Leases, represented 39% and 49% of our lease revenues for the three and nine months ended September 30, 2022, respectively, and 85% and 86% of our lease revenues for the three and nine months ended September 30, 2021, respectively. Revenue from MGM, which includes the MGM Master Lease and our proportionate share of the BREIT JV Lease, represented 43% and 30% of our lease revenues for the three and nine months ended September 30, 2022, respectively. Additionally, our properties on the Las Vegas Strip generated approximately 47% and 45% of our lease revenues for the three and nine months ended September 30, 2022, respectively, and 32% of our lease revenues for the three and nine months ended September 30, 2021. Other than having two tenants from which we derive and will continue to derive a substantial portion of our revenue and our concentration in the Las Vegas market, we do not believe there are any other significant concentrations of credit risk.

Note 3 — Real Estate Transactions

2022 Property Acquisitions

Rocky Gap Casino

On August 24, 2022, we and Century Casinos entered into definitive agreements to acquire Rocky Gap Casino Resort (“Rocky Gap Casino”), located in Flintstone, Maryland, from Golden Entertainment, Inc. for an aggregate purchase price of $260.0 million. Pursuant to the transaction agreements, we will acquire an interest in the land and buildings associated with Rocky Gap Casino for approximately $203.9 million, and Century Casinos will acquire the operating assets of the property for approximately $56.1 million. Simultaneous with the closing of the transaction, the Century Master Lease will be amended to include Rocky Gap Casino, and annual rent under the Century Master Lease will increase by $15.5 million. Additionally, the terms of the Century Master Lease will be extended such that, upon closing of the transaction, the lease will have a full 15-year initial base lease term remaining, with four 5-year tenant renewal options. The tenant’s obligations under the Century Master Lease will continue to be guaranteed by Century Casinos. The transaction is subject to customary regulatory approvals and closing conditions and is expected to close in mid-2023.

MGP Transactions

On April 29, 2022, we closed on the previously announced MGP Transactions governed by the MGP Master Transaction Agreement, pursuant to which we acquired MGP for total consideration of $11.6 billion, plus the assumption of approximately $5.7 billion principal amount of debt, inclusive of our 50.1% share of the BREIT JV CMBS debt. Upon closing, the MGP Transactions added $1,012.0 million of annualized rent to our portfolio from 15 Class A entertainment casino resort properties spread across nine regions and comprising 36,000 hotel rooms, 3.6 million square feet of meeting and convention space and hundreds of food, beverage and entertainment venues.

The acquired portfolio, including properties owned by the BREIT JV, includes seven large-scale entertainment and gaming-related properties located on the Las Vegas Strip: Mandalay Bay, MGM Grand Las Vegas, The Mirage, Park MGM, New York-New York (and The Park, a dining and entertainment district located between New York-New York and Park MGM), Luxor and Excalibur. Outside of Las Vegas, we also acquired eight high-quality casino resort properties pursuant to the MGP Transactions: MGM Grand Detroit in Detroit, Michigan, Beau Rivage in Biloxi, Mississippi, Gold Strike Tunica in Tunica, Mississippi, Borgata in Atlantic City, New Jersey, MGM National Harbor in Prince George’s County, Maryland, MGM Northfield Park in Northfield, Ohio, Empire City in Yonkers, New York and MGM Springfield in Springfield, Massachusetts.

The acquired portfolio includes two of the five largest hotels in the United States and two of the three largest Las Vegas resorts by room count and convention space.

The following is a summary of the agreements and related activities under the MGP Transactions:

- *MGP Master Transaction Agreement.* On August 4, 2021, we entered into the MGP Master Transaction Agreement by and among the Company, MGP, MGP OP, VICI LP, REIT Merger Sub, VICI OP, and MGM. Pursuant to the terms and subject to the conditions set forth in the MGP Master Transaction Agreement, upon the closing of the REIT Merger (as defined in the MGP Master Transaction Agreement) on April 29, 2022, each outstanding Class A common share, no par value per share, of MGP ("MGP Common Shares") (other than MGP Common Shares then held in treasury by MGP or owned by any of MGP's wholly owned subsidiaries) was converted into 1.366 (the "Exchange Ratio") shares of common stock of the Company (such consideration, the "REIT Merger Consideration"), plus the right, if any, to receive cash in lieu of fractional shares of our common stock into which such MGP Common Shares would have been converted. The outstanding Class B common share, no par value per share, of MGP (the "Class B Share"), which was held by MGM, was cancelled at the effective time of the REIT Merger. The REIT Merger is intended to qualify as a "reorganization" within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended (the "Code").

  The number of MGP Common Shares converted to shares of VICI common stock was determined as follows:

MGP Common Shares outstanding as of April 29, 2022	156,757,773
Exchange Ratio	1.366
VICI common stock issued [(1)]	214,131,064
VICI common stock issued for MGP stock-based compensation awards	421,468
Total VICI common stock issued	214,552,532

  ____
  (1) Amount excludes the cash paid in lieu of approximately 54 fractional MGP Common Shares.

  Following the REIT Merger, pursuant to and subject to the terms set forth in the MGP Master Transaction Agreement, at the effective time of the Partnership Merger (as defined in the MGP Master Transaction Agreement), each limited partnership unit in MGP OP (other than the limited partnership units in MGP OP held by REIT Merger Sub or any subsidiary of MGP OP), all of which were held by MGM and certain of its subsidiaries, was converted into the right to receive a number of VICI OP Units (the "Partnership Merger Consideration") equal to the Exchange Ratio. The Company redeemed a majority of the VICI OP Units received by MGM in the Partnership Merger for $4,404.0 million in cash using the proceeds from the April 2022 Notes offering (the "Redemption"), as further described in Note 7 - Debt. Following the Redemption, MGM retained approximately 12.2 million VICI OP Units.

- *MGM Master Lease and BREIT JV Lease*. Simultaneous with the closing of the Mergers on April 29, 2022, we entered into the MGM Master Lease. The MGM Master Lease has an initial term of 25 years, with three 10-year tenant renewal options and has an initial total annual rent of $860.0 million. Rent under the MGM Master Lease escalates at a rate of 2.0% per annum for the first 10 years and thereafter at the greater of 2.0% per annum or the increase in the consumer price index ("CPI"), subject to a 3.0% cap. The tenant's obligations under the MGM Master Lease are guaranteed by MGM. The initial total annual rent under the MGM Master Lease will be reduced by (i) $90.0 million upon the close of MGM's pending sale of the operations of the Mirage to Hard Rock and entrance into the Mirage Lease, as further described below under "*Mirage Severance Lease*" and (ii) $40.0 million upon the close of MGM's pending sale of the operations of Gold Strike to Cherokee Nation Businesses, L.L.C. ("CNB") and entrance into the Gold Strike Lease (as defined below), as further described below under "*Gold Strike Severance Lease*".

  Additionally, we retained MGP's 50.1% ownership stake in the BREIT JV, which owns the real estate assets of MGM Grand Las Vegas and Mandalay Bay. The BREIT JV Lease remained unchanged and provides for current total annual base rent of approximately $303.8 million, of which approximately $152.2 million is attributable to our investment in the BREIT JV, and an initial term of thirty years with two 10-year tenant renewal options. Rent under the BREIT JV Lease escalates at a rate of 2.0% per annum for the first fifteen years and thereafter at the greater of 2.0% per annum or CPI, subject to a 3.0% cap. The tenant's obligations under the BREIT JV Lease are guaranteed by MGM.

- *Tax Protection Agreement.* In connection with the closing of the MGP Transactions, we entered into a tax protection agreement with MGM (the "MGM Tax Protection Agreement") pursuant to which VICI OP has agreed, subject to certain exceptions, for a period of 15 years following the closing of the Mergers (subject to early termination under certain circumstances), to indemnify MGM and certain of its subsidiaries (the "Protected Parties") for certain tax liabilities resulting from (1) the sale, transfer, exchange or other disposition of a property owned directly or indirectly by MGP OP immediately prior to the closing date of the Mergers (each, a "Protected Property"), (2) a merger, consolidation, transfer of all assets of, or other significant transaction involving VICI OP pursuant to which the ownership interests of the Protected Parties in VICI OP are required to be exchanged in whole or in part for cash or other property, (3) the failure of VICI OP to maintain approximately $8.5 billion of nonrecourse indebtedness allocable to MGM, which amount may be reduced over time in accordance with the MGM Tax Protection Agreement, and (4) the failure of VICI OP or VICI to comply with certain tax covenants that would impact the tax liabilities of the Protected Parties. In the event that VICI OP or VICI breaches restrictions in the MGM Tax Protection Agreement, VICI OP will be liable for grossed-up tax amounts associated with the income or gain recognized as a result of such breach. In addition, the BREIT JV previously entered into a tax protection agreement with MGM with respect to built-in gain and debt maintenance related to MGM Grand Las Vegas and Mandalay Bay, which is effective through mid-2029, and by acquiring MGP, the Company bears its 50.1% proportionate share in the BREIT JV of any indemnity under this existing tax protection agreement.

- *Exchange Offers and Consent Solicitations*. On September 13, 2021, we announced that the VICI Issuers commenced (i) private exchange offers to certain eligible holders (collectively, the "Exchange Offers") for any and all of each series of the MGP OP Notes for up to an aggregate principal amount of $4.2 billion of new notes issued by the VICI Issuers and (ii) consent solicitations with respect to each series of MGP OP Notes (collectively, the "Consent Solicitations") to adopt certain proposed amendments to each of the indentures governing the MGP OP Notes (collectively, the "MGP OP Notes Indentures"), which, among other things, eliminate or modify certain of the covenants, restrictions, provisions and events of default in each of the MGP OP Notes Indentures.

  Following the receipt of the requisite consents pursuant to the Consent Solicitations, on September 23, 2021, the MGP Issuers executed supplemental indentures to each of the MGP OP Notes Indentures in order to effect the proposed amendments (the "MGP OP Supplemental Indentures"). The MGP OP Supplemental Indentures became operative upon the settlement of the Exchange Offers and the Consent Solicitations on April 29, 2022 (the "Settlement Date").

  Upon completion of the Exchange Offers and Consent Solicitations, the VICI Issuers issued an aggregate principal amount of $4,110.0 million in Exchange Notes, each pursuant to a separate indenture dated as of April 29, 2022, among the VICI Issuers and the Trustee. Following the issuance of the Exchange Notes pursuant to the settlement of the Exchange Offers and Consent Solicitations, approximately $90.0 million aggregate principal amount of MGP OP Notes remain outstanding. See Note 7 - Debt for additional information.

- *Mirage Lease.* On December 13, 2021, in connection with MGM's agreement to sell the operations of the Mirage Hotel & Casino (the "Mirage"), located in Las Vegas, NV, to Hard Rock, we agreed to enter into a new separate lease with Hard Rock related to the land and real estate assets of the Mirage (the "Mirage Lease"), and enter into an amendment to the MGM Master Lease relating to the sale of the Mirage. The Mirage Lease will have initial annual base rent of $90.0 million with other economic terms substantially similar to the MGM Master Lease, including a base term of 25 years with three 10-year tenant renewal options, escalation of 2.0% per annum (with escalation of the greater of 2.0% and CPI, capped at 3.0%, beginning in lease year 11) and minimum capital expenditure requirements of 1.0% of annual net revenue. Upon the closing of the sale of the Mirage, the MGM Master Lease will be amended to account for MGM's divestiture of the Mirage operations and will result in a reduction of the annual base rent under the MGM Master Lease by $90.0 million. We expect these transactions to be completed in the fourth quarter of 2022, and they remain subject to customary closing conditions and regulatory approvals. Additionally, subject to certain conditions, we may fund up to $1.5 billion of Hard Rock's redevelopment plan for the Mirage through our Partner Property Growth Fund if Hard Rock elects to seek third-party financing for such redevelopment. Specific amounts and terms of the redevelopment and related funding remain under discussion and subject to final documentation.

- *Gold Strike Lease.* On June 9, 2022, in connection with MGM's agreement to sell the operations of Gold Strike Casino Resort ("Gold Strike"), located in Tunica, MS, we agreed to enter into a new separate lease with CNB related to the land and real estate assets of Gold Strike (the "Gold Strike Lease"), and enter into an amendment to the MGM Master Lease relating to the sale of Gold Strike. The Gold Strike Lease will have initial annual base rent of $40.0 million with other economic terms substantially similar to the MGM Master Lease, including a base term of 25 years with three 10-year tenant renewal options, escalation of 2.0% per annum (with escalation of the greater of 2.0% and CPI, capped at 3.0%, beginning in lease year 11) and minimum capital expenditure requirements of 1.0% of annual net revenue. Upon the closing of the sale of Gold Strike, the MGM Master Lease will be amended to account for MGM's divestiture of the Gold Strike operations and will result in a reduction of the annual base rent under the MGM Master Lease by $40.0 million. We expect these transactions to be completed in the first half of 2023, and they remain subject to customary closing conditions and regulatory approvals.

We assessed the MGP Transactions in accordance with ASC 805—"Business Combinations" ("ASC 805"), and determined that the acquisition of MGP did not meet the definition of a business as substantially all the assets were concentrated in a group of similarly identifiable acquired assets, and did not include a substantive process in the form of an acquired workforce. Accordingly, the MGP Transactions were accounted for as an asset acquisition under ASC 805-50 and we determined the consideration transferred under the MGP Transactions was $11.6 billion, comprised of the following:

(In thousands)		Amount
REIT Merger Consideration (1)	$	6,568,480
Redemption payment to MGM		4,404,000
VICI OP Units retained by MGM (2)		374,769
Repayment of MGP revolving credit facility (3)		90,000
Transactions costs (4)		119,741
Total consideration transferred	$	11,556,990
Assumption of MGP OP Notes and Exchange Notes, at principal value		4,200,000
Assumption of our proportionate share of the BREIT JV CMBS debt, at principal value		1,503,000
Total purchase price	$	17,259,990

(1) Amount represents the dollar value of 214,375,990 shares of VICI common stock, multiplied by the VICI stock price at the time of closing of $30.64 per share, which were issued in exchange for the MGP Common Shares outstanding immediately prior to the REIT Merger and certain of the MGP stock-based compensation awards, converted to shares of VICI common stock.
(2) Amount represents 12,231,373 VICI OP Units retained by MGM as non-controlling interest in VICI OP, multiplied by the VICI stock price at the time of closing of $30.64 per share.
(3) Represents the total amount outstanding under MGP's revolving credit facility as of April 29, 2022. In connection with the MGP Transactions, such amount was repaid in full and the related credit agreement was terminated.
(4) In accordance with ASC 805-50, all direct and incremental costs related to the MGP Transactions, primarily related to success-based fees and third-party advisory fees, were included in the consideration transferred.

Under ASC 805-50, we allocated the purchase price by major categories of assets acquired and liabilities assumed using relative fair value. The following is a summary of the allocated relative fair values of the assets acquired and liabilities assumed in the MGP Transactions:

(In thousands)		Amount
Investments in leases - financing receivables (1) (2)	$	14,245,868
Investment in unconsolidated affiliate (2) (3)		1,465,814
Cash and cash equivalents (4)		25,387
Other assets (4)		338,212
Debt, net (5)		(4,106,082)
Accrued expenses and deferred revenue (4)		(79,482)
Other liabilities (4)		(332,727)
Total net assets acquired	$	11,556,990

(1) We valued the real estate portfolio at relative fair value using rent multiples taking into consideration a variety of factors, including (i) asset quality and location, (ii) property and lease-level operating performance and (iii) supply and demand dynamics of each property's respective market. The multiples used ranged from 15.0x - 18.5x with a weighted average rent multiple of 16.7x, as determined using relative fair value.
(2) The fair value of these assets are based on significant "unobservable" market inputs and, as such, these fair value measurements are considered Level 3 of the fair value hierarchy.

(3) We value the Investment in unconsolidated affiliate at relative fair based on our percentage ownership of the net assets of the BREIT JV.
(4) Amounts represents their current carrying value which is equal to fair value. The Other assets and Other liabilities amounts include the gross presentation of certain MGP ground leases which we assumed in connection with the MGP Transactions.
(5) Amount represents the fair value of debt as of April 29, 2022, which was estimated as a $93.9 million discount to the notional value. The fair value of our debt instruments was estimated using quoted prices for identical or similar liabilities in markets that are not active and, as such, these fair value measurements are considered Level 2 of the fair value hierarchy.

Concurrent with the closing of the MGP Transactions and entry into the MGM Master Lease, we assessed the lease classification of the MGM Master Lease and determined that it met the definition of a sales-type lease. Further, since MGM controlled and consolidated MGP prior to the MGP Transactions, the lease was assessed under the sale-leaseback guidance and determined to be a failed sale-leaseback under which the lease is accounted for as a financing receivable under ASC 310. Accordingly, the relative fair value of the MGP assets of $14.2 billion was recorded as an Investment in leases - financing receivable on our Balance Sheet, net of allowance for credit losses in the amount of $431.5 million.

In relation to the BREIT JV, we determined that such investment is accounted for as an equity method investment and, accordingly, have recorded the relative fair value as an Investment in unconsolidated affiliate on our Balance Sheet. The requirement to record our investment in the BREIT JV at relative fair value under ASC 805 results in a difference in our acquired basis from that of the underlying records, or historical cost basis, of the BREIT JV. Accordingly, we compared our proportionate share of the historical cost basis of the BREIT JV as of April 29, 2022 to our proportionate share of the relative fair value, the difference of which is amortized through Income from unconsolidated affiliate over the life of the related asset or liability. As of September 30, 2022, the carrying value of our investment exceeded the underlying historical cost basis of our Investment in unconsolidated affiliate resulting in a basis difference of $642.8 million.

Venetian Acquisition

On February 23, 2022, we closed on the previously announced transaction to acquire all of the land and real estate assets associated with the Venetian Resort from Las Vegas Sands Corp. (“LVS”) for $4.0 billion in cash, and the Venetian Tenant acquired the operating assets of the Venetian Resort for $2.25 billion, of which $1.2 billion is in the form of a secured term loan from LVS and the remainder was paid in cash. We funded the Venetian Acquisition with (i) $3.2 billion in net proceeds from the physical settlement of the March 2021 Forward Sale Agreements and the September 2021 Forward Sale Agreements, (ii) an initial draw on the Revolving Credit Facility of $600.0 million (which was subsequently repaid in full using a portion of the proceeds from the April 2022 Notes offering), and (iii) cash on hand. Simultaneous with the closing of the Venetian Acquisition, we entered into the Venetian Lease with the Venetian Tenant. The Venetian Lease has an initial total annual rent of $250.0 million and an initial term of 30 years, with two 10-year tenant renewal options. The annual rent will be subject to escalation equal to the greater of 2.0% and the increase in the CPI, capped at 3.0%, beginning in the earlier of (i) the beginning of the third lease year, and (ii) the month following the month in which the net revenue generated by the Venetian Resort returns to its 2019 level (the year immediately prior to the onset of the COVID-19 pandemic) on a trailing twelve-month basis. We determined that the land and building components of the Venetian Lease meet the definition of a sales-type lease and accordingly are recorded as an Investments in leases - sales-type on our Balance Sheet, net of allowance for credit losses in the amount of $65.6 million.

In connection with the Venetian Acquisition, we entered into a Partner Property Growth Fund Agreement (“Venetian PGF”) with the Venetian Tenant. Under the Venetian PGF, we agreed to provide up to $1.0 billion for various development and construction projects affecting the Venetian Resort to be identified by the Venetian Tenant and that satisfy certain criteria more particularly set forth in the Venetian PGF, in consideration of additional incremental rent to be paid by the Venetian Tenant under the Venetian Lease and calculated in accordance with a formula set forth in the Venetian PGF. Upon execution of the Venetian PGF, we were required to estimate a CECL allowance related to the contractual commitments to extend credit, which is based on our best estimates of funding such commitments. Accordingly, during the three months ended March 31, 2022, we recorded an initial CECL allowance in Other liabilities in the amount of $8.3 million related to the estimate of our unfunded commitment under the Venetian PGF.

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

2022 Loan Originations

The following table summarizes our 2022 development loan origination activity to date:

($ in Thousands)

Loan Name		Maximum Loan Amount	Loan Type	Development Project
Canyon Ranch Austin (1)	$	200,000	Senior Secured	Canyon Ranch Austin located in Austin, TX
Great Wolf Gulf Coast Texas		127,000	Mezzanine	532-room indoor water park resort located in Webster, TX
Great Wolf South Florida		59,000	Mezzanine	500-room indoor water park resort located in Collier County, FL
Cabot Citrus Farms		120,000	Senior Secured	Cabot Citrus Farms located in Brookdale, FL
BigShots		80,000	Senior Secured	Financed BigShots Golf Facilities throughout the United States
Total	$	586,000		

(1) The Canyon Ranch Austin Loan (as defined below) was originated subsequent to quarter end, on October 7, 2022.

Canyon Ranch Austin Loan

Subsequent to quarter end, on October 7, 2022, we entered into delayed draw term loan facility (the “Canyon Ranch Austin Loan”) with Canyon Ranch, a leading pioneer in global wellness, pursuant to which we agreed to provide up to $200.0 million of secured financing to fund the development of Canyon Ranch Austin in Austin, Texas.

In addition, we entered into the following agreements with Canyon Ranch:

- A call right agreement pursuant to which we will have the right to acquire the real estate assets of Canyon Ranch Austin for up to 24 months following stabilization (with the loan balance being settled in connection with the exercise of such call right), which transaction will be structured as a sale leaseback (with the simultaneous entry into a triple-net lease with Canyon Ranch that has an initial term of 25 years, with eight 5-year tenant renewal options).
- A purchase option agreement, pursuant to which we have an option to acquire the real estate assets associated with the existing Canyon Ranch Tucson and Canyon Ranch Lenox properties, which transactions will be structured as sale leasebacks, in each case solely to the extent Canyon Ranch elects to sell such properties in a sale leaseback structure for a specific period of time, subject to certain conditions.
- A right of first offer agreement on future financing opportunities for Canyon Ranch and certain of its affiliates with respect to the funding of certain facilities (including Canyon Ranch Austin, Canyon Ranch Tucson and Canyon Ranch Lenox, and any other fee owned Canyon Ranch branded wellness resort), until the date that is the earlier of five years from commencement of the Canyon Ranch Austin lease (to the extent applicable) and the date that neither VICI nor any of its affiliates are landlord under such lease, subject to certain specified terms, conditions and exceptions.

Great Wolf Loans

On August 30, 2022, we entered into a loan with Great Wolf Resorts Inc. (“Great Wolf”), under which we agreed to provide up to $127.0 million of mezzanine financing (the “Great Wolf Gulf Coast Texas Loan”), the proceeds of which will be used to fund the development of Great Wolf Lodge Gulf Coast Texas, a more than $200.0 million, 532-room indoor water park resort project in Webster, TX. The Great Wolf Gulf Coast Texas Loan has an initial term of three years with two 12-month extension options, subject to certain conditions.

On July 1, 2022, we entered into a loan with Great Wolf, under which we agreed to provide up to $59.0 million of mezzanine financing (the “Great Wolf South Florida Loan”), the proceeds of which will be used to fund the development of Great Wolf Lodge South Florida, a more than $250.0 million, 500-room indoor water park resort project in Collier County, FL. The Great

Wolf South Florida Loan has an initial term of four years with one 12-month extension option, subject to certain conditions.

Cabot Citrus Farms Loan

On June 6, 2022, we entered into a $120.0 million delayed draw term loan (the "Cabot Citrus Farms Loan") with Cabot, a developer, owner and operator of world-class destination golf resorts and communities, the proceeds of which will be used to fund Cabot's property-wide transformation of Cabot Citrus Farms in Brooksville, Florida, with the addition of a new clubhouse, luxury lodging, health and wellness facilities and a vibrant village center. We also entered into a Purchase and Sale Agreement, pursuant to which we will convert a portion of the Cabot Citrus Farms Loan into the ownership of certain Cabot Citrus Farms real estate assets and simultaneously enter into a triple-net lease with Cabot that has an initial term of 25 years, with five 5-year tenant renewal options.

BigShots Loan

On April 7, 2022, we entered into a loan with BigShots Golf ("BigShots Golf"), a subsidiary of ClubCorp Holdings, Inc. ("ClubCorp"), an Apollo fund portfolio company, to provide up to $80.0 million of mortgage financing (the "BigShots Loan") for the construction of certain new BigShots Golf facilities throughout the United States. In addition, we entered into a right of first offer and call right agreement, pursuant to which (i) we have a call right to acquire the real estate assets associated with any BigShots Golf facility financed by us, which transaction will be structured as a sale leaseback, and (ii) for so long as the BigShots Loan remains outstanding and we continue to hold a majority interest therein, subject to additional terms and conditions, we will have a right of first offer on any multi-site mortgage, mezzanine, preferred equity, or other similar financing that is treated as debt to be obtained by BigShots Golf (or any of its affiliates) in connection with the development of BigShots Golf facilities.

Note 4 — Real Estate Portfolio

As of September 30, 2022, our real estate portfolio consisted of the following:

- Investments in leases - sales-type, representing our investment in 23 casino assets leased on a triple-net basis to our tenants, Apollo, Caesars, Century Casinos, EBCI, Hard Rock and PENN Entertainment, under nine separate lease agreements;
- Investments in leases - financing receivables, representing our investment in eighteen casino assets leased on a triple-net basis to our tenants, MGM, Caesars and JACK Entertainment, under three separate lease agreements;
- Investments in loans, representing our investments in seven senior secured and mezzanine loans;
- Investment in unconsolidated affiliate, representing our 50.1% ownership in the BREIT JV, which in turn owns two assets leased to MGM under one master lease agreement; and
- Land, representing our investment in certain underdeveloped or undeveloped land adjacent to the Las Vegas strip and non-operating, vacant land parcels.

The following is a summary of the balances of our real estate portfolio as of September 30, 2022 and December 31, 2021:

(In thousands)	September 30, 2022	December 31, 2021
Investments in leases - sales-type, net [(1)]	$ 17,011,585	$ 13,136,664
Investments in leases - financing receivables, net [(1)]	16,441,616	2,644,824
Total investments in leases, net	33,453,201	15,781,488
Investments in loans, net	579,805	498,002
Investment in unconsolidated affiliate	1,463,230	—
Land	153,560	153,576
Total real estate portfolio	$ 35,649,796	$ 16,433,066

(1) At lease inception (or upon modification), we determine the estimated residual values of the leased property (not guaranteed) under the respective Lease Agreements, which has a material impact on the determination of the rate implicit in the lease and the lease classification. As of September 30, 2022 and December 31, 2021, the estimated residual values of the leased properties under our Lease Agreements were $11.4 billion and $3.8 billion, respectively.

Investments in Leases

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
(In thousands)	2022	2021	2022	2021
Income from sales-type leases, excluding contingent rent (1)	$ 371,541	$ 290,706	$ 1,064,463	$ 870,417
Income from lease financing receivables (1) (2)	339,544	60,178	653,908	180,139
Total lease revenue, excluding contingent rent	711,085	350,884	1,718,371	1,050,556
Contingent rent (1)	4,506	1,353	13,489	2,920
Total lease revenue	715,591	352,237	1,731,860	1,053,476
Non-cash adjustment (3)	(108,556)	(31,142)	(230,516)	(88,417)
Total contractual lease revenue	$ 607,035	$ 321,095	$ 1,501,344	$ 965,059

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(1) At lease inception (or upon modification), we determine the minimum lease payments under ASC 842, which exclude amounts determined to be contingent rent. Contingent rent is generally amounts in excess of specified floors or the variable rent portion of our leases. The minimum lease payments are recognized on an effective interest basis at a constant rate of return over the life of the lease and the contingent rent portion of the lease payments are recognized as earned, both in accordance with ASC 842. As of September 30, 2022, we have recognized contingent rent from our Margaritaville Lease and Greektown Lease in relation to the variable rent portion of the respective leases and the Caesars Las Vegas Master Lease in relation to the CPI portion of the annual escalator. Refer to the Lease Provisions section below for information regarding contingent rent on each lease.
(2) Represents the MGM Master Lease, Harrah's Call Properties and the JACK Cleveland/Thistledown Lease, all of which were sale leaseback transactions. In accordance with ASC 842, since the lease agreements were determined to meet the definition of a sales-type lease and control of the asset is not considered to have been transferred to us, such lease agreements are accounted for as financings under ASC 310.
(3) Amounts represent the non-cash adjustment to the minimum lease payments from sales-type leases and lease financing receivables in order to recognize income on an effective interest basis at a constant rate of return over the term of the leases.

At September 30, 2022, minimum lease payments owed to us for each of the five succeeding years under sales-type leases and our leases accounted for as financing receivables, are as follows:

	Minimum Lease Payments (1) (2)		
	Investments in Leases		
(In thousands)	Sales-Type	Financing Receivables	Total
2022 (remaining)	$ 333,747	$ 272,444	$ 606,191
2023	1,344,189	1,103,787	2,447,976
2024	1,366,127	1,125,348	2,491,475
2025	1,385,348	1,146,509	2,531,857
2026	1,405,006	1,168,089	2,573,095
2027	1,425,272	1,190,145	2,615,417
Thereafter	56,603,912	86,652,035	143,255,947
Total	$ 63,863,601	$ 92,658,357	$ 156,521,958
Weighted Average Lease Term (2)	36.6 years	51.1 years	43.7 years

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

Lease Provisions

Lease Overview

The following is a summary of the material lease provisions of our Caesars Leases, Venetian Lease, MGM Master Lease, and BREIT JV Lease:

($ In thousands) **Lease Provision**	**Caesars Regional Master Lease and Joliet Lease**	**Caesars Las Vegas Master Lease**	**Venetian Lease**	**MGM Master Lease**	**BREIT JV Lease**
Initial term	18 years	18 years	30 years	25 years	30 years
Initial term maturity	7/31/2035	7/31/2035	2/29/2052	4/30/2047	2/28/2050
Renewal terms	Four, five-year terms	Four, five-year terms	Two, ten-year terms	Three, ten-year terms	Two, ten-year terms
Current lease year (1)	11/1/21 - 10/31/22 (Lease Year 5)	11/1/21 - 10/31/22 (Lease Year 5)	2/23/22 - 2/28/23 (Lease Year 1)	4/29/22-4/30/23 (Lease Year 1)	3/1/22 - 2/28/23 (Lease Year 3)
Current annual rent	$649,572 (2) (3)	$422,224 (3)	$250,000	$860,000	$303,800 (VICI's 50.1% Pro Rata Share: $152,203)
Annual escalator (4)	Lease years 2-5 - 1.5% Lease years 6-end of term - CPI subject to 2.0% floor	> 2% / change in CPI	>2% / change in CPI (capped at 3%) beginning in Lease year 2	Lease years 2-10 - 2% Lease years 11-end of term - >2% / change in CPI (capped at 3%)	Lease years 2-15 - 2% Lease years 16-end of term - >2% / change in CPI (capped at 3%)
Variable rent adjustment (5)	**Year 8**: 70% base rent / 30% variable rent **Years 11 & 16**: 80% base rent / 20% variable rent	**Years 8, 11 & 16**: 80% base rent / 20% variable rent	None	None	None
Variable rent adjustment calculation (4)	4% of revenue increase/decrease: **Year 8**: Avg. of years 5-7 less avg. of years 0-2 **Year 11**: Avg. of years 8-10 less avg. of years 5-7 **Year 16**: Avg. of years 13-15 less avg. of years 8-10	4% of revenue increase/decrease: **Year 8**: Avg. of years 5-7 less avg. of years 0-2 **Year 11**: Avg. of years 8-10 less avg. of years 5-7 **Year 16**: Avg. of years 13-15 less avg. of years 8-10	None	None	None

(1) For the Venetian Lease, lease year two will begin on the earlier of (i) March 1, 2024 and (ii) the first day of the first month following the month in which the net revenue of the Venetian Resort for the trailing twelve months equals or exceeds 2019 net revenue, which date can be no earlier than the anniversary of the first lease year (March 1, 2023).
(2) Current annual rent with respect to the Joliet Lease is presented prior to accounting for the non-controlling interest, or rent payable, to the 20% third-party ownership of Harrah's Joliet LandCo LLC. After adjusting for the 20% non-controlling interest, combined Current annual rent under the Caesars Regional Master Lease and Joliet Lease is $641.2 million.
(3) Effective November 1, 2022, the escalated base rent under the Caesars Regional Master Lease and Joliet Lease will be $703.7 million and the escalated base rent under the Caesars Las Vegas Master lease will be $454.5 million.
(4) Any amounts representing rents in excess of the CPI floors specified above are considered contingent rent in accordance with GAAP. In relation to the Caesars Las Vegas Master Lease, during the three and nine months ended September 30, 2022, we recognized approximately $3.1 million and $9.2 million, respectively, in contingent rent. No such rent has been recognized for the three and nine months ended September 30, 2021. In relation to the Caesars Regional Master Lease, Joliet Lease, Venetian Lease, and MGM Master Lease, no such rent has been recognized for the three and nine months ended September 30, 2022 and 2021.
(5) Variable rent is not subject to the Escalator.

The following is a summary of the material lease provisions of our PENN Entertainment Leases, Hard Rock Cincinnati Lease, Century Master Lease, JACK Cleveland/Thistledown Lease and Southern Indiana Lease:

($ In thousands) Lease Provision	Margaritaville Lease	Greektown Lease	Hard Rock Cincinnati Lease	Century Master Lease	JACK Cleveland/Thistledown Lease	Southern Indiana Lease
Initial term	15 years	15 years	15 years	15 years	20 years	15 years
Initial term maturity	1/31/2034	5/31/2034	9/30/2034	12/31/2034	1/31/2040	8/31/2036
Renewal terms	Four, five-year terms	Four, five-year terms	Four, five-year terms	Four, five-year terms	Three, five-year terms	Four, five-year terms
Current lease year	2/1/22 - 1/31/23 (Lease Year 4)	6/1/22 - 5/31/23 (Lease Year 4)	10/1/22 - 9/30/23 (Lease Year 4)	1/1/22 - 12/31/22 (Lease Year 3)	2/1/22 - 1/31/23 (Lease Year 3)	9/1/22 - 8/31/23 (Lease Year 2)
Current annual rent	$23,813	$51,321	$44,703	$25,503	$68,704	$32,988
Annual escalator (1)	2% of Building base rent ($17.2 million)	2% of Building base rent ($42.8 million)	Lease years 2-4 - 1.5% Lease years 5-15 - > 2% / change in CPI (2)	Lease years 2-3 - 1.0% Lease years 4-15 - > 1.25% / CPI	Lease year 3 - 1.0% Lease years 4-6 - 1.5% Lease years 7-20 - >1.5%/change in CPI (capped at 2.5%)	Lease years 2-5 - 1.5% Lease years 6-15 - >2.0% / change in CPI
Coverage floor (3)	Net revenue to rent ratio: 6.1x net revenue commencing lease year two	Net revenue ratio to be mutually agreed upon prior to the commencement of lease year five	None	7.5x net revenue commencing lease year six	None	None
Variable Rent adjustment (4)	Lease year three and each and every other lease year thereafter	Lease year three and each and every other lease year thereafter	**Lease year 8:** 80% base rent and 20% variable rent	**Lease year 8 and 11:** 80% Base Rent and 20% Variable Rent	None	**Lease year 8 and 11:** 80% Base Rent and 20% Variable Rent
Variable Rent adjustment calculation	4% of the average net revenues for trailing 2 year period less threshold amount (defined as 50% of LTM net revenues prior to acquisition)	4% of the average net revenues for trailing 2 year period less threshold amount (defined as 50% of LTM net revenues prior to acquisition)	4% of revenue increase/decrease: **Year 8:** Avg. of years 5-7 less avg. of years 1-3	4% of revenue increase/decrease: **Year 8:** Avg. of years 5-7 less avg. of years 1-3 **Year 11:** Avg. of years 8-10 less avg. of years 5-7	None	4% of revenue increase/decrease: **Year 8**: Avg. of years 5-7 less avg. of years 0-2 (5) **Year 11**: Avg. of years 8-10 less avg. of years 5-7

(1) Any amounts representing rents in excess of the CPI floors specified above are considered contingent rent in accordance with GAAP. No such rent has been recognized for the three and nine months ended September 30, 2022 and 2021.

(2) Starting in lease year 5, if the change in CPI is less than 0.5%, there will be no escalation in rent for such lease year.

(3) In the event that the net revenue to rent ratio coverage, as applicable, is below the stated floor, the escalation will be reduced to such amount to achieve the stated net revenue to rent ratio coverage, as applicable, provided that the amount shall never result in a decrease to the prior year's rent. With respect to the Century Master Lease, if the coverage ratio is below the stated amount the escalator will be reduced to 0.75%.

(4) Variable (percentage rent) is subject to the percentage rent multiplier. With respect to the PENN Entertainment Leases, after the first percentage rent reset, any amounts related to variable (percentage) rent are considered contingent rent in accordance with GAAP. In relation to the Margaritaville Lease, during the three months ended September 30, 2022 and 2021, we recognized $0.9 million and $0.8 million, respectively, in contingent rent. During the nine months ended September 30, 2022 and 2021, we recognized $2.7 million and $2.2 million, respectively, in contingent rent. In relation to the Greektown Lease during the three months ended September 30, 2022 and 2021, we recognized approximately $0.5 million in contingent rent. During the nine months ended September 30, 2022 and 2021, we recognized $1.6 million and $0.7 million, respectively, in contingent rent.

(5) With respect to lease year 0, for the period Caesars Southern Indiana was closed in 2020 due to COVID-19, the Southern Indiana Lease provides for the use of 2019 net revenues, pro rated for the period of such closure.

Capital Expenditure Requirements

We manage our residual asset risk through protective covenants in our Lease Agreements, which require the tenant to, among other things, hold specific insurance coverage, engage in ongoing maintenance of the property and invest in capital improvements. With respect to the capital improvements, the Lease Agreements specify certain minimum amounts that our tenants must spend on capital expenditures that constitute installation, restoration and repair or other improvements of items with respect to the leased properties. Except as specifically provided in the below table, which summarizes the capital expenditure requirements of the respective tenants under the Caesars Leases, the Venetian Lease and the BREIT JV Lease, the tenants under our other Lease Agreements are all required to spend a minimum of 1% of net revenues or net gaming revenues, as the case may be:

Provision	Caesars Regional Master Lease and Joliet Lease	Caesars Las Vegas Master Lease	Venetian Lease	BREIT JV Lease
Yearly minimum expenditure	1% of net revenues (1)	1% of net revenues (1)	2% of net revenues based on rolling three-year basis	3.5% of net revenues based on 5-year rolling test, 1.5% monthly reserves
Rolling three-year minimum (2)	$311 million	$84 million	N/A	N/A

(1) The Caesars Leases require a $114.5 million floor on annual capital expenditures for Caesars Palace Las Vegas, Joliet and the Regional Master Lease properties in the aggregate. Additionally, annual building & improvement capital improvements must be equal to or greater than 1% of prior year net revenues.
(2) Certain tenants under the Caesars Leases, as applicable, are required to spend $380.3 million on capital expenditures (excluding gaming equipment) over a rolling three-year period, with $286.0 million allocated to the regional assets, $84.0 million allocated to Caesars Palace Las Vegas and the remaining balance of $10.3 million to facilities (other than the Harrah's Las Vegas Facility) covered by any Caesars Lease in such proportion as such tenants may elect. Additionally, the tenants under the Regional Master Lease and Joliet Lease are required to expend a minimum of $537.5 million on capital expenditures (including gaming equipment) across certain of its affiliates and other assets, together with the $380.3 million requirement.

Loan Portfolio

The following is a summary of our investments in loans as of September 30, 2022 and December 31, 2021:

	September 30, 2022				
Loan Type	**Principal Balance**	**Carrying Value(1)**	**Future Funding Commitments(2)**	**Weighted Average Interest Rate**	**Weighted Average Term (3)**
Senior Secured	$ 474,168	$ 470,674	$ 213,832	7.8 %	3.3 years
Mezzanine	111,611	109,131	153,898	7.9 %	4.1 years
Total	$ 585,779	$ 579,805	$ 367,730	7.9 %	3.5 years

	December 31, 2021				
Loan Type	**Principal Balance**	**Carrying Value(1)**	**Future Funding Commitments(2)**	**Weighted Average Interest Rate**	**Weighted Average Term (3)**
Senior Secured	$ 465,000	$ 465,034	$ 15,000	7.8 %	3.5 years
Mezzanine	33,614	32,968	45,886	8.0 %	4.0 years
Total	$ 498,614	$ 498,002	$ 60,886	7.8 %	3.5 years

(1) Carrying value includes unamortized loan origination costs and are net of allowance for credit losses.
(2) Our future funding commitments are subject to our borrowers' compliance with the financial covenants and other applicable provisions of each respective loan agreement.
(3) Assumes all extension options are exercised; however, our loans may be repaid, subject to certain conditions, prior to such date.

Note 5 — Allowance for Credit Losses

Under ASC 326, we are required to estimate and record non-cash credit losses related to our historical and any future investments in sales-type leases, lease financing receivables and loans.

During the three months ended September 30, 2022, we recognized a $232.8 million increase in our allowance for credit losses primarily driven by (i) changes in the macroeconomic model used to scenario condition our reasonable and supportable period, or R&S Period, probability of default, or PD, due to uncertain and potentially negative future market conditions, (ii) an increase in the R&S Period PD of our tenants and their parent guarantors as a result of market volatility during the current quarter, (iii) an increase in the R&S Period PD and loss given default, or LGD, as a result of standard annual updates that were made to the inputs and assumptions in the model that we utilize to estimate our CECL allowance, and (iv) the initial CECL allowance on the future funding commitments from the origination of the Great Wolf Gulf Coast Texas Loan and the Great Wolf South Florida Loan.

During the nine months ended September 30, 2022, we recognized an $865.5 million increase in our allowance for credit losses primarily driven by initial CECL allowances on our acquisition activity during such period in the amount of $523.2 million, representing 60.5% of the total allowance for the nine months ended September 30, 2022. The initial CECL allowances were in relation to (i) the closing of the MGP Transactions on April 29, 2022, which included the (a) classification of the MGM Master Lease as a lease financing receivable and (b) the sales-type sub-lease agreements we assumed in connection with the closing of the MGP Transactions, (ii) the closing of the Venetian Acquisition on February 23, 2022, which included (a) the classification of the Venetian Lease as a sales-type lease, (b) the estimated future funding commitments under the Venetian PGF and (c) the sales-type sub-lease agreements we assumed in connection with the closing of the Venetian Acquisition, and (iii) the future funding commitments from the origination of the BigShots Loan, the Cabot Citrus Farms Loan, the Great Wolf South Florida Loan and the Great Wolf Gulf Coast Texas Loan. Additional increases were attributable to the increase for the three months ended September 30, 2022 as described above. These increases were partially offset by a decrease in the Long-Term Period PD as a result of standard annual updates that were made to the Long-Term Period PD default study we utilize to estimate our CECL allowance.

During the three months ended September 30, 2021, we recognized a $9.0 million increase in our allowance for credit losses primarily driven by (i) the increase in the Long-Term Period PD for one of our tenants during the third quarter of 2021 and (ii) an increase in the existing amortized cost balances subject to the CECL allowance.

During the nine months ended September 30, 2021, we recognized a $24.5 million decrease in our allowance for credit losses primarily driven by (i) the decrease in the R&S Period PD of our tenants and their parent guarantors as a result of an improvement in their economic outlook due to the reopening of all of their gaming operations and relative performance of such operations during the first and second quarters of 2021, (ii) the decrease in the Long-Term Period PD due to an upgrade of the credit rating of the senior secured debt used to determine the Long-Term Period PD for two of our tenants during the second quarter of 2021 and (iii) the decrease in the R&S Period PD and LGD as a result of standard annual updates that were made to the inputs and assumptions in the model that we utilize to estimate our CECL allowance. This decrease was partially offset by the increase for the three months ended September 30, 2021 described above.

As of September 30, 2022 and December 31, 2021, and since our formation date on October 6, 2017, all of our Lease Agreements and loan investments are current in payment of their obligations to us and no investments are on non-accrual status.

The following tables detail the allowance for credit losses as of September 30, 2022 and December 31, 2021:

	September 30, 2022			
($ In thousands)	**Amortized Cost**	**Allowance [1]**	**Net Investment**	**Allowance as a % of Amortized Cost**
Investments in leases - sales-type	$ 17,698,971	$ (687,386)	$ 17,011,585	3.88 %
Investments in leases - financing receivables	17,102,430	(660,814)	16,441,616	3.86 %
Investments in loans	585,818	(6,013)	579,805	1.03 %
Other assets - sales-type sub-leases	784,112	(22,046)	762,066	2.81 %
Totals	$ 36,171,331	$ (1,376,259)	$ 34,795,072	3.80 %

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	December 31, 2021			
($ In thousands)	**Amortized Cost**	**Allowance (1)**	**Net Investment**	**Allowance as a % of Amortized Cost**
Investments in leases - sales-type	$ 13,571,516	$ (434,852)	$ 13,136,664	3.20 %
Investments in leases - financing receivables	2,735,948	(91,124)	2,644,824	3.33 %
Investments in loans	498,775	(773)	498,002	0.15 %
Other assets - sales-type sub-leases	280,510	(6,540)	273,970	2.33 %
Totals	$ 17,086,749	$ (533,289)	$ 16,553,460	3.12 %

(1) The total allowance excludes the CECL allowance for unfunded commitments of our senior secured and mezzanine loans. As of September 30, 2022 and December 31, 2021, such allowance is $23.5 million and $1.0 million, respectively, and is recorded in Other liabilities.

The following chart reflects the roll-forward of the allowance for credit losses on our real estate portfolio for the nine months ended September 30, 2022 and 2021:

	Nine Months Ended September 30,	
(In thousands)	**2022**	**2021**
Beginning Balance December 31,	$ 534,326	$ 553,879
Initial allowance from current period investments	523,235	1,725
Current period change in credit allowance	342,224	(26,177)
Charge-offs	—	—
Recoveries	—	—
Ending Balance September 30,	$ 1,399,785	$ 529,427

Credit Quality Indicators

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

The following tables detail the amortized cost basis of our investments by the credit quality indicator we assigned to each lease or loan guarantor as of September 30, 2022 and 2021:

	September 30, 2022						
(In thousands)	**Ba2**	**Ba3**	**B1**	**B2**	**B3**	**N/A(2)**	**Total**
Investments in leases - sales-type and financing receivable, Investments in loans and Other assets (1)	$ 4,230,599	$ 15,624,832	$ 14,975,981	$ 874,054	$ 280,075	$ 185,790	$ 36,171,331

	September 30, 2021						
(In thousands)	**Ba2**	**Ba3**	**B1**	**B2**	**B3**	**N/A(2)**	**Total**
Investments in leases - sales-type and financing receivable, Investments in loans and Other assets (1)	$ —	$ 952,620	$ 14,905,789	$ 866,312	$ 281,869	$ 84,292	$ 17,090,882

(1) Excludes the CECL allowance for unfunded commitments recorded in Other liabilities as such commitments are not currently reflected on our Balance Sheet, rather the CECL allowance is based on our current best estimate of future funding commitments.
(2) We estimate the CECL allowance for our senior secured and mezzanine loans, excluding the Forum Convention Center Mortgage Loan, using a traditional commercial real estate model based on standardized credit metrics to estimate potential losses.

Note 6 — Other Assets and Other Liabilities

Other Assets

The following table details the components of our other assets as of September 30, 2022 and December 31, 2021:

(In thousands)	September 30, 2022	December 31, 2021
Sales-type sub-leases, net [(1)]	$ 762,066	$ 273,970
Property and equipment used in operations, net	67,302	68,515
Right of use assets and sub-lease right of use assets	46,611	16,811
Debt financing costs	19,715	24,928
Deferred acquisition costs	12,197	24,690
Tenant receivables	9,187	5,032
Prepaid expenses	5,903	3,660
Interest receivable	4,843	2,780
Other receivables	3,066	341
Forward-starting interest rate swaps	—	884
Other	1,191	3,082
Total other assets	$ 932,081	$ 424,693

(1) As of September 30, 2022 and December 31, 2021, sales-type sub-leases are net of $22.0 million and $6.5 million of Allowance for credit losses, respectively. Refer to Note 5 - Allowance for Credit Losses for further details.

Property and equipment used in operations, included within other assets, is primarily attributable to the land, building and improvements of our golf operations and consists of the following as of September 30, 2022 and December 31, 2021:

(In thousands)	September 30, 2022	December 31, 2021
Land and land improvements	$ 60,080	$ 59,250
Buildings and improvements	15,065	14,880
Furniture and equipment	9,158	9,014
Total property and equipment used in operations	84,303	83,144
Less: accumulated depreciation	(17,001)	(14,629)
Total property and equipment used in operations, net	$ 67,302	$ 68,515

	Three Months Ended September 30,		Nine Months Ended September 30,	
(In thousands)	2022	2021	2022	2021
Depreciation expense	$ 816	$ 771	$ 2,371	$ 2,320

Other Liabilities

The following table details the components of our other liabilities as of September 30, 2022 and December 31, 2021:

(In thousands)	September 30, 2022	December 31, 2021
Finance sub-lease liabilities	$ 784,112	$ 280,510
Deferred financing liabilities	73,600	73,600
Lease liabilities and sub-lease liabilities	46,689	16,811
CECL allowance for unfunded commitments	23,525	1,037
Deferred income taxes	4,194	3,879
Total other liabilities	$ 932,120	$ 375,837

Note 7— Debt

The following tables detail our debt obligations as of September 30, 2022 and December 31, 2021:

($ In thousands)	September 30, 2022			
Description of Debt	Maturity	Interest Rate	Face Value	Carrying Value[1]
Revolving Credit Facility [2]	2026	SOFR + 1.050%	$ —	$ —
Delayed Draw Term Loan [2]	2025	SOFR + 1.200%	—	—
November 2019 Notes[3]				
2026 Maturity	2026	4.250%	1,250,000	1,238,112
2029 Maturity	2029	4.625%	1,000,000	988,531
February 2020 Notes[3]				
2025 Maturity	2025	3.500%	750,000	744,434
2027 Maturity	2027	3.750%	750,000	742,667
2030 Maturity	2030	4.125%	1,000,000	988,253
April 2022 Notes[3]				
2025 Maturity	2025	4.375%	500,000	495,927
2028 Maturity	2028	4.516% [4]	1,250,000	1,236,455
2030 Maturity	2030	4.541% [4]	1,000,000	987,186
2032 Maturity	2032	3.980% [4]	1,500,000	1,480,290
2052 Maturity	2052	5.625%	750,000	735,237
Exchange Notes[3]				
2024 Maturity	2024	5.625%	1,024,169	1,030,177
2025 Maturity	2025	4.625%	799,368	782,077
2026 Maturity	2026	4.500%	480,524	461,848
2027 Maturity	2027	5.750%	729,466	739,056
2028 Maturity	2028	4.500%	349,325	335,923
2029 Maturity	2029	3.875%	727,114	657,902
MGP OP Notes[3]				
2024 Maturity	2024	5.625%	25,831	25,915
2025 Maturity	2025	4.625%	632	613
2026 Maturity	2026	4.500%	19,476	18,480
2027 Maturity	2027	5.750%	20,534	20,519
2028 Maturity	2028	4.500%	675	637
2029 Maturity	2029	3.875%	22,886	20,264
Total Debt		4.496% [5]	$ 13,950,000	$ 13,730,503

($ In thousands)	December 31, 2021			
Description of Debt	**Maturity**	**Interest Rate**	**Face Value**	**Carrying Value**(1)
Secured Revolving Credit Facility (6)	2024	L + 2.00%	$ —	$ —
November 2019 Notes(3)				
2026 Maturity	2026	4.250%	1,250,000	1,235,972
2029 Maturity	2029	4.625%	1,000,000	987,331
February 2020 Notes(3)				
2025 Maturity	2025	3.500%	750,000	742,677
2027 Maturity	2027	3.750%	750,000	741,409
2030 Maturity	2030	4.125%	1,000,000	987,134
Total Debt		4.105%	$ 4,750,000	$ 4,694,523

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(1) Carrying value is net of unamortized original issue discount and unamortized debt issuance costs incurred in conjunction with debt.
(2) Interest on any outstanding balance is payable monthly. Borrowings under the Revolving Credit Facility and Delayed Draw Term Loan bear interest at a rate based on a credit rating-based pricing grid with a range of 0.775% to 1.325% margin plus SOFR and a range of 0.85% to 1.60% margin plus SOFR, respectively, depending on our credit ratings, with an additional 0.10% adjustment. Additionally, the commitment fees under the Revolving Credit Facility and Delayed Draw Term Loan are calculated on a credit rating-based pricing grid with a range of 0.15% to 0.375%, for both instruments depending on our credit ratings. For the three and nine months ended September 30, 2022, the commitment fees for both the Revolving Credit Facility and Delayed Draw Term Loan were 0.375%.
(3) Interest is payable semi-annually.
(4) Interest rates represent the contractual interest rates adjusted to account for the impact of the forward-starting interest rate swaps and treasury locks (as further described in Note 8 - Derivatives). The contractual interest rates on the April 2022 Notes maturing 2028, 2030 and 2032 are 4.750%, 4.950% and 5.125%, respectively.
(5) The interest rate represents the weighted average interest rates of the Senior Unsecured Notes adjusted to account for the impact of the forward-starting interest rate swaps and treasury locks (as further described in Note 8 - Derivatives), as applicable. The contractual weighted average interest rate as of September 30, 2022, which excludes the impact of the forward-starting interest rate swaps and treasury locks, is 4.67%
(6) On February 8, 2022, we terminated the Secured Revolving Credit Facility (including the first priority lien on substantially all of VICI PropCo's and its existing and subsequently acquired wholly owned material domestic restricted subsidiaries' material assets) and the Existing Credit Agreement, and entered into the Credit Agreement providing for the Credit Facilities, as described below.

The following table is a schedule of future minimum principal payments of our debt obligations as of September 30, 2022:

(In thousands)	**Future Minimum Principal Payments**
2022 (remaining)	$ —
2023	—
2024	1,050,000
2025	2,050,000
2026	1,750,000
2027	1,500,000
Thereafter	7,600,000
Total minimum principal payments	$ 13,950,000

Senior Unsecured Notes

Exchange Notes

On April 29, 2022, the VICI Issuers issued $1,024.2 million in aggregate principal amount of 5.625% Senior Notes due 2024, $799.4 million in aggregate principal amount of 4.625% Senior Notes due 2025, $480.5 million in aggregate principal amount of 4.500% Senior Notes due 2026, $729.5 million in aggregate principal amount of 5.750% Senior Notes due 2027, $349.3 million in aggregate principal amount of 4.500% Senior Notes due 2028 and $727.1 million in aggregate principal amount of 3.875% Senior Notes due 2029 in exchange for the validly tendered and not validly withdrawn MGP OP Notes, originally issued by the MGP Issuers, pursuant to the settlement of the Exchange Offers and Consent Solicitations in connection with the closing of the MGP Transactions. The Exchange Notes were issued with the same interest rate, maturity date and redemption terms as the corresponding series of MGP OP Notes, in each case under a supplemental indenture dated as of April 29, 2022, between the VICI Issuers and UMB Bank, National Association, as trustee (the "Trustee").

The Exchange Notes due 2025, 2026, 2027, 2028, and 2029 are redeemable at our option, in whole or in part, at any time on or after February 1, 2024, March 15, 2025, June 1, 2026, November 1, 2026, October 15, 2027 and November 15, 2028, respectively, at the redemption prices set forth in the respective indenture governing such Exchange Notes. We may redeem some or all of such notes prior to such respective dates at a price equal to 100% of the principal amount thereof plus a "make-whole" premium.

MGP OP Notes

Following the issuance of the Exchange Notes pursuant to the settlement of the Exchange Offers and Consent Solicitations, $25.8 million in aggregate principal amount of MGP OP Notes due 2024, $0.6 million in aggregate principal amount of MGP OP Notes due 2025, $19.5 million in aggregate principal amount of MGP OP Notes due 2026, $20.5 million in aggregate principal amount of MGP OP Notes due 2027, $0.7 million in aggregate principal amount of MGP OP Notes due 2028 and $22.9 million in aggregate principal amount of MGP OP Notes due 2029 remain outstanding.

Each series of the MGP OP Notes is redeemable at our option, in whole or in part, at any time on or after the same dates as set forth above with respect to the corresponding maturity series of the Exchange Notes. We may redeem some or all of such notes prior to such respective dates at a price equal to 100% of the principal amount thereof plus a "make-whole" premium.

April 2022 Notes

On April 29, 2022, VICI LP, our wholly owned subsidiary, issued (i) $500.0 million in aggregate principal amount of 4.375% Senior Notes due 2025, which mature on May 15, 2025, (ii) $1,250.0 million in aggregate principal amount of 4.750% Senior Notes due 2028, which mature on February 15, 2028, (iii) $1,000.0 million in aggregate principal amount of 4.950% Senior Notes due 2030, which mature on February 15, 2030, (iv) $1,500.0 million in aggregate principal amount of 5.125% Senior Notes due 2032, which mature on May 15, 2032, and (v) $750.0 million in aggregate principal amount of 5.625% Senior Notes due 2052, which mature on May 15, 2052, (collectively, the "April 2022 Notes") in each case under a supplemental indenture dated as of April 29, 2022, between VICI LP and the Trustee. We used the net proceeds of the offering to (i) fund the consideration for the redemption of a majority of the VICI OP Units received by MGM in the Partnership Merger for $4,404.0 million in cash in connection with the closing of the MGP Transactions on April 29, 2022, and (ii) pay down the outstanding $600.0 million balance on our Revolving Credit Facility.

Prior to their maturity date, in the case of the April 2022 Notes due 2025, and January 15, 2028 (one month prior to the maturity date of the April 2022 Notes due 2028), December 15, 2029 (two months prior to the maturity date of the April 2022 Notes due 2030), February 15, 2032 (three months prior to the maturity date of the April 2022 Notes due 2032) and November 15, 2051 (six months prior to the maturity date of the April 2022 Notes due 2052), respectively, in the case of the April 2022 Notes due 2028, 2030, 2032 and 2052, we may redeem the April 2022 Notes at our option, in whole or in part, at any time and from time to time, at a price equal to 100% of the principal amount thereof plus a "make-whole" premium. On or after January 15, 2028, December 15, 2029, February 15, 2032 and November 15, 2051, respectively, we may redeem the April 2022 Notes due 2028, 2030, 2032 and 2052 at a redemption price equal to 100% of the principal amount of such Notes to be redeemed, plus accrued and unpaid interest thereon to the redemption date.

February 2020 Notes

On February 5, 2020, the VICI Issuers issued (i) $750.0 million in aggregate principal amount of 3.500% Senior Notes due 2025, which mature on February 15, 2025, (ii) $750.0 million in aggregate principal amount of 3.750% Senior Notes due 2027, which mature on February 15, 2027, and (iii) $1,000.0 million in aggregate principal amount of 4.125% Senior Notes due 2030, which mature on August 15, 2030 (collectively, the "February 2020 Notes"), under separate indentures, each dated as of February 5, 2020, among the VICI Issuers, the subsidiary guarantors party thereto and the Trustee.

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

November 2019 Notes

On November 26, 2019, the VICI Issuers issued (i) $1,250.0 million in aggregate principal amount of 4.250% Senior Notes due 2026, which mature on December 1, 2026, and (ii) $1,000.0 million in aggregate principal amount of 4.625% Senior Notes due 2029, which mature on December 1, 2029 (collectively, the "November 2019 Notes"), under separate indentures, each dated as of November 26, 2019, among the VICI Issuers, the subsidiary guarantors party thereto and the Trustee.

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

Guarantee and Financial Covenants

None of the Senior Unsecured Notes are guaranteed by any subsidiaries of VICI LP. The Exchange Notes, the MGP OP Notes and the April 2022 Notes benefit from a pledge of the limited partnership interests of VICI LP directly owned by VICI OP (the "Limited Equity Pledge"). The Limited Equity Pledge has also been granted in favor of (i) the administrative agent and the lenders under the Credit Agreement and (ii) the trustee under the indentures governing, and the holders of, the November 2019 Notes and the February 2020 Notes.

Until February 8, 2022, the November 2019 Notes and February 2020 Notes were fully and unconditionally guaranteed, jointly and severally, on a senior unsecured basis by each guaranteed indebtedness under the Existing Credit Agreement. All subsidiary guarantees were released upon the termination of the Existing Credit Agreement concurrently with the execution of the Credit Agreement on February 8, 2022.

VICI LP and its subsidiaries represent our "Real Property Business" segment, with the "Golf Course Business" segment corresponding to the portion of our business operated through entities that are not direct or indirect subsidiaries of VICI LP or obligors of the November 2019 Notes, February 2020 Notes and Exchange Notes. Refer to Note 14 - Segment Information for more information about our segments.

Pursuant to the terms of the respective indentures, in the event that the November 2019 Notes, February 2020 Notes and Exchange Notes (i) are rated investment grade by at least two of S&P, Moody's and Fitch and (ii) no default or event of default has occurred and is continuing under the respective indentures, VICI LP and its restricted subsidiaries will no longer be subject to certain of the restrictive covenants under such indentures. On April 18, 2022, the November 2019 Notes, February 2020 Notes and Exchange Notes were rated investment grade by each of S&P and Fitch and VICI LP notified the Trustee of such Suspension Date (as defined in the indentures). Accordingly, VICI LP and its restricted subsidiaries are no longer subject to certain of the restrictive covenants under such indentures, but are subject to a maintenance covenant requiring VICI LP and its restricted subsidiaries to maintain a certain total unencumbered assets to unsecured debt ratio. In the event that the November 2019 Notes, February 2020 Notes and Exchange Notes are no longer rated investment grade by at least two of S&P, Moody's and Fitch, then VICI LP and its restricted subsidiaries will again be subject to all of the covenants of the respective indentures, as applicable, but will no longer be subject to the maintenance covenant.

The indenture governing the April 2022 Notes contains certain covenants that limit the ability of VICI LP and its subsidiaries to incur secured and unsecured indebtedness and VICI LP to consummate a merger, consolidation or sale of all or substantially all of its assets. In addition, VICI LP is required to maintain total unencumbered assets of at least 150% of total unsecured indebtedness. These covenants are subject to a number of important exceptions and qualifications.

Unsecured Credit Facilities

On February 8, 2022, VICI LP entered into the Credit Agreement providing for (i) the Revolving Credit Facility in the amount of $2.5 billion scheduled to mature on March 31, 2026 and (ii) the Delayed Draw Term Loan in the amount of $1.0 billion scheduled to mature on March 31, 2025. The Delayed Draw Term Loan is available to be drawn up to 12 months following the effective date of February 8, 2022. The Revolving Credit Facility includes two six-month maturity extension options and the Delayed Draw Term Loan includes two 12-month extension options, in each case, the exercise of which is subject to customary conditions and the payment of an extension fee of 0.0625% on the extended commitments, in the case of each six-month extension of the Revolving Credit Facility, and 0.125% on the extended term loans, in the case of each twelve-month extension of the Delayed Draw Term Loan. The Credit Facilities include the option to increase the revolving loan commitments by up to $1.0 billion and increase the delayed draw term loan commitments or add one or more new tranches of term loans by up to $1.0 billion in the aggregate, in each case, to the extent that any one or more lenders (from the syndicate or otherwise) agree to provide such additional credit extensions. On July 15, 2022, the Credit Agreement was amended pursuant to a First Amendment among VICI LP and the lenders party to the Credit Agreement, in order to permit borrowings under the Revolving Credit Facility in certain foreign currencies in an aggregate principal amount of up to the equivalent of $1.25 billion.

Borrowings under the Credit Facilities will bear interest, at VICI LP's option, (i) with respect to the Revolving Credit Facility, at a rate based on SOFR (including a credit spread adjustment) plus a margin ranging from 0.775% to 1.325% or a base rate plus a margin ranging from 0.00% to 0.325%, in each case, with the actual margin determined according to VICI LP's debt ratings, and (ii) with respect to the Delayed Draw Term Loan, at a rate based on SOFR (including a credit spread adjustment) plus a margin ranging from 0.85% to 1.60% or a base rate plus a margin ranging from 0.00% to 0.60%, in each case, with the actual margin determined according to VICI LP's debt ratings. The base rate is the highest of (i) the prime rate of interest last quoted by the Wall Street Journal in the U.S. then in effect, (ii) the NYFRB rate from time to time plus 0.5% and (iii) the SOFR rate for a one-month interest period plus 1.0%, subject in each case to a floor of 1.0%. In addition, the Revolving Credit Facility requires the payment of a facility fee ranging from 0.15% to 0.375% (depending on VICI LP's debt rating) of total revolving commitments.

Pursuant to the terms of the Credit Agreement, VICI LP is subject to, among other things, customary covenants and the maintenance of various financial covenants. The Credit Agreement is consistent with certain tax-related requirements related to security for the Company's debt.

On February 18, 2022, we drew on the Revolving Credit Facility in the amount of $600.0 million to fund a portion of the purchase price of the Venetian Acquisition. On April 29, 2022, we repaid the outstanding balance of the Revolving Credit Facility using the proceeds from the April 2022 Notes offering.

Senior Secured Credit Facilities

In December 2017, VICI PropCo entered into a credit agreement (as amended, amended and restated and otherwise modified, the "2017 Credit Agreement"), comprised of a $2.2 billion Term Loan B Facility and a $1.0 billion Secured Revolving Credit Facility (the Term Loan B Facility and the Secured Revolving Credit Facility, as amended, are referred to together as the "Senior Secured Credit Facilities"). On September 15, 2021, we used the proceeds from the settlement of the June 2020 Forward Sale Agreement (as defined in Note 11- Stockholders' Equity) and the proceeds from the issuance of 65,000,000 shares of common stock from the September 2021 equity offering to repay in full the Term Loan B Facility, including outstanding accrued interest. In connection with the full repayment, we recognized a loss on extinguishment of debt of $15.6 million during the three and nine months ended September 30, 2021, representing the write-off of the remaining unamortized deferred financing costs.

Following the repayment in full of the Term Loan B Facility, the Secured Revolving Credit Facility remained in effect pursuant to the 2017 Credit Agreement. On February 8, 2022, we terminated the Secured Revolving Credit Facility (including the first priority lien on substantially all of VICI PropCo's material assets and those of its existing and subsequently acquired wholly owned material domestic restricted subsidiaries) and the 2017 Credit Agreement, and entered into the Credit Agreement providing for the Credit Facilities, as described above.

Bridge Facilities

MGP Transactions Bridge Facility

On August 4, 2021, in connection with the completion of the MGP Transactions, VICI PropCo entered into a Commitment Letter with certain lenders pursuant to which they provided commitments in an amount up to $9.3 billion in the aggregate, consisting of a 364-day first lien secured bridge facility (the "MGP Transactions Bridge Facility"), for the purpose of providing a portion of the financing necessary in connection with the closing of the MGP Transactions, which was fully terminated on April 29, 2022 in connection with such closing.

The MGP Transactions Bridge Facility was subject to a tiered commitment fee based on the period the commitment is outstanding and a structuring fee. For the nine months ended September 30, 2022 and 2021, we recognized $15.3 million and $27.0 million, respectively, of fees related to the MGP Transactions Bridge Facility in Interest expense on our Statement of Operations. For the three months ended September 30, 2021, we recognized $27.0 million of fees related to the MGP Transaction Bridge Facility in Interest expense on our Statement of Operations. As the MGP Transactions Bridge Facility was terminated in April 2022, no such expense was recorded for the three months ended September 30, 2022.

Venetian Acquisition Bridge Facility

On March 2, 2021, in connection with the Venetian Acquisition, VICI PropCo entered into a Commitment Letter with certain lenders pursuant to which they provided commitments in an amount up to $4.0 billion in the aggregate, consisting of a 364-day first lien secured bridge facility (the "Venetian Acquisition Bridge Facility"), for the purpose of providing a portion of the financing necessary to fund the consideration in connection with the closing of the Venetian Acquisition, which was fully terminated on February 23, 2022 in connection with such closing.

The Venetian Acquisition Bridge Facility was subject to a tiered commitment fee based on the period the commitment is outstanding and a structuring fee. For the nine months ended September 30, 2022 and 2021, we recognized $1.0 million and $10.9 million, respectively, of fees related to the Venetian Acquisition Bridge Facility in Interest expense on our Statement of Operations. For the three months ended September 30, 2021, we recognized $3.0 million of fees related to the Venetian Acquisition Bridge Facility in Interest expense on our Statement of Operations. As the Venetian Acquisition Bridge Facility was terminated in February 2022, no such expense was recorded for the three months ended September 30, 2022.

Financial Covenants

As described above, our debt obligations are subject to certain customary financial and protective covenants that restrict VICI LP, VICI PropCo and its subsidiaries' ability to incur additional debt, sell certain asset and restrict certain payments, among other things. These covenants are subject to a number of exceptions and qualifications, including the ability to make restricted payments to maintain our REIT status. At September 30, 2022, we are in compliance with all financial covenants under our debt obligations.

Note 8 — Derivatives

The following table details our outstanding interest rate derivatives that were designated as cash flow hedges of interest rate risk as of December 31, 2021. As of September 30, 2022, there were no derivative instruments outstanding.

($ In thousands)	December 31, 2021				
Instrument	Number of Instruments	Fixed Rate	Notional	Index	Maturity
Forward-starting interest rate swap	1	1.3465%	$ 500,000	USD SOFR-COMPOUND	May 2, 2032

Forward-Starting Derivatives

From December 2021 through April 2022, we entered into five forward-starting interest rate swap agreements with an aggregate notional amount of $2.5 billion and two U.S. Treasury Rate Lock agreements with an aggregate notional amount of $500.0 million to hedge against changes in future cash flows resulting from changes in interest rates from the trade date through the forecasted issuance date of $3.0 billion of long-term debt. The forward-starting interest rate swaps and treasury locks were designated as cash-flow hedges. In April 2022 in connection with the April 2022 Notes offering, we settled the outstanding forward-starting interest rate swaps for total net proceeds of $202.3 million and the treasury locks for total net proceeds of $4.5 million. Since the forward-starting swaps and treasury locks were hedging the interest rate risk on the April 2022 Notes, the unrealized gain in Accumulated other comprehensive income will be amortized over the term of the respective derivative instruments, which matches that of the underlying note, as a reduction in interest expense.

The following table presents the effect of our forward-starting derivative financial instruments on our Statement of Operations:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(In thousands)	2022	2021	2022	2021
Unrealized gain recorded in other comprehensive income	$ —	$ —	$ 200,550	$ —
Reduction in interest expense related to the amortization of the forward-starting interest rate swaps and treasury locks	(6,037)	—	(10,196)	—

Interest Rate Swaps

In April 2018 and January 2019, we entered into six interest rate swap agreements with third party financial institutions having an aggregate notional amount of $2.0 billion. The interest rate swap transactions were designated as cash flow hedges that effectively fix the LIBOR component of the interest rate on a portion of the outstanding debt under the Term Loan B Facility at 2.8297%. On September 15, 2021, in connection with the full repayment of the Term Loan B Facility, we unwound and settled all of our outstanding interest rate swap agreements resulting in a cash payment of $66.9 million, inclusive of accrued interest of $2.7 million. As the Term Loan B Facility was repaid in full with proceeds from the issuance of 65,000,000 shares of common stock on September 14, 2021 and proceeds from the settlement of the June 2020 Forward Sale Agreement with no replacement debt, the full amount held in Other comprehensive income, $64.2 million, was immediately reclassified to Interest expense.

The following table presents the effect of our interest rate swaps derivative financial instruments on our Statement of Operations:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(In thousands)	2022	2021	2022	2021
Unrealized gain recorded in other comprehensive income	$ —	$ 6,576	$ —	$ 28,282
Interest from interest rate swaps recorded in interest expense	—	8,792	—	29,960
Interest rate swap settlement recorded in interest expense	—	64,239	—	64,329

Note 9 — Fair Value

The following table summarizes our assets and liabilities measured at fair value on a recurring basis as of September 30, 2022 and December 31, 2021:

(In thousands)	September 30, 2022			
		Fair Value		
	Carrying Amount	Level 1	Level 2	Level 3
Financial assets:				
Short-term investments [(1)]	$ 207,722	$ —	$ 207,722	$ —

(In thousands)	December 31, 2021			
		Fair Value		
	Carrying Amount	Level 1	Level 2	Level 3
Financial assets:				
Derivative instruments - forward-starting interest rate swap [(2)]	$ 884	$ —	$ 884	$ —

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

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

The estimated fair values of our financial instruments as of September 30, 2022 and December 31, 2021 for which fair value is only disclosed are as follows:

	September 30, 2022		December 31, 2021	
(In thousands)	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets:				
Investments in leases - financing receivables [(1)]	$ 16,441,616	$ 17,457,867	$ 2,644,824	$ 3,104,337
Investments in loans [(2)]	579,805	585,779	498,002	498,614
Cash and cash equivalents	518,383	518,383	739,614	739,614
Financial liabilities:				
Debt				
Revolving Credit Facility	—	—	—	—
Delayed Draw Term Loan	—	—	—	—
Senior Unsecured Notes [(3)]	13,730,503	12,567,443	4,694,523	4,955,000

(1) These investments represent the JACK Cleveland/Thistledown Lease, the Harrah's Call Properties and the MGM Master Lease. The fair value of these assets are based on significant "unobservable" market inputs and, as such, these fair value measurements are considered Level 3 of the fair value hierarchy.

(2) We believe the current principal balance of these investments approximates their fair value.

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

Note 10 — Commitments and Contingent Liabilities

Litigation

In the ordinary course of business, from time to time, we may be subject to legal claims and administrative proceedings. As of September 30, 2022, we are not subject to any litigation that we believe could have, individually or in the aggregate, a material adverse effect on our business, financial condition or results of operations, liquidity or cash flows.

Operating Lease Commitments

We are liable under various operating leases for: (i) land at the Cascata golf course, which expires in 2038 and has three 10-year extension options and (ii) certain corporate offices, the most material of which is our corporate headquarters in New York, NY, which expires in 2030 and has one five-year renewal option. The discount rates for the leases were determined based on the yield of our then current secured borrowings, adjusted to match borrowings of similar terms, and are between 5.3% and 5.5%. The weighted average remaining lease term as of September 30, 2022 under our operating leases was 13.8 years.

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
(In thousands)	**2022**	**2021**	**2022**	**2021**
Rent expense	$ 503	$ 503	$ 1,504	$ 1,507
Contractual rent	475	470	1,424	1,410

The future minimum lease commitments relating to the base lease rent portion of noncancelable operating leases at September 30, 2022 are as follows:

(In thousands)	**Lease Commitments**
2022 (remaining)	$ 523
2023	1,937
2024	1,847
2025	1,908
2026	1,958
2027	1,979
Thereafter	15,137
Total minimum lease commitments	$ 25,291
Discounting factor	8,964
Lease liability	$ 16,327

Sub-Lease Commitments

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

We have determined we are the primary obligor of certain of such ground and use leases and, accordingly, have presented these leases on a gross basis on our Balance Sheet and Statement of Operations. The following is a summary of the leases, the lease classification of which has been determined to be either an operating sub-lease or finance sub-lease.

Operating Sub-Lease Commitments

With respect to the following information, we assessed the lease classification of certain of the sub-leases to our tenants through the Lease Agreements, and our obligation as primary obligor of the leases and determined that they meet the definition of an operating lease. Accordingly, we have recorded sub-lease right-of-use assets in Other assets and sub-lease liabilities in Other liabilities.

VICI PROPERTIES INC. AND VICI PROPERTIES L.P.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(UNAUDITED)

(In thousands)	September 30, 2022	December 31, 2021
Others assets (operating sub-leases)	$ 30,362	$ —
Other liabilities (operating sub-lease liabilities)	30,362	—

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
(In thousands)	2022	2021	2022	2021
Rental income and expense	$ 1,712	$ —	$ 3,995	$ —
Contractual rent	1,602	—	3,720	—

The future minimum lease commitments relating to the sub-leases at September 30, 2022 are as follows:

(In thousands)	Lease Commitments
2022 (remaining)	$ 1,619
2023	6,585
2024	6,553
2025	5,129
2026	3,934
2027	4,010
Thereafter	5,128
Total minimum lease commitments	$ 32,957
Discounting factor	2,595
Sub-lease liabilities	$ 30,362

The discount rate for the operating sub-leases were determined based on the yield of our secured borrowings at the time of assumption of the leases, adjusted to match borrowings of similar terms, and are between 2.6% and 2.9%. The weighted average remaining lease term as of September 30, 2022 under our operating sub-lease was 7.2 years.

Finance Sub-Lease Commitments

With respect to the following information, we assessed the lease classification of certain of the sub-leases to our tenants through the Lease Agreements, and our obligation as primary obligor of the ground and use leases and determined that they meet the definition of a sales-type lease and finance lease. Accordingly, we have recorded a sales-type sub-lease in Other assets and finance sub-lease liability in Other liabilities.

The following table details the balance and location in our Balance Sheet of the ground and use sub-leases as of September 30, 2022 and December 31, 2021:

(In thousands)	September 30, 2022	December 31, 2021
Others assets (sales-type sub-leases, net)	$ 762,066	$ 273,970
Other liabilities (finance sub-lease liabilities)	784,112	280,510

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
(In thousands)	**2022**	**2021**	**2022**	**2021**
Rental income and expense	$ 14,466	$ 5,604	$ 33,392	$ 16,905
Contractual rent	18,925	8,838	37,910	20,513

The future minimum lease commitments relating to the ground and use sub-leases at September 30, 2022 are as follows:

(In thousands)	**Lease Commitments**
2022 (remaining)	$ 14,281
2023	58,769
2024	59,039
2025	59,174
2026	59,174
2027	59,174
Thereafter	2,555,535
Total minimum lease commitments	$ 2,865,145
Discounting factor	2,081,033
Finance sub-lease liability	$ 784,112

The discount rates for the finance ground and use sub-leases were determined based on the yield of our secured borrowings at the time of assumption of the leases, adjusted to match borrowings of similar terms, and are between 6% and 8%. The weighted average remaining lease term as of September 30, 2022 under our finance sub-leases was 55.0 years.

Note 11 — Stockholders' Equity

Stock

Authorized

As of September 30, 2022, we have the authority to issue 1,400,000,000 shares of stock, consisting of 1,350,000,000 shares of common stock, $0.01 par value per share, and 50,000,000 shares of preferred stock, $0.01 par value per share.

Primary Follow-on Offerings

September 2021 Offering

On September 14, 2021, we completed a primary follow-on offering of 115,000,000 shares of common stock consisting of (i) 65,000,000 shares of common stock (including 15,000,000 shares sold pursuant to the exercise in full of the underwriters' option to purchase additional common stock) and (ii) 50,000,000 shares of common stock that were subject to forward sale agreements (collectively, the "September 2021 Forward Sale Agreements"), which required settlement by September 9, 2022, in each case at a public offering price of $29.50 per share for an aggregate offering value of $3.4 billion, resulting in net proceeds, after deduction of the underwriting discount and expenses, of $1,859.0 million from the sale of the 65,000,000 shares (including 15,000,000 shares sold pursuant to the exercise in full of the underwriters' option to purchase additional common stock). We did not initially receive any proceeds from the sale of the 50,000,000 shares subject to the September 2021 Forward Sale Agreements, which were sold to the underwriters by the forward purchasers or their respective affiliates and remained subject to settlement in accordance with the terms of the September 2021 Forward Sale Agreements.

On February 18, 2022, we settled the September 2021 Forward Sale Agreements by delivering 50,000,000 shares of our common stock to the forward purchases, in exchange for total net proceeds of approximately $1,390.6 million, which were used to pay for a portion of the purchase price of the Venetian Acquisition. The physical settlement of the September 2021 Forward Sale Agreements were calculated based on the initial forward sale price per share of $28.62, as adjusted for a floating interest rate factor and other fixed amounts based on the passage of time, as specified in the September 2021 Forward Sale Agreements, resulting in a net forward sale price on the settlement date of $27.81 per share.

March 2021 Offering

On March 4, 2021, we completed a primary follow-on offering of 69,000,000 shares of common stock (inclusive of 9,000,000 shares sold pursuant to the exercise in full of the underwriters' option to purchase additional common stock) at a public offering price of $29.00 per share for an aggregate offering value of $2,001.0 million, all of which were subject to forward sale agreements (the "March 2021 Forward Sale Agreements"), which required settlement by March 4, 2022. We did not initially receive any proceeds from the sale of the shares of common stock in the offering, which were sold to the underwriters by the forward purchasers or their respective affiliates.

On February 18, 2022, we settled the March 2021 Forward Sale Agreements by delivering 69,000,000 shares of our common stock to the forward purchases, in exchange for total net proceeds of approximately $1,828.6 million, which were used to pay for a portion of the purchase price of the Venetian Acquisition. The physical settlement of the March 2021 Forward Sale Agreements were calculated based on the initial forward sale price per share of $28.06, as adjusted for a floating interest rate factor and other fixed amounts based on the passage of time, as specified in the March 2021 Forward Sale Agreements, resulting in a net forward sale price on the settlement date of $26.50 per share.

June 2020 Offering

On June 17, 2020, we completed a primary follow-on offering of 29,900,000 shares of common stock (inclusive of 3,900,000 shares sold pursuant to the exercise in full of the underwriters' option to purchase additional common stock) at a public offering price of $22.15 per share for an aggregate offering value of $662.3 million, all of which were subject to a forward sale agreement (the "June 2020 Forward Sale Agreement"), which initially required settlement by September 17, 2020. On September 16, 2020, we amended the June 2020 Forward Sale Agreement to extend the maturity date from September 17, 2020 to June 17, 2021. We did not initially receive any proceeds from the sale of the shares of common stock in the offering, which were sold to the underwriters by the forward purchaser or its affiliates.

On September 28, 2020, we partially settled the June 2020 Forward Sale Agreement by delivering 3,000,000 shares of our common stock to the forward purchaser, in exchange for total net proceeds of approximately $63.0 million, which was calculated based on the net forward sale price on the settlement date of $21.04 per share. On September 9, 2021, we physically settled the remaining shares under the June 2020 Forward Sale Agreement by delivering 26,900,000 shares of our common stock to the forward purchaser in exchange for total net proceeds of approximately $526.9 million, which was calculated based on the net forward sale price on the settlement date of $19.59 per share. The physical settlements of the June 2020 Forward Sale Agreement were calculated based on the initial forward sale price per share of $21.37, as adjusted for a floating interest rate factor and other fixed amounts based on the passage of time, as specified in the June 2020 Forward Sale Agreement.

At-the-Market Offering Program

In May 2021, we entered into an equity distribution agreement (the "ATM Agreement"), subsequently amended in November 2021, pursuant to which we may sell, from time to time, up to an aggregate sales price of $1,000.0 million of our common stock (the "ATM Program"). Sales of common stock, if any, made pursuant to the ATM Program may be sold in negotiated transactions or transactions that are deemed to be "at the market" offerings, as defined in Rule 415 of the Securities Act. The ATM Program also provides that the Company may sell shares of its common stock under the ATM Program through forward sale contracts. Actual sales under the ATM Program will depend on a variety of factors including market conditions, the trading price of our common stock, our capital needs, and our determination of the appropriate sources of funding to meet such needs.

During the three months ended September 30, 2022, we sold a total of 3,918,807 shares under the ATM Program at a weighted average price per share of $34.73 for an aggregate value of $136.08 million, all of which were sold subject to a forward sale agreement (the "August 2022 ATM Forward Sale Agreement"). After fees and other adjustments calculated in accordance with the forward sale agreement, the aggregate net value of $134.8 million yielded a net initial forward sales price per share of $34.40.

During the three months ended June 30, 2022, we sold a total of 11,380,980 shares under the ATM Program at a weighted average price per share of $32.28 for an aggregate value of $367.4 million, all of which were sold subject to a forward sale agreement (the "June 2022 ATM Forward Sale Agreement" and together with the August 2022 ATM Forward Sale Agreement the "ATM Forward Sale Agreements"). After fees and other adjustments calculated in accordance with the forward sale agreement, the aggregate net value of $360.0 million yielded a net initial forward sales price per share of $31.64.

During the three months ended March 31, 2022 and the three and nine months ended September 30, 2021, we did not sell any shares under the ATM Program. We have no obligation to sell the remaining shares available for sale under the ATM Program.

We did not receive any proceeds from the sale of shares at the time we entered into the ATM Forward Sale Agreements. We determined that the ATM Forward Sale Agreements meet the criteria for equity classification and, therefore, are exempt from derivative accounting. We recorded the ATM Forward Sale Agreements at fair value at inception, which we determined to be zero. Subsequent changes to fair value are not required under equity classification. We expect to settle the shares under the ATM Forward Sale Agreements prior to the expiration of their respective terms entirely by the physical delivery of shares of our common stock in exchange for cash proceeds, although we may elect cash settlement or net share settlement for all or a portion of our obligations under the ATM Forward Sale Agreements.

As of September 30, 2022, the net forward sales price per share under the August 2022 ATM Forward Sale Agreement and June 2022 ATM Forward Sale Agreement were $34.08 and $31.36, respectively, and would result in us receiving approximately $133.5 million and $356.9 million, respectively, in net cash proceeds if we were to physically settle the shares under the ATM Forward Sale Agreements. Alternatively, if we were to cash settle the shares under the August 2022 ATM Forward Sale Agreement and the June 2022 ATM Forward Sale Agreement, it would result in a cash inflow of $3.4 million and $17.2 million, respectively, or, if we were to net share settle the shares under the August 2022 ATM Forward Sale Agreement and the June 2022 ATM Forward Sale Agreement, it would result in us receiving approximately 0.1 million and 0.6 million shares, respectively.

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

	Nine Months Ended September 30,	
Common Stock Outstanding	**2022**	**2021**
Beginning Balance January 1,	628,942,092	536,669,722
Issuance of common stock in primary follow-on offerings	—	65,000,000
Issuance of common stock upon physical settlement of forward sale agreements (1)	119,000,000	26,900,000
Issuance of common stock in connection with the REIT Mergers	214,552,532	—
Issuance of restricted and unrestricted common stock under the stock incentive program, net of forfeitures	598,800	375,165
Ending Balance September 30,	963,093,424	628,944,887

(1) Excludes the 15,299,787 shares subject to the ATM Forward Sale Agreements as such shares are not yet settled.

Dividends

Dividends declared (on a per share basis) during the nine months ended September 30, 2022 and 2021 were as follows:

Nine Months Ended September 30, 2022

Declaration Date	Record Date	Payment Date	Period	Dividend
March 10, 2022	March 24, 2022	April 7, 2022	January 1, 2022 - March 31, 2022	$ 0.3600
June 9, 2022	June 23, 2022	July 7, 2022	April 1, 2022 - June 30, 2022	$ 0.3600
September 8, 2022	September 22, 2022	October 6, 2022	July 1, 2022 - September 30, 2022	$ 0.3900

Nine Months Ended September 30, 2021

Declaration Date	Record Date	Payment Date	Period	Dividend
March 11, 2021	March 25, 2021	April 8, 2021	January 1, 2021 - March 31, 2021	$ 0.3300
June 10, 2021	June 24, 2021	July 8, 2021	April 1, 2021 - June 30, 2021	$ 0.3300
August 4, 2021	September 24, 2021	October 7, 2021	July 1, 2021 - September 30, 2021	$ 0.3600

Note 12 — Earnings Per Share and Earnings Per Unit

Earnings Per Share

Basic earnings per share is computed by dividing net income attributable to common stockholders by the weighted-average number of shares of common stock outstanding during the period, excluding net income attributable to participating securities (unvested restricted stock awards). Diluted earnings per share reflects the additional dilution for all potentially dilutive securities such as stock options, unvested restricted shares, unvested performance-based restricted shares and the shares to be issued by us upon settlement of any outstanding forward sale agreements for the period such dilutive security is outstanding. The shares issuable upon settlement of any outstanding forward sale agreements, as described in Note 11 - Stockholders' Equity, are reflected in the diluted earnings per share calculations using the treasury stock method for the period outstanding prior to settlement. Under this method, the number of shares of our common stock used in calculating diluted earnings per share is deemed to be increased by the excess, if any, of the number of shares of common stock that would be issued upon full physical settlement of the shares under any outstanding forward sale agreements for the period prior to settlement over the number of shares of common stock that could be purchased by us in the market (based on the average market price during the period prior to settlement) using the proceeds receivable upon full physical settlement (based on the adjusted forward sales price immediately prior to settlement).

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
(In thousands)	2022	2021	2022	2021
Determination of shares:				
Weighted-average shares of common stock outstanding	962,574	555,154	848,839	542,844
Assumed conversion of restricted stock	989	891	795	920
Assumed settlement of forward sale agreements	572	15,850	1,188	13,350
Diluted weighted-average shares of common stock outstanding	964,134	571,895	850,823	557,114

	Three Months Ended September 30,		Nine Months Ended September 30,	
(In thousands, except per share data)	2022	2021	2022	2021
Basic:				
Net income attributable to common stockholders	$ 330,905	$ 161,862	$ 513,582	$ 732,372
Weighted-average shares of common stock outstanding	962,574	555,154	848,839	542,844
Basic EPS	$ 0.34	$ 0.29	$ 0.61	$ 1.35
Diluted:				
Net income attributable to common stockholders	$ 330,905	$ 161,862	$ 513,582	$ 732,372
Diluted weighted-average shares of common stock outstanding	964,134	571,895	850,823	557,114
Diluted EPS	$ 0.34	$ 0.28	$ 0.60	$ 1.31

Earnings Per Unit

The following section presents the basic earnings per unit ("EPU") and diluted EPU of VICI OP, our operating partnership and the direct parent and 100% interest holder in VICI LP. VICI LP's interests are not expressed in units. However, given that VICI OP has a unit ownership structure and the financial information of VICI OP is substantially identical with that of VICI LP, we have elected to present the EPU of VICI OP. Basic EPU is computed by dividing net income attributable to partners' capital by the weighted-average number of units outstanding during the period. In accordance with the VICI OP limited liability company agreement, for each share of common stock issued at VICI, a corresponding unit is issued by VICI OP. Accordingly, diluted EPU reflects the additional dilution for all potentially dilutive units resulting from potentially dilutive VICI stock issuances, such as options, unvested restricted stock awards, unvested performance-based restricted stock unit awards and the units to be issued by us upon settlement of any outstanding forward sale agreements of VICI for the period such dilutive security is outstanding. The units issuable upon settlement of any outstanding forward sale agreements of VICI are reflected in the diluted EPU calculations using the treasury stock method for the period outstanding prior to settlement. Under this method, the number of units used in calculating diluted EPU is deemed to be increased by the excess, if any, of the number of units that would be issued upon full physical settlement of the units under any outstanding forward sale agreements for the period prior to settlement over the number of shares of VICI common stock that could be purchased by us in the market (based on the average market price during the period prior to settlement) using the proceeds receivable upon full physical settlement (based on the adjusted forward sales price immediately prior to settlement). Upon VICI's physical settlement of the shares of VICI common stock under the outstanding forward sale agreement, the delivery of shares of VICI common stock resulted in an increase in the number of VICI OP units outstanding and resulting dilution to EPU.

The following tables reconcile the weighted-average units outstanding used in the calculation of basic EPU to the weighted-average units outstanding used in the calculation of diluted EPU:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(In thousands)	2022	2021	2022	2021
Determination of units:				
Weighted-average units outstanding	974,805	555,154	855,784	542,844
Assumed conversion of VICI restricted stock	989	891	795	920
Assumed settlement of VICI forward sale agreements	572	15,850	1,188	13,350
Diluted weighted-average units outstanding	976,366	571,895	857,768	557,114

	Three Months Ended September 30,		Nine Months Ended September 30,	
(In thousands, except per share data)	2022	2021	2022	2021
Basic:				
Net income attributable to partners	$ 334,271	$ 161,383	$ 509,584	$ 728,865
Weighted-average units outstanding	974,805	555,154	855,784	542,844
Basic EPU	$ 0.34	$ 0.29	$ 0.60	$ 1.34
Diluted:				
Net income attributable to partners	$ 334,271	$ 161,383	$ 509,584	$ 728,865
Weighted-average units outstanding	976,366	571,895	857,768	557,114
Diluted EPU	$ 0.34	$ 0.28	$ 0.59	$ 1.31

Note 13 — Stock-Based Compensation

The 2017 Stock Incentive Plan (the "Plan") is designed to provide long-term equity-based compensation to our directors and employees. It is administered by the Compensation Committee of the Board of Directors. Awards under the Plan may be granted with respect to an aggregate of 12,750,000 shares of common stock and may be issued in the form of: (a) incentive stock options, (b) non-qualified stock options, (c) stock appreciation rights, (d) dividend equivalent rights, (e) restricted stock, (f) restricted stock units or (g) unrestricted stock. In addition, the Plan limits the total number of shares of common stock with respect to which awards may be granted to any employee or director during any one calendar year. At September 30, 2022, 10.9 million shares of common stock remained available for issuance by us as equity awards under the Plan.

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
(In thousands)	2022	2021	2022	2021
Stock-based compensation expense	$ 3,493	$ 2,395	$ 9,359	$ 7,067

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

	Nine Months Ended September 30, 2022		Nine Months Ended September 30, 2021	
(In thousands, except per share data)	Shares	Weighted Average Grant Date Fair Value	Shares	Weighted Average Grant Date Fair Value
Outstanding at beginning of period	888	$ 21.15	855	$ 21.48
Granted	874	27.81	493	18.83
Vested	(385)	23.95	(371)	19.41
Forfeited	(94)	23.05	(60)	19.90
Canceled	—	—	—	—
Outstanding at end of period	1,283	$ 24.70	917	$ 21.00

As of September 30, 2022, there was $21.2 million of unrecognized compensation cost related to non-vested stock-based compensation arrangements under the Plan. This cost is expected to be recognized over a weighted average period of 2.0 years.

Note 14 — Segment Information

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

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

	Three Months Ended September 30, 2022			Three Months Ended September 30, 2021		
(In thousands)	Real Property Business	Golf Course Business	VICI Consolidated	Real Property Business	Golf Course Business	VICI Consolidated
Revenues	$ 744,855	$ 6,688	$ 751,543	$ 369,200	$ 6,504	$ 375,704
Interest expense	(169,354)	—	(169,354)	(165,099)	—	(165,099)
Loss on extinguishment of debt	—	—	—	(15,622)	—	(15,622)
Income from unconsolidated affiliate	22,719	—	22,719	—	—	—
Income before income taxes	336,489	806	337,295	163,953	619	164,572
Income tax expense	(245)	(172)	(417)	(245)	(143)	(388)
Net income	336,244	634	336,878	163,708	476	164,184
Depreciation	31	785	816	29	742	771
Total assets	37,205,177	102,805	37,307,982	17,453,567	95,237	17,548,804
Total liabilities	15,227,819	17,866	15,245,685	5,402,358	17,660	5,420,018

	Nine Months Ended September 30, 2022			Nine Months Ended September 30, 2021		
(In thousands)	Real Property Business	Golf Course Business	VICI Consolidated	Real Property Business	Golf Course Business	VICI Consolidated
Revenues	$ 1,805,306	$ 25,485	$ 1,830,791	$ 1,104,812	$ 21,602	$ 1,126,414
Interest expense	(370,624)	—	(370,624)	(321,953)	—	(321,953)
Loss on extinguishment of debt	—	—	—	(15,622)	—	(15,622)
Income from unconsolidated affiliate	37,853	—	37,853	—	—	—
Income before income taxes	516,278	6,991	523,269	736,991	4,497	741,488
Income tax expense	(328)	(1,516)	(1,844)	(1,128)	(1,000)	(2,128)
Net income	515,950	5,475	521,425	735,863	3,497	739,360
Depreciation	90	2,281	2,371	92	2,228	2,320
Total assets	37,205,177	102,805	37,307,982	17,453,567	95,237	17,548,804
Total liabilities	15,227,819	17,866	15,245,685	5,402,358	17,660	5,420,018

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. and VICI Properties L.P. for the three and nine months ended September 30, 2022 should be read in conjunction with the Financial Statements and related notes thereto and other financial information contained elsewhere in this Quarterly Report on Form 10-Q and the audited consolidated financial statements and related notes for the year ended December 31, 2021, which, in the case of VICI Properties Inc., were included in our Annual Report on Form 10-K for the year ended December 31, 2021 and in the case of VICI Properties L.P. were included as an exhibit to Form 8-K filed on April 18, 2022. All defined terms included herein have the same meaning as those set forth in the Notes to the Consolidated Financial Statements contained within this Quarterly Report on Form 10-Q.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements in this Quarterly Report on Form 10-Q, including statements such as "anticipate," "believe," "estimate," "expect," "intend," "plan," "project," "target," "can," "could," "may," "should," "will," "would" or similar expressions, which constitute "forward-looking statements" within the meaning of federal securities law. Forward-looking statements are based on our current plans, expectations and projections about future events. We therefore 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 set forth in the forward-looking statements and may be affected by a variety of risks and other factors, including, among others: the impact of changes in general economic conditions and market developments, including rising inflation, rising interest rates, supply chain disruptions, consumer confidence levels, unemployment levels and depressed real estate prices resulting from the severity and duration of any downturn in the U.S. or global economy; the impact of the rise in interest rates on us, including our ability to successfully pursue investments in, and acquisitions of, additional properties and to obtain debt financing for such investments at attractive interest rates, or at all; the impact of the COVID-19 pandemic on our and our tenants' financial condition, results of operations, cash flows and performance (including the impact of actions taken to contain the pandemic or mitigate its impact, the direct and indirect economic effects of the pandemic and containment measures on our tenants, and the ability of our tenants to successfully operate their businesses); risks associated with our recently closed transactions, including our ability or failure to realize the anticipated benefits thereof; our dependence on our tenants as tenants of our properties and their guarantors as guarantors of the lease payments and the negative consequences any material adverse effect on their respective businesses could have on us; the possibility that our pending transactions may not be consummated on the terms or timeframes contemplated, or at all; the ability of the parties to our pending transactions to satisfy the conditions set forth in the definitive transaction documents, including the ability to receive, or delays in obtaining, the governmental and regulatory approvals and consents required to consummate the pending transactions, or other delays or impediments to completing the transactions; our ability to obtain the financing necessary to complete our pending acquisitions on the terms we currently expect in a timely manner, or at all; the effects of our pending and recently completed transactions on us, including the future impact on our financial condition, financial and operating results, cash flows, strategy and plans; the anticipated benefits of the Partner Property Growth Fund; our borrowers' ability to repay their outstanding loan obligations to us; our dependence on the gaming industry; our ability to pursue our business and growth strategies may be limited by our substantial debt service requirements and by the requirement that we distribute 90% of our REIT taxable income in order to qualify for taxation as a REIT and that we distribute 100% of our REIT taxable income in order to avoid current entity-level U.S. federal income taxes; the impact of extensive regulation from gaming and other regulatory authorities; the ability of our tenants to obtain and maintain regulatory approvals in connection with the operation of our properties, or the imposition of conditions to such regulatory approvals; the possibility that our tenants may choose not to renew the Lease Agreements following the initial or subsequent terms of the leases; restrictions on our ability to sell our properties subject to the Lease Agreements; our tenants and any guarantors' historical results may not be a reliable indicator of their future results; our substantial amount of indebtedness, including indebtedness assumed and incurred by us in connection with the completion of the MGP Transactions, and ability to service, refinance and otherwise fulfill our obligations under such indebtedness; our historical financial information may not be reliable indicators of our future results of operations, financial condition and cash flows; our inability to successfully pursue investments in, and acquisitions of, additional properties; the possibility that we identify significant environmental, tax, legal or other issues that materially and adversely impact the value of assets acquired or secured as collateral (or other benefits we expect to receive) in any of our recently completed transactions; the impact of changes to the U.S. federal income tax laws; the possibility of adverse tax consequences as a result of our recently completed transactions, including tax protection agreements to which we are a party; increased volatility in our stock price, including as a result of our pending and recently completed transactions; our inability to maintain our qualification for taxation as a REIT; the impact of climate change, natural disasters, war, political and public health conditions or uncertainty or civil unrest, violence or terrorist activities or threats on our properties and changes in economic conditions or heightened travel security and health measures instituted in response to these events; the loss of the services of key personnel; the inability to attract, retain and motivate employees; the costs and liabilities associated with environmental compliance; failure to establish and maintain an effective system of integrated internal controls; VICI's reliance on distributions received from VICI OP and its subsidiaries to make distributions to our stockholders; the potential impact on the amount of our cash distributions if we were to sell any of our properties in the future; our ability to continue to make distributions to holders of our common stock or maintain anticipated levels of distributions over time; competition for transaction opportunities, including from other REITs, investment companies, private equity firms and hedge funds, sovereign funds, lenders, gaming companies and other investors that may have greater resources and access to capital and a lower cost of capital or different investment parameters than us; and additional factors discussed herein and listed from time to time as "Risk Factors" in our filings with the SEC, including without limitation, in our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K.

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

OVERVIEW

We are an owner and acquirer of experiential real estate assets across leading gaming, hospitality, entertainment and leisure destinations. Our national, geographically diverse portfolio currently consists of 43 market leading properties, including Caesars Palace Las Vegas, MGM Grand and the Venetian Resort, three of the most iconic entertainment facilities on the Las Vegas Strip. Our entertainment facilities are leased to leading brands that seek to drive consumer loyalty and value with guests through superior services, experiences, products and continuous innovation. Across over 122 million square feet, our well-maintained properties are currently located across urban, destination and drive-to markets in fifteen states, contain approximately 58,700 hotel rooms and feature over 450 restaurants, bars, nightclubs, and sportsbooks.

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

We lease our properties to subsidiaries of, or entities managed by, Apollo, Caesars, Century Casinos, EBCI, JACK Entertainment, MGM, PENN Entertainment and Seminole Hard Rock, with Caesars and MGM being our largest tenants. We believe we have a mutually beneficial relationship with each of our tenants, all of which are leading owners and operators of gaming, entertainment and leisure properties. Our long-term triple-net Lease Agreements with our tenants provide us with a highly predictable revenue stream with embedded growth potential. We believe our geographic diversification limits the effect of changes in any one market on our overall performance. We are focused on driving long-term total returns through managing experiential asset growth and allocating capital diligently, maintaining a highly productive tenant base, and optimizing our capital structure to support external growth. As a growth focused public real estate investment trust with long-term investments, we expect our relationship with our partners will position us for the acquisition of additional properties across leisure and hospitality over the long-term.

Our portfolio is competitively positioned and well-maintained. Pursuant to the terms of the Lease Agreements, which require our tenants to invest in our properties, and in line with our tenants' commitment to build guest loyalty, we anticipate our tenants will continue to make strategic value-enhancing investments in our properties over time, helping to maintain their competitive position. Our long-term triple-net leases provide our tenants with complete control over management at our leased properties, including sole responsibility for all operations and related expenses, including property taxes, insurance and maintenance, repair, improvement and other capital expenditures, as well as over the implementation of environmental sustainability and other initiatives. Given our scale and deep industry knowledge, we believe we are well-positioned to execute highly complementary single-asset and portfolio acquisitions, as well as other investments, to augment growth as market conditions allow, with a focus on disciplined capital allocation.

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

The financial information included in this Quarterly Report on Form 10-Q is our consolidated results (including the real property business and the golf course business) for the three and nine months ended September 30, 2022.

Impact of Material Trends on Our Business

Impact of the Macroeconomic Environment

Recent macroeconomic volatility has introduced significant uncertainty and heightened risk for businesses, including us and our tenants, as a result of the current inflationary environment, including the impact of rising interest rates and increased cost of capital. Our tenants also face additional challenges, including potential changes in consumer behavior and spending and increased operational expenses, such as with respect to labor or energy costs. As a triple-net lessor, increased operational expenses at our leased properties are borne by our tenants and do not impact their rent obligations (other than with respect to underlying inflation as applied to the CPI-based escalators described below) or other obligations under our Lease Agreements.

However, the current environment, including rising interest rates and market volatility, impacts our business in certain respects, such as by increasing interest expense with respect to any borrowings under our Credit Facility, increasing volatility of our share price with respect to sales of common stock, and, with respect to potential transactions, evaluating asset and property values in discussions with potential counterparties and obtaining transaction financing on attractive terms, all of which could increase our cost of capital and impact our growth prospects.

With respect to our Lease Agreements, which generally provide for annual rent escalation based on a specified percentage increase, increases in the consumer price index ("CPI"), or a combination thereof, we expect that increasing inflation will result in additional rent increases over time under our CPI-based lease provisions (subject to any applicable caps or periods in which such provisions do not apply). However, these rent increases may not match inflation during periods when inflation rates are greater than the applicable CPI-based caps.

Impact of the COVID-19 Pandemic

Since the emergence of the COVID-19 pandemic in early 2020, among broader public health, societal and global impacts, the pandemic has negatively impacted the economy, including the real estate industry and certain experiential sectors, and contributed to volatility and uncertainty in financial markets. Although our tenants' operations at our leased properties are generally no longer subject to significant operating restrictions, with performance in many cases at or above pre-pandemic levels, they may continue to face challenges in operating their businesses due to the ongoing impact of the COVID-19 pandemic, such as complying with any future operating restrictions, ensuring sufficient staffing and service levels, sustaining customer engagement and maintaining improved operating margins and financial performance.

Overall Implications of Such Material Trends on Our Business

As a triple-net lessor, we believe we are generally in a strong creditor position and structurally insulated from operational and performance impacts of our tenants, both positive and negative. However, the full extent to which these trends ultimately impact us depends on future developments that cannot be predicted with confidence, including our tenants' financial performance, the direct and indirect effects of these macroeconomic trends and the impact of any future measures taken in response to these trends on our tenants.

For more information, refer to the section entitled “Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2021 and as updated from time to time in our other filings with the SEC.

SIGNIFICANT ACTIVITIES DURING 2022

Property Acquisition and Investment Activity

- ***Rocky Gap Casino.*** On August 24, 2022, we and Century Casinos entered into definitive agreements to acquire Rocky Gap Casino, located in Flintstone, Maryland, from Golden Entertainment, Inc. for an aggregate purchase price of $260.0 million. Pursuant to the transaction agreements, we will acquire an interest in the land and buildings associated with Rocky Gap Casino for approximately $203.9 million and Century Casinos will acquire the operating assets of the property for approximately $56.1 million. Simultaneous with the closing of the transaction, the Century Master Lease will be amended to include Rocky Gap Casino and annual rent will increase by $15.5 million. Additionally, the terms of the Century Master Lease will be extended such that, upon closing of the transaction, the lease will have a full 15-year initial base lease term remaining, with four 5-year tenant renewal options. The tenant’s obligations under the Century Master Lease will continue to be guaranteed by Century Casinos. The transaction is subject to customary regulatory approvals and closing conditions and is expected to close in mid-2023.

- ***MGP Transactions.*** On April 29, 2022, we closed on the previously announced MGP Transactions governed by the MGP Master Transaction Agreement, pursuant to which we acquired MGP for total consideration of $11.6 billion, plus the assumption of approximately $5.7 billion principal amount of debt, inclusive of our 50.1% share of the BREIT JV CMBS debt. Upon closing, the MGP Transactions added $1,012.2 million of annualized rent to our portfolio from 15 Class A entertainment casino resort properties spread across nine regions and comprising 36,000 hotel rooms, 3.6 million square feet of meeting and convention space and hundreds of food, beverage and entertainment venues. Under the terms of the MGP Master Transaction Agreement, holders of MGP Common Shares received 1.366 shares of our newly issued common stock in exchange for each Class A common share of MGP. The fixed Exchange Ratio represented an agreed upon price of $43.00 per share of MGP Class A common shares based on VICI’s trailing 5-day volume weighted average price of $31.47 as of July 30, 2021. MGM received $43.00 per unit in cash for the redemption of the majority of its MGP OP units that it held for total cash consideration of approximately $4.404 billion and also retained approximately 12.2 million units in VICI OP. The MGP Class B share that was held by MGM was cancelled and ceased to exist.

  Simultaneous with the closing of the Mergers on April 29, 2022, we entered into the MGM Master Lease. The MGM Master Lease has an initial term of 25 years, with three 10-year tenant renewal options and has an initial total annual rent of $860.0 million. Rent under the MGM Master Lease escalates at a rate of 2.0% per annum for the first 10 years and thereafter at the greater of 2.0% per annum or the increase in CPI, subject to a 3.0% cap. The total annual rent under the MGM Master Lease will be reduced by (i) $90.0 million upon the close of MGM’s pending sale of the operations of the Mirage to Hard Rock and entrance into the Mirage Lease, and (ii) $40.0 million upon the close of MGM’s pending sale of the operations of Gold Strike, each as described below. Additionally, we retained a 50.1% ownership stake in the BREIT JV, which owns the real estate assets of MGM Grand Las Vegas and Mandalay Bay. The BREIT JV Lease provides for current total annual base rent of approximately $303.8 million, of which approximately $152.2 million is attributable to our investment in the BREIT JV, and an initial term of thirty years with two 10-year tenant renewal options. Rent under the BREIT JV Lease escalates at a rate of 2.0% per annum for the first fifteen years and thereafter at the greater of 2.0% per annum or CPI, subject to a 3.0% cap. The tenant’s obligations under the MGM Master Lease and the BREIT JV Lease continue to be guaranteed by MGM.

- ***Venetian Acquisition.*** On February 23, 2022, we closed on the previously announced transaction to acquire all of the land and real estate assets associated with the Venetian Resort from LVS for $4.0 billion in cash, and the Venetian Tenant acquired the operating assets of the Venetian Resort for $2.25 billion, of which $1.2 billion is in the form of a secured term loan from LVS and the remainder was paid in cash. We funded the Venetian Acquisition with (i) $3.2 billion in net proceeds from the physical settlement of the March 2021 Forward Sale Agreements and the September 2021 Forward Sale Agreements, (ii) an initial draw on the Revolving Credit Facility of $600.0 million, and (iii) cash on hand. Simultaneous with the closing of the Venetian Acquisition, we entered into the Venetian Lease with the Venetian Tenant. The Venetian Lease has an initial total annual rent of $250.0 million and an initial term of 30 years, with two ten-year tenant renewal options. The annual rent is subject to escalation equal to the greater of 2.0% and the increase in the CPI, capped at 3.0%, beginning in the earlier of (i) the beginning of the third lease year, and (ii) the month following the month in which the net revenue generated by the Venetian Resort returns to its 2019 level (the year immediately prior to the onset of the COVID-19 pandemic) on a trailing twelve-month basis.

In connection with the Venetian Acquisition, we entered into the Venetian PGF with the Venetian Tenant. Under the Venetian PGF, we agreed to provide up to $1.0 billion for various development and construction projects affecting the Venetian Resort to be identified by the Venetian Tenant and that satisfy certain criteria more particularly set forth in the Venetian PGF, in consideration of additional incremental rent to be paid by the Venetian Tenant under the Venetian Lease and calculated in accordance with a formula set forth in the Venetian PGF.

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

Loan Origination Activity

- ***Canyon Ranch Austin Loan.*** On October 7, 2022, we entered into the Canyon Ranch Austin Loan with Canyon Ranch, a leading pioneer in global wellness, under which we agreed to provide up to $200.0 million of secured financing to fund the development of Canyon Ranch Austin in Austin, Texas. We also entered into a call right agreement pursuant to which we will have the right to acquire the real estate assets of Canyon Ranch Austin for up to 24 months following stabilization (with the loan balance being settled in connection with the exercise of such call right), which transaction will be structured as a sale leaseback (with the simultaneous entry into a triple-net lease with Canyon Ranch that has an initial term of 25 years, with eight 5-year tenant renewal options). In addition, we entered into a purchase option agreement, pursuant to which (i) we have an option to acquire the real estate assets associated with the existing Canyon Ranch Tucson and Canyon Ranch Lenox properties, which transactions will be structured as a sale leaseback, in each case solely to the extent Canyon Ranch elects to sell such properties in a sale leaseback structure for a specific period of time, subject to certain conditions. In addition, we entered into a right of first offer agreement on future financing opportunities for Canyon Ranch and certain of its affiliates with respect to the funding of certain facilities (including Canyon Ranch Austin, Canyon Ranch Tucson and Canyon Ranch Lenox, and any other fee owned Canyon Ranch branded wellness resort), until the date that is the earlier of five years from commencement of the Canyon Ranch Austin lease (to the extent applicable) and the date that neither VICI nor any of its affiliates are landlord under such lease, subject to certain specified terms, conditions and exceptions.

- ***Great Wolf Gulf Coast Texas Loan.*** On August 30, 2022, we entered into the Great Wolf Gulf Coast Texas Loan with Great Wolf, under which we agreed to provide up to $127.0 million of mezzanine financing, the proceeds of which will be used to fund the development of Great Wolf Lodge Gulf Coast Texas, a more than $200.0 million, 532-room indoor water park resort project in Webster, TX. The Great Wolf Gulf Coast Texas Loan has an initial term of 3 years with two 12-month extension option, subject to certain conditions and is expected to be funded with cash on hand in accordance with a construction draw schedule.

- ***Great Wolf South Florida Loan.*** On July 1, 2022, we entered into the Great Wolf South Florida Loan with Great Wolf, under which we agreed to provide up to $59.0 million of mezzanine financing, the proceeds of which will be used to fund the development of Great Wolf Lodge South Florida, a more than $250.0 million, 500-room indoor water park resort project in Collier County, FL. The Great Wolf South Florida Loan has an initial term of 4 years with one 12-month extension option subject to certain conditions and is expected to be funded with cash on hand in accordance with a construction draw schedule.

- ***Cabot Citrus Farms Loan.*** On June 6, 2022, we entered into the Cabot Citrus Farms Loan with Cabot, a developer, owner and operator of world-class destination golf resorts and communities, under which we agreed to provide up to

$120.0 million of mortgage financing, the proceeds of which will be used to fund Cabot's property-wide transformation of Cabot Citrus Farms in Brooksville, Florida, with the addition of a new clubhouse, luxury lodging, health and wellness facilities and a vibrant village center. We also entered into a Purchase and Sale Agreement, pursuant to which we will convert a portion of the Cabot Citrus Farms Loan into the ownership of certain Cabot Citrus Farms real estate assets and simultaneously enter into a triple-net lease with Cabot that has an initial term of 25 years, with five 5-year tenant renewal options.

- ***BigShots Loan.*** On April 7, 2022, we entered into the BigShots Loan with BigShots Golf, a subsidiary of ClubCorp, an Apollo fund portfolio company, under which we agreed to provide up to $80.0 million of mortgage financing for the construction of certain new BigShots Golf facilities throughout the United States.

Financing and Capital Markets Activity

- ***Issuance of Exchange Notes.*** In connection with the closing of the MGP Transactions on April 29, 2022, the VICI Issuers issued $4,110.0 million in aggregate principal amount of Exchange Notes in exchange for the validly tendered and not validly withdrawn MGP OP Notes pursuant to the settlement of the Exchange Offers and Consent Solicitations (each, as defined in Note 3 - Property Transactions). The Exchange Notes were issued with the same interest rate, maturity date and redemption terms as the corresponding series of MGP OP Notes. Following the issuance of the Exchange Notes pursuant to the settlement of the Exchange Offers and Consent Solicitations, $90.0 million in aggregate principal amount of MGP OP Notes remained outstanding. See Note 7 - Debt for additional information.
- ***Issuance of April 2022 Notes.*** In connection with the closing of the MGP Transactions on April 29, 2022, VICI LP issued (i) $500.0 million in aggregate principal amount of 4.375% 2025 Notes, (ii) $1,250.0 million in aggregate principal amount of 4.750% 2028 Notes, (iii) $1,000.0 million in aggregate principal amount of 4.950% 2030 Notes, (iv) $1,500.0 million in aggregate principal amount of 5.125% 2032 Notes, and (v) $750.0 million in aggregate principal amount of 5.625% 2052 Notes, in each case under a supplemental indenture dated as of April 29, 2022, between VICI LP and the Trustee (as defined in Note 7 - Debt). We used the net proceeds of the offering to (i) fund the consideration for the redemption of a majority of the VICI OP Units received by MGM in the Partnership Merger for $4,404.0 million in cash in connection with the closing of the MGP Transactions on April 29, 2022, and (ii) pay down the outstanding $600.0 million balance on our Revolving Credit Facility. The weighted average interest rate for the senior notes issued in the April 2022 Notes offering is 5.00%, and the adjusted weighted average interest rate, after taking into account the impact of the forward starting interest rate swaps and treasury locks, is 4.51%.
- ***Settlement of September 2021 Forward Sale Agreements and March 2021 Forward Sale Agreements.*** On February 18, 2022, we physically settled the September 2021 Forward Sale Agreements and the March 2021 Forward Sale Agreements in exchange for total net proceeds of approximately $3.2 billion, which were used to pay for a portion of the purchase price of the Venetian Acquisition.
- ***Entry into New Unsecured Credit Agreement.*** On February 8, 2022, we entered into the Credit Facilities pursuant to the Credit Agreement, comprised of (i) the Revolving Credit Facility in the amount of $2.5 billion scheduled to mature on March 31, 2026 and (ii) the Delayed Draw Term Loan in the amount of $1.0 billion scheduled to mature on March 31, 2025. Concurrently, we terminated our Secured Revolving Credit Facility (including the first priority lien on substantially all of VICI PropCo's and its existing and subsequently acquired wholly owned material domestic restricted subsidiaries' material assets) and 2017 Credit Agreement (as defined in Note 7 - Debt). The Delayed Draw Term Loan is available to be drawn up to 12 months following the effective date of February 8, 2022. The Credit Facilities include the option to increase the revolving loan commitments by up to $1.0 billion in the aggregate and increase the delayed draw term loan commitments or add one or more new tranches of term loans by up to $1.0 billion in the aggregate, in each case, to the extent that any one or more lenders (from the syndicate or otherwise) agree to provide such additional credit extensions. Borrowings under the Credit Facilities will bear interest, at VICI LP's option, (i) with respect to the Revolving Credit Facility, at a rate based on SOFR (including a credit spread adjustment) plus a margin ranging from 0.775% to 1.325% or a base rate plus a margin ranging from 0.00% to 0.325%, in each case, with the actual margin determined according to VICI LP's debt ratings, and (ii) with respect to the Delayed Draw Term Loan, at a rate based on SOFR (including a credit spread adjustment) plus a margin ranging from 0.85% to 1.60% or a base rate plus a margin ranging from 0.00% to 0.60%, in each case, with the actual margin determined according to VICI LP's debt ratings. On February 18, 2022, we drew on the Revolving Credit Facility in the amount of $600.0 million to fund a portion of the purchase price of the Venetian Acquisition. On April 29, 2022, we repaid the outstanding balance of the Revolving Credit Facility using the proceeds from the April 2022 Notes and cash on hand. On July 15, 2022, the Credit Agreement was amended pursuant to a First Amendment among VICI LP and the lenders party to the Credit Agreement, in order to permit borrowings under the Revolving Credit Facility in certain foreign

currencies in an aggregate principal amount of up to the equivalent of $1.25 billion.

- ***Entry into Forward-Starting Interest Rate Swap Agreements and U.S. Treasury Rate Locks.*** From December 2021 through April 2022, we entered into five forward-starting interest rate swap agreements with an aggregate notional amount of $2,500.0 million and two U.S. Treasury Rate Lock agreements with an aggregate notional amount of $500.0 million. The interest rate swap agreements and treasury locks were intended to reduce the variability in the forecasted interest expense related to the fixed-rate debt we expected to incur in connection with closing the MGP Transactions. In connection with the April 2022 Notes offering, we settled the outstanding forward-starting interest rate swaps and treasury locks for net proceeds of $206.8 million. Since the forward-starting swaps and treasury locks were hedging the interest rate risk on the April 2022 Notes, the unrealized gain in Accumulated other comprehensive income is being amortized over the term of the respective derivative instruments, which matches that of the underlying note, as a reduction in interest expense.

Leasing Activity

- ***Gold Strike Lease.*** On June 9, 2022, in connection with MGM's agreement to sell the operations of Gold Strike, we agreed to enter into the Gold Strike Lease with CNB related to the land and real estate assets of Gold Strike, and enter into an amendment to the MGM Master Lease relating to the sale of Gold Strike. The Gold Strike Lease will have initial annual base rent of $40.0 million with other economic terms substantially similar to the MGM Master Lease, including a base term of 25 years with three 10-year tenant renewal options, escalation of 2.0% per annum (with escalation of the greater of 2.0% and CPI, capped at 3.0%, beginning in lease year 11) and minimum capital expenditure requirements of 1.0% of annual net revenue. Upon the closing of the sale of Gold Strike, the MGM Master Lease will be amended to account for MGM's divestiture of the Gold Strike operations and will result in a reduction of the annual base rent under the MGM Master Lease by $40.0 million. We expect these transactions to be completed in the first half of 2023, and they remain subject to customary closing conditions and regulatory approvals.

- ***Mirage Lease.*** On December 13, 2021, in connection with MGM's agreement to sell the operations of the Mirage Hotel & Casino to Hard Rock, we agreed to enter into the Mirage Lease and enter into an amendment to the MGM Master Lease relating to the sale of the Mirage. The Mirage Lease will have initial annual base rent of $90.0 million with other economic terms substantially similar to the MGM Master Lease, including a base term of 25 years with three 10-year tenant renewal options, escalation of 2.0% per annum (with escalation of the greater of 2.0% and CPI, capped at 3.0%, beginning in lease year 11) and minimum capital expenditure requirements of 1.0% of annual net revenue. Upon the closing of the sale of the Mirage, the MGM Master Lease will be amended to account for MGM's divestiture of the Mirage operations and will result in a reduction of the annual base rent under the MGM Master Lease by $90.0 million. We expect these transactions to be completed in the fourth quarter of 2022, and they remain subject to customary closing conditions and regulatory approvals. Additionally, subject to certain conditions, we may fund up to $1.5 billion of Hard Rock's redevelopment plan for the Mirage through our Partner Property Growth Fund if Hard Rock elects to seek third-party financing for such redevelopment. Specific amounts and terms of the redevelopment and related funding remain under discussion and subject to final documentation.

Other Activity

- ***Cabot Golf Course Management Agreement.*** On October 1, 2022, we entered into a management agreement with CDN Golf Management Inc. ("CDN"), an affiliate of Cabot, a developer, owner and operator of world-class destination golf resorts and communities, pursuant to which CDN will manage and operate our four golf courses, consisting of Cascata Golf Club, Rio Secco Golf Club, Grand Bear Golf Club and Chariot Run Golf Club (collectively, the "Golf Courses"). Pursuant to the management agreement, CDN has assumed all day-to-day operations of the Golf Courses and the employees at each of the Golf Courses are employees of CDN. We continue to own the Golf Courses within our TRS, VICI Golf. The management agreement has a term of 20 years with two five-year renewal options, subject to certain early termination rights.

RESULTS OF OPERATIONS

The results of operations discussion of VICI and VICI LP are presented combined as there are no material differences between the two reporting entities. Further, Golf revenues and Golf expenses, which are wholly attributable to VICI, are shown as separate line items in the Statement of Operations of VICI.

Segments

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

	Three Months Ended September 30,			Nine Months Ended September 30,		
(In thousands)	2022	2021	Variance	2022	2021	Variance
Revenues						
Income from sales-type leases	$ 376,048	$ 292,059	$ 83,989	$ 1,077,952	$ 873,337	$ 204,615
Income from lease financing receivables and loans	350,945	70,205	280,740	685,544	210,578	474,966
Other income	17,862	6,936	10,926	41,811	20,897	20,914
Golf revenues	6,688	6,504	184	25,484	21,602	3,882
Total revenues	751,543	375,704	375,839	1,830,791	1,126,414	704,377
Operating expenses						
General and administrative	12,063	8,379	3,684	33,311	24,092	9,219
Depreciation	816	771	45	2,371	2,320	51
Other expenses	17,862	6,936	10,926	41,811	20,897	20,914
Golf expenses	5,186	5,143	43	16,330	14,881	1,449
Change in allowance for credit losses	232,763	9,031	223,732	865,459	(24,453)	889,912
Transaction and acquisition expenses	1,947	177	1,770	19,366	9,689	9,677
Total operating expenses	270,637	30,437	240,200	978,648	47,426	931,222
Income from unconsolidated affiliate	22,719	—	22,719	37,853	—	37,853
Interest expense	(169,354)	(165,099)	(4,255)	(370,624)	(321,953)	(48,671)
Interest income	3,024	26	2,998	3,897	75	3,822
Loss from extinguishment of debt	—	(15,622)	15,622	—	(15,622)	15,622
Income before income taxes	337,295	164,572	172,723	523,269	741,488	(218,219)
Income tax expense	(417)	(388)	(29)	(1,844)	(2,128)	284
Net income	336,878	164,184	172,694	521,425	739,360	(217,935)
Less: Net income attributable to non-controlling interests	(5,973)	(2,322)	(3,651)	(7,843)	(6,988)	(855)
Net income attributable to common stockholders	$ 330,905	$ 161,862	$ 169,043	$ 513,582	$ 732,372	$ (218,790)

Revenue

For the three and nine months ended September 30, 2022 and 2021, our revenue was comprised of the following items:

(In thousands)	Three Months Ended September 30, 2022	Three Months Ended September 30, 2021	Variance	Nine Months Ended September 30, 2022	Nine Months Ended September 30, 2021	Variance
Leasing revenue	$ 715,591	$ 352,237	$ 363,354	$ 1,731,860	$ 1,053,476	$ 678,384
Income from loans	11,402	10,027	1,375	31,636	30,439	1,197
Other income	17,862	6,936	10,926	41,811	20,897	20,914
Golf revenues	6,688	6,504	184	25,484	21,602	3,882
Total revenues	$ 751,543	$ 375,704	$ 375,839	$ 1,830,791	$ 1,126,414	$ 704,377

Leasing Revenue

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

(In thousands)	Three Months Ended September 30, 2022	Three Months Ended September 30, 2021	Variance	Nine Months Ended September 30, 2022	Nine Months Ended September 30, 2021	Variance
Income from sales-type leases	$ 376,047	$ 292,059	$ 83,988	$ 1,077,952	$ 873,337	$ 204,615
Income from lease financing receivables (1)	339,544	60,178	279,366	653,908	180,139	473,769
Total leasing revenue	715,591	352,237	363,354	1,731,860	1,053,476	678,384
Non-cash adjustment (2)	(108,556)	(31,142)	(77,414)	(230,516)	(88,417)	(142,099)
Total contractual leasing revenue	$ 607,035	$ 321,095	$ 285,940	$ 1,501,344	$ 965,059	$ 536,285

(1) Represents the MGM Master Lease, Harrah's Call Properties and the JACK Cleveland/Thistledown Lease, all of which were sale leaseback transactions. In accordance with ASC 842, since the lease agreements were determined to meet the definition of a sales-type lease and control of the asset is not considered to have transferred to us, such lease agreements are accounted for as financings under ASC 310.
(2) Amounts represent the non-cash adjustment to income from sales-type leases and lease financing receivables in order to recognize income on an effective interest basis at a constant rate of return over the term of the leases.

Leasing revenue is generated from rent from our Lease Agreements. Total leasing revenue increased $363.4 million and $678.4 million during the three and nine months ended September 30, 2022, respectively, compared to the three and nine months ended September 30, 2021, respectively. Total contractual leasing revenue increased $285.9 million and $536.3 million during the three and nine months ended September 30, 2022, respectively, compared to the three and nine months ended September 30, 2021, respectively. The increases were primarily driven by the addition of the MGM Master Lease and Venetian Lease to our portfolio in April 2022 and February 2022, respectively, as well as the annual rent escalators from certain of our other Lease Agreements.

Income From Loans

Income from loans increased $1.4 million and $1.2 million during the three and nine months ended September 30, 2022 compared to the three and nine months ended September 30, 2021, respectively. The increase was driven by the addition and subsequent funding, as applicable, of the Great Wolf Gulf Coast Texas Loan, the Great Wolf South Florida Loan, the Cabot Citrus Farms Loan and the Great Wolf Maryland loan to our real estate investment portfolio in August 2022, July 2022, June 2022 and June 2021, respectively. The increase for the nine months ended September 30, 2022 compared to the nine months ended September 30, 2021 was partially offset by the repayment of the $70.0 million term loan with JACK Entertainment in October 2021.

Other Income

Other income increased $10.9 million and $20.9 million during the three and nine months ended September 30, 2022, respectively, compared to the three and nine months ended September 30, 2021, respectively. The increase was driven primarily by the additional income and offsetting expense as a result of the assumption of certain sub-leases in connection with the closing of the Venetian Acquisition and MGP Transactions. The Lease Agreements require the tenants to pay all costs associated with such ground and use sub-leases and provide for their direct payment to the landlord.

Golf Revenues

Revenues from VICI's golf operations increased $0.2 million and $3.9 million during the three and nine months ended September 30, 2022, respectively, compared to the three and nine months ended September 30, 2021, respectively. The change was primarily driven by an increase in rounds played at the golf courses and an increase in the contractual fees paid to us by Caesars for the use of our golf courses, pursuant to a golf course use agreement.

Operating Expenses

For the three and nine months ended September 30, 2022 and 2021, our operating expenses were comprised of the following items:

	Three Months Ended September 30,			Nine Months Ended September 30,		
(In thousands)	**2022**	**2021**	**Variance**	**2022**	**2021**	**Variance**
General and administrative	$ 12,063	$ 8,379	$ 3,684	$ 33,311	$ 24,092	$ 9,219
Depreciation	816	771	45	2,371	2,320	51
Other expenses	17,862	6,936	10,926	41,811	20,897	20,914
Golf expenses	5,186	5,143	43	16,330	14,881	1,449
Change in allowance for credit losses	232,763	9,031	223,732	865,459	(24,453)	889,912
Transaction and acquisition expenses	1,947	177	1,770	19,366	9,689	9,677
Total operating expenses	$ 270,637	$ 30,437	$ 240,200	$ 978,648	$ 47,426	$ 931,222

General and Administrative Expenses

General and administrative expenses increased $3.7 million and $9.2 million for the three and nine months ended September 30, 2022, respectively, as compared to the three and nine months ended September 30, 2021, respectively. The increase was primarily driven by an increase in compensation, including stock based compensation and the addition of new employees to the corporate team.

Other Expenses

Other expenses increased $10.9 million and $20.9 million during the three and nine months ended September 30, 2022, respectively, compared to the three and nine months ended September 30, 2021, respectively, driven primarily by the additional income and offsetting expense as a result of the assumption of certain sub-leases in connection with the Venetian Acquisition and MGP Transactions. The Lease Agreements require the tenants to pay all costs associated with such ground and use sub-leases and provide for their direct payment to the landlord.

Golf Expenses

Expenses from VICI's golf operations remained consistent during the three months ended September 30, 2022 compared to the three months ended September 30, 2021. Expenses from VICI's golf operations increased by $1.4 million during the nine months ended September 30, 2022, compared to the nine months ended September 30, 2021 primarily driven by an increase in rounds of golf played across our golf courses.

Change in Allowance for Credit Losses

During the three months ended September 30, 2022, we recognized a $232.8 million increase in our allowance for credit losses, or CECL allowance, primarily driven by (i) changes in the macroeconomic model used to scenario condition our reasonable and supportable period, or R&S Period, probability of default, or PD, due to uncertain and potentially negative future market conditions, (ii) an increase in the R&S Period PD of our tenants and their parent guarantors (as applicable) as a result of market volatility during the quarter, (iii) an increase in the R&S Period PD and loss given default, or LGD, as a result of standard annual updates that were made to the inputs and assumptions in the model that we utilize to estimate our CECL allowance and (iv) the initial CECL allowance on the future funding commitments from the origination of the Great Wolf Gulf Coast Texas Loan and the Great Wolf South Florida Loan.

During the nine months ended September 30, 2022, we recognized an $865.5 million increase in our allowance for credit losses primarily driven by initial CECL allowances on our acquisition activity during such periods in the amount of $523.2 million, representing 60.5% of the total allowance for the nine months ended September 30, 2022. The initial CECL allowances were in relation to (i) the closing of the MGP Transactions on April 29, 2022, which included the (a) classification of the MGM Master Lease as a lease financing receivable and (b) the sales-type sub-lease agreements we assumed in connection with the closing of the MGP Transactions, (ii) the closing of the Venetian Acquisition on February 23, 2022, which included (a) the classification of the Venetian Lease as a sales-type lease, (b) the estimated future funding commitments under the Venetian PGF and (c) the sales-type sub-lease agreements we assumed in connection with the closing of the Venetian Acquisition, and (iii) the future funding commitments from the origination of the BigShots Loan, the Cabot Citrus Farms Loan, the Great Wolf South Florida Loan and the Great Wolf Gulf Coast Texas Loan. Additional increases were attributable to the increase for the three months ended September 30, 2022, as described above. These increases were partially offset by a decrease in the Long-Term Period PD as a result of standard annual updates that were made to the Long-Term Period PD default study we utilize to estimate our CECL allowance.

During the three months ended September 30, 2021, we recognized a $9.0 million increase in our allowance for credit losses primarily driven by (i) the increase in the Long-Term Period PD for one of our tenants during the third quarter of 2021 and (ii) an increase in the existing amortized cost balances subject to the CECL allowance.

During the nine months ended September 30, 2021, we recognized a $24.5 million decrease in our allowance for credit losses primarily driven by (i) the decrease in the R&S Period PD of our tenants and their parent guarantors as a result of an improvement in their economic outlook due to the reopening of all of their gaming operations and relative performance of such operations during the first three quarters of 2021, (ii) the decrease in the Long-Term Period PD due to an upgrade of the credit rating of the senior secured debt used to determine the Long-Term Period PD for two of our tenants during the second quarter of 2021, and (iii) the decrease in the R&S Period PD and LGD as a result of standard annual updates that were made to the inputs and assumptions in the model that we utilize to estimate our CECL allowance. This decrease was partially offset by the increase for the three months ended September 30, 2021, as described above.

Transaction and Acquisition Expenses

Transaction and acquisition expenses increased $1.8 million and $9.7 million during the three and nine months ended September 30, 2022, respectively, compared to the three and nine months ended September 30, 2021, respectively. Changes in transaction and acquisition expenses are related to fluctuations in (i) costs incurred for investments during the period that are not capitalizable under GAAP and (ii) costs incurred for investments that we are no longer pursuing.

Non-Operating Income and Expenses

For the three and nine months ended September 30, 2022 and 2021, our non-operating income and expenses were comprised of the following items:

	Three Months Ended September 30,			Nine Months Ended September 30,		
(In thousands)	**2022**	**2021**	**Variance**	**2022**	**2021**	**Variance**
Income from unconsolidated affiliate	$ 22,719	$ —	$ 22,719	$ 37,853	$ —	$ 37,853
Interest expense	(169,354)	(165,099)	(4,255)	(370,624)	(321,953)	(48,671)
Interest income	3,024	26	2,998	3,897	75	3,822
Loss on extinguishment of debt	—	(15,622)	15,622	—	(15,622)	15,622

Income from Unconsolidated Affiliate

Income from unconsolidated affiliate during the three and nine months ended September 30, 2022 represents our 50.1% share of the income of the BREIT JV for the period, which was acquired as part of the MGP Transactions on April 29, 2022. The income from unconsolidated affiliate includes the amortization of certain basis differences arising from the differences between our purchase price and the underlying carrying value of the joint venture. As the BREIT JV interest was acquired by us on April 29, 2022, no such income was recognized for the three and nine months ended September 30, 2021.

Interest Expense

Interest expense increased $4.3 million and $48.7 million during the three and nine months ended September 30, 2022, respectively, as compared to the three and nine months ended September 30, 2021, respectively. The increase during the three and nine months ended September 30, 2022 was primarily related to the increase in debt from the (i) issuance of the April 2022 Notes, (ii) issuance of the Exchange Notes, and (iii) assumption of the MGP OP Notes, the combination of which resulted in an additional $9.2 billion in notional amount of debt at a weighted average interest rate of 4.70%, net of the impact of the forward-starting interest rate swaps and treasury locks. Further increases were related to (i) the amortization of the commitment fees associated with the Venetian Acquisition Bridge Facility and the MGP Transactions Bridge Facility, (ii) the commitment fees on the Revolving Credit Facility and Delayed Draw Term Loan, and (iii) additional interest on the $600.0 million draw on the Revolving Credit Facility (which was repaid in full on April 29, 2022). The increases were partially offset by the full repayment of the Term Loan B Facility in September 2021 and certain non-recurring activity during the three and nine months ended September 30, 2021, which included (i) the $64.2 million payment in connection with the early settlement of the outstanding interest rate swap agreements and (ii) the amortization of the commitment fees associated with the Venetian Acquisition Bridge Facility and the MGP Transactions Bridge Facility.

Additionally, the weighted average annualized interest rate of our debt, net of the impact of the forward-starting interest rate swaps and treasury locks, increased to 4.47% and 4.35% during the three and nine months ended September 30, 2022, respectively, from 4.02% and 4.03% during the three and nine months ended September 30, 2021, respectively, as a result of a higher weighted average effective interest rate on the April 2022 Notes, Exchange Notes and MGP OP Notes as compared to our outstanding debt during such periods.

Loss on Extinguishment of Debt

During the three and nine months ended September 30, 2021, we recognized a loss on extinguishment of debt of $15.6 million resulting from the write-off of the unamortized deferred financing fees in connection with the full repayment of our Term Loan B Facility in September 2021.

RECONCILIATION OF NON-GAAP MEASURES

We present VICI's Funds From Operations ("FFO"), FFO per share, Adjusted Funds From Operations ("AFFO"), AFFO per share, and Adjusted EBITDA, which are not required by, or presented in accordance with, generally accepted accounting principles in the United States ("GAAP"). These are non-GAAP financial measures and should not be construed as alternatives to net income or as an indicator of operating performance (as determined in accordance with GAAP). We believe FFO, FFO per share, AFFO, AFFO per share and Adjusted EBITDA provide a meaningful perspective of the underlying operating performance of VICI's 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 VICI's net income (or loss) attributable to common stockholders (computed in accordance with GAAP) excluding (i) gains (or losses) from sales of certain real estate assets, (ii) depreciation and amortization related to real estate, (iii) gains and losses from change in control, (iv) impairment write-downs of certain real estate assets and investments in entities when the impairment is directly attributable to decreases in the value of depreciable real estate held by the entity and (v) our proportionate share of such adjustments from our investment in unconsolidated affiliate.

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

We calculate VICI's Adjusted EBITDA by adding or subtracting from AFFO contractual interest expense (including the impact of the forward-starting interest rate swaps and treasury locks) and interest income (collectively, interest expense, net), income tax expense and our proportionate share of such adjustments from our investment in unconsolidated affiliate.

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

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
(In thousands, except share data and per share data)	**2022**	**2021**	**2022**	**2021**
Net income attributable to common stockholders	$ 330,905	$ 161,862	$ 513,582	$ 732,372
Real estate depreciation	—	—	—	—
Joint venture depreciation and non-controlling interest adjustments	9,743	—	17,053	—
FFO attributable to common stockholders	**340,648**	**161,862**	**530,635**	**732,372**
Non-cash leasing and financing adjustments	(108,553)	(30,865)	(230,522)	(88,063)
Non-cash change in allowance for credit losses	232,763	9,031	865,459	(24,453)
Non-cash stock-based compensation	3,493	2,395	9,359	7,067
Transaction and acquisition expenses	1,947	177	19,366	9,689
Amortization of debt issuance costs and original issue discount	10,326	34,098	38,294	50,723
Other depreciation	785	742	2,280	2,228
Capital expenditures	(437)	(131)	(1,093)	(1,638)
(Gain) loss on extinguishment of debt and interest rate swap settlements	—	79,861	(5,405)	79,861
Joint venture non-cash adjustments and non-controlling interest adjustments	(10,315)	250	(22,171)	773
AFFO attributable to common stockholders	**470,657**	**257,420**	**1,206,202**	**768,559**
Interest expense, net	156,004	66,736	333,838	206,916
Income tax expense	417	388	1,844	2,128
Joint venture interest expense and non-controlling interest adjustments	11,536	—	19,187	—
Adjusted EBITDA attributable to common stockholders	**$ 638,614**	**$ 324,544**	**$ 1,561,071**	**$ 977,603**
Net income per common share				
Basic	$ 0.34	$ 0.29	$ 0.61	$ 1.35
Diluted	$ 0.34	$ 0.28	$ 0.60	$ 1.31
FFO per common share				
Basic	$ 0.35	$ 0.29	$ 0.63	$ 1.35
Diluted	$ 0.35	$ 0.28	$ 0.62	$ 1.31
AFFO per common share				
Basic	$ 0.49	$ 0.46	$ 1.42	$ 1.42
Diluted	$ 0.49	$ 0.45	$ 1.42	$ 1.38
Weighted average number of shares of common stock outstanding				
Basic	962,573,646	555,153,692	848,839,357	542,843,855
Diluted	964,134,340	571,894,545	850,823,037	557,113,510

LIQUIDITY AND CAPITAL RESOURCES

Liquidity

As of September 30, 2022, our available cash balances, capacity under our Revolving Credit Facility and Delayed Draw Term Loan were as follows:

(In thousands)	**September 30, 2022**
Cash and cash equivalents	$ 518,383
Short-term investments	207,722
Capacity under Revolving Credit Facility (1)	2,500,000
Capacity under Delayed Draw Term Loan (1)	1,000,000
Proceeds available from settlement of the ATM Forward Sale Agreements (2)	490,442
Total	$ 4,716,547

(1) In addition, the Credit Facilities include the option to increase the revolving loan commitments by up to $1.0 billion and increase the Delayed Draw Term Loan commitments or add one or more new tranches of term loans by up to $1.0 billion in the aggregate, in each case, to the extent that any one or more lenders (from the syndicate or otherwise) agree to provide such additional credit extensions.

(2) Assumes the physical settlement of the 11,380,980 shares under the June 2022 ATM Forward Sale Agreement at the forward sale price per share of $31.36, and the 3,918,807 shares under the August 2022 ATM Forward Sale Agreement at the forward price per share of $34.08, calculated as of September 30, 2022.

We believe that we have sufficient liquidity to meet our material cash requirements, including our contractual obligations and commitments as well as our additional funding requirements, primarily through currently available cash and cash equivalents, cash received under our Lease Agreements, existing borrowings from banks, including our Delayed Draw Term Loan and undrawn capacity under our Revolving Credit Facility, and proceeds from future issuances of debt and equity securities (including issuances under our ATM Agreement) for the next 12 months and in future periods.

All of the Lease Agreements call for an initial term of between fifteen and thirty years with additional tenant renewal options and are designed to provide us with a reliable and predictable long-term revenue stream. Our cash flows from operations and our ability to access capital resources could be adversely affected due to uncertain economic factors and volatility in the financial and credit markets, including as a result of the current inflationary environment, rising interest rates, equity market volatility, and the COVID-19 pandemic. In particular, we can provide no assurances that our tenants will not default on their leases or fail to make full rental payments if their businesses become challenged due to, among other things, current or future adverse economic conditions and the direct or indirect impact of the COVID-19 pandemic. *See* “Overview — Recent Trends” above for additional detail. In the event our tenants are unable to make all of their contractual rent payments as provided by the Lease Agreements, we believe we have sufficient liquidity from the other sources discussed above to meet all of our contractual obligations for a significant period of time. Additionally, we do not have any debt maturities until 2024. For more information, refer to the risk factors incorporated by reference into Part II. Item 1A. Risk Factors herein from our Annual Report on Form 10-K for the year ended December 31, 2021.

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

Material Cash Requirements

Contractual Obligations

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

Our long-term obligations consist primarily of principal payments on our outstanding debt obligations and future funding commitments under our lease and loan agreements. As of September 30, 2022, we have $14.0 billion of debt obligations outstanding (excluding approximately $1.5 billion of debt obligations held by the BREIT JV), none of which are maturing in the next twelve months. For a summary of principal debt balances and their maturity dates and principal terms, refer to Note 7 - Debt. For a summary of our future funding commitments under our loan portfolio, refer to Note 4 - Real Estate Portfolio.

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

Information concerning our material contractual obligations and commitments to make future payments under contracts such as our indebtedness and future minimum lease commitments under operating leases is included in the following table as of September 30, 2022. Amounts in this table omit, among other things, non-contractual commitments and items such as dividends and recurring or non-recurring operating expenses and other expenditures, including acquisitions and other investments.

	Payments Due By Period					
(In thousands)	**Total**	**2022 (remaining)**	**2023**	**2024**	**2025**	**2026 and Thereafter**
Long-term debt, principal						
Senior Unsecured Notes	$ 13,950,000	$ —	$ —	$ 1,050,000	$ 2,050,000	$ 10,850,000
Revolving Credit Facility	—	—	—	—	—	—
Delayed Draw Term Loan	—	—	—	—	—	—
Scheduled interest payments	4,734,650	176,687	660,184	625,876	557,121	2,714,781
Total debt contractual obligations	18,684,650	176,687	660,184	1,675,876	2,607,121	13,564,781
Leases and contracts						
Future funding commitments – loan investments and lease agreements[(1)]	367,730	22,338	288,182	42,209	—	15,000
Golf course operating lease and contractual commitments [(2)]	49,021	1,377	5,523	2,112	2,154	37,856
Corporate office leases	7,187	284	967	857	899	4,179
Total leases and contract obligations	423,938	23,999	294,673	45,178	3,053	57,035
Total contractual commitments	$ 19,108,588	$ 200,687	$ 954,857	$ 1,721,055	$ 2,610,174	$ 13,621,816

(1) The allocation of our future funding commitments is based on the construction draw schedule, commitment funding date, expiration date or other information, as applicable, however we may be obligated to fund these commitments earlier than such date.
(2) The amounts include the Cascata ground lease commitments and certain contractual golf-related commitments, including commitments under the golf course management agreement we entered into with CDN on October 1, 2022. See "Significant Activities During 2022 - Other Activity" above for further details on the golf course management agreement with CDN.

Additional Funding Requirements

In addition to the contractual obligations and commitments set forth in the table above, we have and may enter into additional agreements that commit us to potentially acquire properties in the future, fund future property improvements or otherwise provide capital to our tenants, borrowers and other counterparties, including through our put-call agreements and Partner Property Growth Fund. As of September 30, 2022, we had $1.0 billion of potential future funding commitments under our Partner Property Growth Fund agreements. The use of the Partner Property Growth Fund commitments are at the discretion of our tenants and there is no guarantee any such commitments will be drawn upon.

Cash Flow Analysis

The table below summarizes our cash flows for the nine months ended September 30, 2022 and 2021:

	Nine Months Ended September 30,		
(In thousands)	2022	2021	Variance
Cash, cash equivalents and restricted cash			
Provided by operating activities	$ 1,455,477	$ 610,924	$ 844,553
(Used in) provided by investing activities	(8,889,098)	19,856	(8,908,954)
Provided by (used in) financing activities	7,212,390	(277,259)	7,489,649
Net (decrease) increase in cash, cash equivalents and restricted cash	(221,231)	353,521	(574,752)
Cash, cash equivalents and restricted cash, beginning of period	739,614	315,993	423,621
Cash, cash equivalents and restricted cash, end of period	$ 518,383	$ 669,514	$ (151,131)

Cash Flows from Operating Activities

Net cash provided by operating activities increased $844.6 million for the nine months ended September 30, 2022 compared with the nine months ended September 30, 2021. The increase is primarily driven by an increase in cash rental payments from the addition of the MGM Master Lease and Venetian Lease to our real estate portfolio in April 2022 and February 2022, respectively, the annual rent escalators on certain of our other Lease Agreements and the proceeds from settlement of our forward-starting derivative instruments in connection with the April 2022 Notes offering.

Cash Flows from Investing Activities

Net cash used in investing activities increased $8,909.0 million for the nine months ended September 30, 2022 compared with the nine months ended September 30, 2021.

During the nine months ended September 30, 2022, the primary sources and uses of cash from investing activities included:

- Net payments of $4,574.5 million in relation to the closing of the MGP Transactions, including $4,404.0 million in connection with the redemption of the majority of the MGP OP units held by MGM, $90.0 million in connection with the repayment of the outstanding MGP revolving credit facility and acquisition costs;
- Payments for the Venetian Acquisition for a total cost of $4,012.8 million, including acquisition costs;
- Investment in short-term investments of $207.7 million;
- Disbursements to fund portions of the Great Wolf Maryland loan, Great Wolf South Florida Loan, Great Wolf Gulf Coast Texas Loan, and the Cabot Citrus Farms Loan in the amount of $87.2 million; and
- Capitalized transaction costs of $6.8 million.

During the nine months ended September 30, 2021, the primary sources and uses of cash from investing activities include:

- Proceeds from partial repayment of the JACK Entertainment term loan of $30.4 million;
- Proceeds from net maturities of short-term investments of $20.0 million;
- Disbursements to fund a portion of the Great Wolf Maryland loan in the amount of $19.2 million;
- Capitalized transaction costs of $9.2 million;

- Final payment of the funding of a new gaming patio amenity at JACK Thistledown Racino of $6.0 million;
- Proceeds from the sale of certain parcels of vacant land in the aggregate amount of $3.8 million; and
- Acquisition of property and equipment costs of $1.7 million.

Cash Flows from Financing Activities

Net cash provided by financing activities increased $7,489.6 million for the nine months ended September 30, 2022, compared with the nine months ended September 30, 2021.

During the nine months ended September 30, 2022, the primary sources and uses of cash in financing activities included:

- Net proceeds of $3,219.1 million from the sale of an aggregate 119,000,000 shares of our common stock pursuant to the full physical settlement of the September 2021 Forward Sale Agreements and March 2021 Forward Sale Agreements;
- Gross proceeds of $5,000.0 million from the April 2002 Notes offering;
- Dividend payments of $843.7 million;
- Initial draw and repayment of $600.0 million on our Revolving Credit Facility;
- Debt issuance costs of $146.2 million;
- Distributions of $10.7 million to non-controlling interests; and
- Repurchase of shares of common stock for tax withholding in connection with the vesting of employee stock compensation of $6.1 million.

During the nine months ended September 30, 2021, the primary sources and uses of cash from financing activities included:

- Net proceeds of $2,386.1 million from the sale of an aggregate of 91,900,000 shares of our common stock from our September 2021 equity offering (excluding the shares subject to the September 2021 Forward Sale Agreements) and pursuant to the full physical settlement of the June 2020 Forward Sale Agreement;
- Full repayment of the $2,100.0 million outstanding aggregate principal amount of our Term Loan B Facility;
- Dividend payments of $532.4 million;
- Debt issuance costs of $23.2 million; and
- Distributions of $6.2 million to non-controlling interest.

Debt

For a summary of our debt obligations as of September 30, 2022, refer to Note 7 - Debt.

Covenants

Our debt obligations are subject to certain customary financial and protective covenants that restrict our ability to incur additional debt, sell certain asset and restrict certain payments, among other things. In addition, these covenants are subject to a number of important exceptions and qualifications, including, with respect to the restricted payments covenant, the ability to make unlimited restricted payments to maintain our REIT status. At September 30, 2022, we were in compliance with all debt-related covenants.

Distribution Policy

We intend to make regular quarterly distributions to holders of shares of our common stock. Dividends declared (on a per share basis) during the nine months ended September 30, 2022 and 2021 were as follows:

Nine Months Ended September 30, 2022					
Declaration Date	**Record Date**	**Payment Date**	**Period**	**Dividend**	
March 10, 2022	March 24, 2022	April 7, 2022	January 1, 2022 - March 31, 2022	$	0.3600
June 9, 2022	June 23, 2022	July 7, 2022	April 1, 2021 - June 30, 2022	$	0.3600
September 8, 2022	September 22, 2022	October 6, 2022	July 1, 2022 - September 30, 2022	$	0.3900

Nine Months Ended September 30, 2021					
Declaration Date	**Record Date**	**Payment Date**	**Period**	**Dividend**	
March 11, 2021	March 25, 2021	April 8, 2021	January 1, 2021 - March 31, 2021	$	0.3300
June 10, 2021	June 24, 2021	July 8, 2021	April 1, 2021 - June 30, 2021	$	0.3300
August 4, 2021	September 24, 2021	October 7, 2021	July 1, 2021 - September 30, 2021	$	0.3600

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

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

Critical Accounting Policies and Estimates

A complete discussion of our critical accounting policies and estimates is included in our Annual Report on Form 10-K for the year ended December 31, 2021 and VICI LP's Management's Discussion and Analysis of Financial Condition and Results of Operations included as an exhibit to the Current Report on Form 8-K filed on April 18, 2022. There have been no significant changes in our critical policies and estimates for the nine months ended September 30, 2022.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Interest Rate Risk

Our interest rate risk management objective is to limit the impact of future interest rate changes on our earnings and cash flows. To achieve this objective, our consolidated subsidiaries primarily borrow on a fixed-rate basis for longer-term debt issuances. As of September 30, 2022, excluding our proportionate share of the debt at the BREIT JV, we had $13,950.0 million aggregate principal amount of outstanding indebtedness, all of which has fixed rate interest.

Additionally, we are exposed to interest rate risk between the time we enter into a transaction and the time we finance the related transaction with long-term fixed-rate debt. In addition, when that long-term debt matures, we may have to refinance such debt at a higher interest rate. In a rising interest rate environment, we have from time to time and may in the future seek to mitigate that risk by utilizing forward-starting interest rate swap agreements, treasury locks and other derivative instruments. Market interest rates are sensitive to many factors that are beyond our control.

Capital Markets Risks

We are exposed to risks related to the equity capital markets, and our related ability to raise capital through the issuance of our common stock or other equity instruments. We are also exposed to risks related to the debt capital markets, and our related ability to finance our business through long-term indebtedness, borrowings under credit facilities or other debt instruments. As a REIT, we are required to distribute a significant portion of our taxable income annually, which constrains our ability to accumulate operating cash flow and therefore requires us to utilize debt or equity capital to finance our business. We seek to mitigate these risks by monitoring the debt and equity capital markets to inform our decisions on the amount, timing, and terms of capital we raise.

Item 4. Controls and Procedures

VICI Properties Inc.

Evaluation of Disclosure Controls and Procedures

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

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

Changes in Internal Control Over Financial Reporting

There have been no changes in VICI’s internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that occurred during the three months ended September 30, 2022, that have materially affected, or are reasonably likely to materially affect, VICI’s internal control over financial reporting.

VICI Properties L.P.

Evaluation of Disclosure Controls and Procedures

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

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

Changes in Internal Control Over Financial Reporting

There have been no changes in VICI LP’s internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that occurred during the three months ended September 30, 2022, that have materially affected, or are reasonably likely to materially affect, VICI LP’s internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

The information contained under the heading "Litigation" in Note 10 - Commitments and Contingent Liabilities to our Financial Statements included in this report is incorporated by reference into this Item 1.

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, 2021. There have been no material changes to those factors for the nine months ended September 30, 2022.

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

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

Not applicable.

(b) Use of Proceeds from Registered Securities

Not applicable.

(c) Issuer Purchases of Equity Securities

VICI Properties Inc.

During the three months ended September 30, 2022, VICI did not repurchase any equity securities registered pursuant to Section 12 of the Exchange Act.

VICI Properties L.P.

During the three months ended September 30, 2022, VICI LP did not repurchase any equity securities registered pursuant to Section 12 of the Exchange Act.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

None.

Item 6. Exhibits

Exhibit Number	Exhibit Description	Filed Herewith	Incorporated by Reference		
			Form	Exhibit	Filing Date
10.1	Eleventh Amendment to Regional Lease, dated as of August 25, 2022, by and among the entities listed on Schedules A and B thereto	X			
31.1	VICI Properties Inc. Certification of Principal Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.	X			
31.2	VICI Properties Inc. Certification of Principal Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.	X			
31.3	VICI Properties L.P. Certification of Principal Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.	X			
31.4	VICI Properties L.P. Certification of Principal Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.	X			
32.1	VICI Properties Inc. Certification of Principal Executive Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.	*			
32.2	VICI Properties Inc. Certification of Principal Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.	*			
32.3	VICI Properties L.P. Certification of Principal Executive Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.	*			
32.4	VICI Properties L.P. Certification of Principal Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.	*			
101.INS	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document	X			
101.SCH	XBRL Taxonomy Extension Schema Document	X			
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document	X			
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document	X			
101.LAB	XBRL Taxonomy Extension Label Linkbase Document	X			
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document	X			
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)				

* Furnished herewith

SIGNATURES

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

VICI PROPERTIES INC.

Signature	Title	Date
/s/ EDWARD B. PITONIAK **Edward B. Pitoniak**	Chief Executive Officer and Director (Principal Executive Officer)	October 27, 2022
/s/ DAVID A. KIESKE **David A. Kieske**	Chief Financial Officer (Principal Financial Officer)	October 27, 2022
/s/ GABRIEL F. WASSERMAN **Gabriel F. Wasserman**	Chief Accounting Officer (Principal Accounting Officer)	October 27, 2022

VICI PROPERTIES L.P.

Signature	Title	Date
/s/ EDWARD B. PITONIAK **Edward B. Pitoniak**	Chief Executive Officer and Director (Principal Executive Officer)	October 27, 2022
/s/ DAVID A. KIESKE **David A. Kieske**	Chief Financial Officer (Principal Financial Officer)	October 27, 2022
/s/ GABRIEL F. WASSERMAN **Gabriel F. Wasserman**	Chief Accounting Officer (Principal Accounting Officer)	October 27, 2022

ELEVENTH AMENDMENT TO LEASE

This **ELEVENTH AMENDMENT TO LEASE** (this "Amendment") is entered into as of August 25, 2022, by and among the entities listed on Schedule A attached hereto (collectively, and together with their respective successors and assigns, "Landlord"), the entities listed on Schedule B attached hereto (collectively, and together with their respective successors and assigns, "Tenant") and, solely for the purposes of the penultimate paragraph of Section 1.1 of the Lease (as defined below), Propco TRS LLC, a Delaware limited liability company ("Propco TRS").

RECITALS

WHEREAS, Landlord, Tenant and, solely for the purposes of the penultimate paragraph of Section 1.1 of the Lease, Propco TRS, are parties to that certain Lease (Non-CPLV), dated as of October 6, 2017, as amended by that certain First Amendment to Lease (Non-CPLV), dated as of December 22, 2017, as amended by that certain Second Amendment to Lease (Non-CPLV) and Ratification of SNDA, dated as of February 16, 2018, as amended by that certain Third Amendment to Lease (Non-CPLV), dated as of April 2, 2018, as amended by that certain Fourth Amendment to Lease (Non-CPLV), dated as of December 26, 2018, as amended by that certain Omnibus Amendment to Leases, dated as of June 1, 2020, as amended by that certain Fifth Amendment to Lease (Non-CPLV), dated as of July 20, 2020, as amended by that certain Sixth Amendment to Lease, dated as of September 30, 2020, as amended by that certain Amended and Restated Omnibus Amendment to Leases, dated as of October 27, 2020, as amended by that certain Seventh Amendment to Lease, dated as of November 18, 2020, as amended by that certain Eighth Amendment to Lease, dated as of September 3, 2021, as amended by that certain Ninth Amendment to Lease, dated as of November 1, 2021, and as amended by that certain Tenth Amendment to Lease, dated as of December 30, 2021 (collectively, as amended, the "Lease"), pursuant to which Landlord leases to Tenant, and Tenant leases from Landlord, certain real property as more particularly described in the Lease;

WHEREAS, on the date hereof, Miscellaneous Land LLC, as seller, and Ruben D. Villarreal and Nancy T. Villareal, as buyer, are closing a purchase and sale transaction under that certain Unimproved Property Contract, dated as of July 11, 2022, with respect to certain real property located in Splendora, Texas, which is described on Annex B (the "Splendora Property") (the purchase and sale of the Splendora Property is referred to herein as the "Splendora Transaction"); and

WHEREAS, the Splendora Transaction is being consummated by Landlord pursuant to Section 18.3 of the Lease; and in connection therewith, the parties hereto desire to amend the Lease as set forth herein.

NOW THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound hereby, agree as follows:

1. **Definitions**. Except as otherwise defined herein, all capitalized terms used herein without definition shall have the meanings applicable to such terms, respectively, as set forth in the Lease.

2. **Amendments to the Lease**. Effective as of the date hereof:

A. Termination of the Lease as to the Splendora Property.

i. the Lease is hereby terminated with respect to the Splendora Property, the Splendora Property no longer constitutes Leased Property under the Lease, and neither Landlord nor Tenant has any further liabilities or obligations under the Lease, from and after the date hereof, in respect of the Splendora Property and the Splendora Facility (provided that any such liabilities or obligations arising prior to such date shall not be terminated, limited or affected by or upon entry into this Amendment); and

ii. the Guaranty hereby automatically, and without further action by any party, ceases to apply with respect to any Obligations (as defined in the Guaranty) with respect to the Splendora Property or the Splendora Facility to the extent arising from and after the date hereof (provided that any such Obligations arising prior to such date shall not be terminated, limited or affected by or upon entry into this Amendment). The term "Splendora Facility" refers to the applicable Facility identified as Facility 17 on the list of the Facilities annexed as Exhibit A to the Lease (prior to giving effect to the replacement of said Exhibit A pursuant to Section 2.E.i of this Amendment).

B. Rent. Landlord and Tenant hereby expressly acknowledge and agree that there shall be no reduction in the Rent under the Lease as a result of the removal of the Splendora Property from the Lease or otherwise as a result of the Splendora Transaction.

C. Variable Rent. From and after the date hereof, for purposes of any calculation of Variable Rent under the Lease, including any adjustments in Variable Rent based on increases or decreases in Net Revenue, such calculations of Net Revenue shall exclude Net Revenue attributable to the Splendora Property.

D. Splendora Transaction.

i. Each of Landlord and Tenant hereby acknowledges and agrees that the removal of the Splendora Property from the Lease was made in connection with Landlord's conveyance of the Splendora Property pursuant to Section 18.3 of the Lease. The treatment of the Splendora Transaction hereunder is not intended to serve as a precedent for the treatment of future dispositions (if any) which may be effectuated under any applicable provision of the Lease or otherwise.

E. Revisions to Exhibits and Schedules to the Lease. The Exhibits and Schedules to the Lease are hereby amended as follows:

i. Facilities. Exhibit A annexed to the Lease (setting forth the list of Facilities under the Lease) is hereby amended such that the Splendora Property is hereby deleted from said Exhibit A, and Exhibit A is hereby replaced with the replacement Exhibit A that is annexed hereto as Annex A.

ii. Legal Description (Splendora Property). The legal descriptions with respect to the Leased Property set forth on Exhibit B annexed to the Lease is hereby amended such that the legal description with respect to the Leased Property pertaining to the Splendora Property, as set forth on Annex B attached hereto, is hereby deleted from said Exhibit B.

iii. Description of Title Policies. The list of Title Policies set forth on Exhibit J annexed to the Lease is hereby amended such that the reference thereon to the Title Policy relating solely to the Splendora Property is hereby deleted from said Exhibit J.

iv. Permitted Property Sales. The list of properties set forth on Schedule 7 annexed to the Lease is hereby amended such that the following property listed thereon is hereby deleted from said Schedule 7:

Vacant Land	Miscellaneous Land LLC	White Oak Plantation	Redbud Place Drive	Splendora	Montgomery	Texas	77372	9511-02-01100	Lot 2, Block 2

3. **No Other Modification or Amendment to the Lease**. The Lease shall remain in full force and effect except as expressly amended or modified by this Amendment. From and after the date of this Amendment, all references in the Lease to the "Lease" shall be deemed to refer to the Lease as amended by this Amendment. For the avoidance of doubt, the Lease shall continue in full force and effect with respect to the balance of the Leased Property (other than the Splendora Property as of the date hereof in accordance with Section 2 of this Amendment).

4. **Governing Law; Jurisdiction**. This Amendment shall be construed according to and governed by the laws of the jurisdiction(s) specified by the Lease without regard to its or their conflicts of law principles. The parties hereto 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 Amendment.

5. **Counterparts**. This Amendment may be executed by one or more of the parties hereto on any number of separate counterparts, and all of such counterparts taken together shall be deemed to constitute one and the same instrument. Facsimile and/or .pdf signatures shall be deemed to be originals for all purposes.

6. **Effectiveness**. This Amendment shall be effective, as of the date hereof, only upon execution and delivery by each of the parties hereto.

7. **Miscellaneous**. If any provision of this Amendment 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 Amendment will remain in full force and effect. Neither this Amendment 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. The paragraph headings and captions contained in this Amendment are for convenience of reference only and in no event define, describe or limit the scope or intent of this Amendment or any of the provisions or terms hereof. This Amendment shall be binding upon and inure to the benefit of the parties and their respective heirs, legal representatives, successors and permitted assigns.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed by their duly authorized representatives, all as of the date hereof.

LANDLORD:

HORSESHOE COUNCIL BLUFFS LLC
HARRAH'S COUNCIL BLUFFS LLC
HARRAH'S METROPOLIS LLC
NEW HORSESHOE HAMMOND LLC
NEW HARRAH'S NORTH KANSAS CITY LLC
GRAND BILOXI LLC
HORSESHOE TUNICA LLC
NEW TUNICA ROADHOUSE LLC
CAESARS ATLANTIC CITY LLC
WWW PROPCO LLC
HARRAH'S LAKE TAHOE LLC
HARVEY'S LAKE TAHOE LLC
HARRAH'S RENO LLC
VEGAS DEVELOPMENT LLC
VEGAS OPERATING PROPERTY LLC
MISCELLANEOUS LAND LLC
PROPCO GULFPORT LLC
PHILADELPHIA PROPCO LLC
HARRAH'S ATLANTIC CITY LLC
NEW LAUGHLIN OWNER LLC
HARRAH'S NEW ORLEANS LLC
each, a Delaware limited liability company

By: *<u>/s/ David Kieske</u>*
Name: David Kieske
Title: Treasurer

HORSESHOE BOSSIER CITY PROP LLC,
a Louisiana limited liability company

By: <u>/s/ David Kieske</u>
Name: David Kieske
Title: Treasurer

[Signatures Continue on Following Pages]

TENANT:

CEOC, LLC, a Delaware limited liability company,
HBR REALTY COMPANY LLC, a Nevada limited liability company,
HARVEYS IOWA MANAGEMENT COMPANY LLC, a Nevada limited liability company,
SOUTHERN ILLINOIS RIVERBOAT/CASINO CRUISES LLC, an Illinois limited liability company,
HORSESHOE HAMMOND, LLC, an Indiana limited liability company,
HARRAH'S NORTH KANSAS CITY LLC, a Missouri limited liability company,
GRAND CASINOS OF BILOXI, LLC, a Minnesota limited liability company,
ROBINSON PROPERTY GROUP LLC, a Mississippi limited liability company,
TUNICA ROADHOUSE LLC, a Delaware limited liability company,
CAESARS NEW JERSEY LLC, a New Jersey limited liability company,
HARVEYS TAHOE MANAGEMENT COMPANY LLC, a Nevada limited liability company,
CASINO COMPUTER PROGRAMMING, INC., an Indiana corporation,
HARVEYS BR MANAGEMENT COMPANY, INC., a Nevada corporation,
HARRAH'S LAUGHLIN, LLC, a Nevada limited liability company,
JAZZ CASINO COMPANY, L.L.C., a Louisiana limited liability company

By: */s/ Bret D. Yunker*
Name: Bret D. Yunker
Title: Chief Financial Officer

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: */s/ Bret D. Yunker*
Name: Bret D. Yunker
Title: Chief Financial Officer

BOARDWALK REGENCY LLC,
a New Jersey limited liability company

By: Caesars New Jersey LLC,
a New Jersey limited liability company,
its sole member

By: */s/ Bret D. Yunker*
Name: Bret D. Yunker
Title: Chief Financial Officer

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

By: CEOC, LLC,
a Delaware limited liability company,
its sole member

By: */s/ Bret D. Yunker*
Name: Bret D. Yunker
Title: Chief Financial Officer

CHESTER DOWNS AND MARINA, LLC,
a Pennsylvania limited liability company

By: Harrah's Chester Downs Investment Company, LLC,
its sole member

By: *\/s/ Bret D. Yunker*
Name: Bret D. Yunker
Title: Chief Financial Officer

HARRAH'S ATLANTIC CITY OPERATING COMPANY, LLC,
a New Jersey limited liability company

By: Caesars Resort Collection, LLC,
a Delaware limited liability company,
its sole member

By: */s/ Bret D. Yunker*
Name: Bret D. Yunker
Title: Chief Financial Officer

Acknowledged and agreed, solely for the purposes of the penultimate paragraph of Section 1.1 of the Lease:

PROPCO TRS LLC,
a Delaware limited liability company

By: */s/ David Kieske*
Name: David Kieske
Title: Treasurer

[Signature Page to Eleventh Amendment to Regional Lease]

ACKNOWLEDGMENT AND AGREEMENT OF GUARANTOR

The undersigned ("Guarantor") hereby: (a) acknowledges receipt of the Eleventh Amendment to Lease (the "Amendment"; capitalized terms used herein without definition having the meanings set forth in the Amendment), dated as of August 25, 2022, by and among the entities listed on Schedule A attached thereto, as Landlord, and the entities listed on Schedule B attached thereto, as Tenant, and the other parties party thereto; (b) consents to the terms and execution thereof; (c) ratifies and reaffirms Guarantor's obligations to Landlord pursuant to the terms of that certain Guaranty of Lease, dated as of July 20, 2020 (the "Guaranty"), by and between Guarantor and Landlord, and agrees that, except as expressly set forth in Section 2.A.ii of the Amendment, nothing in the Amendment in any way impairs or lessens the Guarantor's obligations under the Guaranty; and (d) acknowledges and agrees that the Guaranty is in full force and effect and is valid, binding and enforceable in accordance with its terms.

IN WITNESS WHEREOF, the undersigned has caused this Acknowledgment and Agreement of Guarantor to be duly executed as of August 25, 2022.

[Acknowledgment and Agreement of Guarantor]

CAESARS ENTERTAINMENT, INC.

By: *<u>/s/ Bret D. Yunker</u>*
Name: Bret D. Yunker
Title: Chief Financial Officer

Schedule A

LANDLORD ENTITIES

Horseshoe Council Bluffs LLC
Harrah's Council Bluffs LLC
Harrah's Metropolis LLC
New Horseshoe Hammond LLC
Horseshoe Bossier City Prop LLC
New Harrah's North Kansas City LLC
Grand Biloxi LLC
Horseshoe Tunica LLC
New Tunica Roadhouse LLC
Caesars Atlantic City LLC
WWW Propco LLC
Harrah's Lake Tahoe LLC
Harvey's Lake Tahoe LLC
Harrah's Reno LLC
Vegas Development LLC
Vegas Operating Property LLC
Miscellaneous Land LLC
Propco Gulfport LLC
Philadelphia Propco LLC
Harrah's Atlantic City LLC
New Laughlin Owner LLC
Harrah's New Orleans LLC

Schedule B

TENANT ENTITIES

CEOC, LLC, successor in interest by merger to Caesars Entertainment Operating Company, Inc.
HBR Realty Company LLC
Harveys Iowa Management Company LLC
Southern Illinois Riverboat/Casino Cruises LLC
Horseshoe Hammond, LLC
Horseshoe Entertainment
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
Harveys Tahoe Management Company LLC
Casino Computer Programming, Inc.
Harveys BR Management Company, Inc.
Hole in the Wall, LLC
Chester Downs and Marina, LLC
Harrah's Atlantic City Operating Company, LLC
Harrah's Laughlin, LLC
Jazz Casino Company, L.L.C.

Annex A

EXHIBIT A

FACILITIES

No.	Property	State	Fee Owner	Operating Entity
1.	Horseshoe Council Bluffs	Iowa	Horseshoe Council Bluffs LLC	HBR Realty Company LLC Harveys BR Management Company, Inc.
2.	Harrah's Council Bluffs	Iowa	Harrah's Council Bluffs LLC	Harveys Iowa Management Company LLC CEOC, LLC, successor in interest by merger to Caesars Entertainment Operating Company, Inc.
3.	Harrah's Metropolis	Illinois	Harrah's Metropolis LLC	Southern Illinois Riverboat/Casino Cruises LLC
4.	Horseshoe Hammond	Indiana	New Horseshoe Hammond LLC	Horseshoe Hammond, LLC
5.	Horseshoe Bossier City	Louisiana	Horseshoe Bossier City Prop LLC	Horseshoe Entertainment
6.	Harrah's North Kansas City	Missouri	New Harrah's North Kansas City LLC	Harrah's North Kansas City LLC
7.	Harrah's Gulf Coast (formerly known as Grand Biloxi Casino Hotel) and Biloxi Land	Mississippi	Grand Biloxi LLC	Grand Casinos of Biloxi, LLC Casino Computer Programming, Inc.
8.	Horseshoe Tunica	Mississippi and Arkansas	Horseshoe Tunica LLC	Robinson Property Group LLC

9.	Tunica Roadhouse	Mississippi	New Tunica Roadhouse LLC	Tunica Roadhouse LLC
10.	Caesars Atlantic City (includes Wild Wild West and Block 488 Parcel)	New Jersey	Caesars Atlantic City LLC Bally's Atlantic City LLC	Boardwalk Regency LLC Caesars New Jersey LLC
11.	Harrah's Lake Tahoe	Nevada	Harrah's Lake Tahoe LLC	Harveys Tahoe Management Company LLC CEOC, LLC, successor in interest by merger to Caesars Entertainment Operating Company, Inc.
12.	Harvey's Lake Tahoe	Nevada and California	Harvey's Lake Tahoe LLC	Harveys Tahoe Management Company LLC
13.	Reno Billboard Parcel	Nevada	Harrah's Reno LLC	CEOC, LLC, successor in interest by merger to Caesars Entertainment Operating Company, Inc.
14.	Las Vegas Land Assemblage Properties	Nevada	Vegas Development LLC	Hole in the Wall, LLC CEOC, LLC, successor in interest by merger to Caesars Entertainment Operating Company, Inc.
15.	Harrah's Airplane Hangar	Nevada	Vegas Operating Property LLC	CEOC, LLC, successor in interest by merger to Caesars Entertainment Operating Company, Inc.

16.	Land Leftover from Harrah's Gulfport	Mississippi	Propco Gulfport LLC	CEOC, LLC, successor in interest by merger to Caesars Entertainment Operating Company, Inc.
17.	Vacant Land at Turfway Park	Kentucky	Miscellaneous Land LLC	CEOC, LLC, successor in interest by merger to Caesars Entertainment Operating Company, Inc.
18.	Harrah's Philadelphia	Pennsylvania	Philadelphia Propco LLC	Chester Downs and Marina, LLC
19.	Harrah's Atlantic City	New Jersey	Harrah's Atlantic City LLC	Harrah's Atlantic City Operating Company, LLC
20.	Harrah's Laughlin	Nevada	New Laughlin Owner LLC	Harrah's Laughlin, LLC
21.	Harrah's New Orleans	Louisiana	Harrah's New Orleans LLC	Jazz Casino Company, L.L.C.

Annex B

Splendora Property

Lot 2, Block 2, White Oak Plantation Subdivision, Section 2, a subdivision in Montgomery County, Texas, according to the map or plat thereof recorded in Cabinet C, Sheet 198A, Map Records of Montgomery County, Texas.

Exhibit 31.1

I, Edward B. Pitoniak, certify that:

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

Date: October 27, 2022

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

Exhibit 31.2

I, David Kieske, certify that:

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

Date: October 27, 2022

By: /s/ DAVID A. KIESKE

David A. Kieske
Chief Financial Officer

Exhibit 31.3

I, Edward B. Pitoniak, certify that:

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

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

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

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

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

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

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

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

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

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

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

Date: October 27, 2022

By: /s/ EDWARD B. PITONIAK

Edward B. Pitoniak
Chief Executive Officer

Exhibit 31.4

I, David Kieske, certify that:

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

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

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

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

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

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

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

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

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

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

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

Date: October 27, 2022

By: /s/ DAVID A. KIESKE

David A. Kieske
Chief Financial Officer

Exhibit 32.1

Certification of Principal Executive Officer

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

(i) the accompanying Quarterly Report on Form 10-Q of the Company for the quarterly period ended September 30, 2022 (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: October 27, 2022

By: /s/ EDWARD B. PITONIAK

Edward B. Pitoniak
Chief Executive Officer

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

Exhibit 32.2

Certification of Principal Financial Officer

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

(i) the accompanying Quarterly Report on Form 10-Q of the Company for the quarterly period ended September 30, 2022 (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: October 27, 2022

By: /s/ DAVID A. KIESKE

David A. Kieske
Chief Financial Officer

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

Exhibit 32.3

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 L.P. (the “Partnership”), hereby certifies, to such officer's knowledge, that:

(i) the accompanying Quarterly Report on Form 10-Q of the Partnership for the quarterly period ended March 31, 2022 (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 Partnership.

Date: October 27, 2022

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 Partnership, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

Certification of Principal Financial Officer

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

(i) the accompanying Quarterly Report on Form 10-Q of the Partnership for the quarterly period ended March 31, 2022 (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 Partnership.

Date: October 27, 2022

By: /s/ DAVID A. KIESKE

David A. Kieske
Chief Financial Officer

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