



GAMING & LEISURE  
PROPERTIES, INC.

## Gaming and Leisure Properties Acquires Real Estate Assets of Tioga Downs Casino Resort for \$175 Million

Feb 06, 2024

### Enters into Initial 30-Year Master Lease Agreement

WYOMISSING, Pa., Feb. 06, 2024 (GLOBE NEWSWIRE) -- Gaming and Leisure Properties, Inc. (NASDAQ: GLPI) ("GLPI") announced today that it acquired the real estate assets of Tioga Downs Casino Resort ("Tioga Downs") in Nichols, NY from American Racing & Entertainment, LLC ("American Racing") for \$175.0 million. Simultaneous with the acquisition, GLPI and American Racing entered into a triple-net master lease agreement for an initial 30-year term. The initial annual rent for the new master lease is \$14.5 million and represents an 8.3% capitalization rate. The initial annualized rent coverage ratio for the lease is expected to be over 2.3x. Rent associated with the lease is subject to a fixed 1.75% annual escalation beginning with the first anniversary and a fixed annual escalation of 2.0% beginning in year fifteen of the lease and carrying forward through the balance of its term.

Located in Nichols, NY, Tioga Downs Casino Resort is a roughly 162-acre property that features a 32,600 sq. ft. gaming floor with 895 slots and 29 table games, a 2,500 sq. ft. FanDuel sports book, a 160-room hotel, 5/8-mile harness horse track, 7 food and beverage locations, and a separate 18-hole championship golf course. The property underwent a \$130 million expansion beginning in 2016 after it was awarded a Class III casino license by the State of New York.

Peter Carlino, GLPI's Chairman and CEO, commented, "We are pleased to add Tioga Downs to our portfolio and the new relationship with American Racing to our tenant roster. Tioga Downs further diversifies our portfolio, expanding it to 62 properties across 19 states with 8 tenants. American Racing has 20 years of gaming, horse racing, and hotel experience, marking another addition to our portfolio of leading gaming operator tenants. Tioga Downs is a high-quality, recently expanded asset with significant geographic protection from competition. We look forward to the start of a fruitful partnership with American Racing. Our initiatives to further expand our portfolio remain active in the current environment as our reputation as the gaming landlord of choice is strengthened."

Jeff Gural, Founder and Chief Executive Officer of American Racing, added, "We are excited to partner with the team at GLPI as we continue to grow our business at Tioga Downs. Our locals-oriented property has a well-protected feeder market with no competition within 85 miles and a very loyal following. Its location largely insulates it from gaming expansion in the downstate New York region. GLPI is a great steward of regional casino assets, and we are excited to begin this new relationship. I'm also personally looking forward to becoming a GLPI unitholder."

The transaction was funded with cash on hand and the issuance of \$20.0 million in OP units. Since the end of the third quarter 2023, GLPI has issued 4.06 million shares through its ATM (At-The-Market) program which raised net proceeds of \$188.9 million, in part towards the funding of this transaction, as well as its overall potential acquisition pipeline.

Citizens JMP Securities acted as financial advisor to Gaming and Leisure Properties. Innovation Capital served as the financial advisor to American Racing.

### About Gaming and Leisure Properties

GLPI is engaged in the business of acquiring, financing, and owning real estate property to be leased to gaming operators in triple-net lease arrangements, pursuant to which the tenant is responsible for all facility maintenance, insurance required in connection with the leased properties and the business conducted on the leased properties, taxes levied on or with respect to the leased properties and all utilities and other services necessary or appropriate for the leased properties and the business conducted on the leased properties.

### About American Racing & Entertainment

Founded in 2005, American Racing is a leading regional casino operator in upstate New York. American Racing's casino properties include Tioga Downs Casino Resort located in Nichols, NY, and Vernon Downs Casino Hotel ("Vernon Downs") located in Vernon, NY. Tioga Downs was established in 1974 as a quarter horse track known as Tioga Park. Today, Tioga Downs offers entertainment for everyone with amenities that include 895 slots, 29 table games, a 160-room hotel, 7 F&B venues, live harness racing, a FanDuel sports book, a championship golf course, and 13,000+ SF of indoor/outdoor event space. Vernon Downs first opened in 1953 and following its purchase by American Racing in 2006, now operates 512 video gaming machines, a 150-room hotel, 5 F&B venues, live harness racing, and an 8,600 SF event center.

### Forward-Looking Statements

This press release includes "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, including our expectations regarding the anticipated future rent coverage and the benefits of the transaction to our shareholders. Forward-looking statements can be identified by the use of forward-looking terminology such as "expects," "believes," "estimates," "intends," "may," "will," "should" or "anticipates" or the negative or other variation of these or similar words, or by discussions of future events, strategies or risks and uncertainties. Such forward-looking statements are inherently subject to risks, uncertainties and assumptions about GLPI and its subsidiaries, including risks related to the following: GLPI's ability to expand its relationship with American Racing; the potential negative impact of recent high levels of inflation (which have been exacerbated by the armed conflict between Russia and Ukraine) on our tenants' operations; GLPI's ability to maintain its status as a REIT; our ability to access capital through debt and equity markets in amounts and at rates and costs acceptable to GLPI; the impact of our substantial indebtedness on our future operations and ability to grow through acquisition; changes in the U.S. tax law and other state, federal or local laws, whether or not specific to REITs or to the gaming or lodging industries; and other factors described in GLPI's Annual Report on Form 10-K for the year ended December 31, 2022, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K,

each as filed with the Securities and Exchange Commission. All subsequent written and oral forward-looking statements attributable to GLPI or persons acting on GLPI's behalf are expressly qualified in their entirety by the cautionary statements included in this press release. GLPI undertakes no obligation to publicly update or revise any forward-looking statements contained or incorporated by reference herein, whether as a result of new information, future events or otherwise, except as required by law. In light of these risks, uncertainties and assumptions, the forward-looking events discussed in this press release may not occur as presented or at all.

**Contact**

**Gaming and Leisure Properties, Inc.**

Matthew Demchyk, Chief Investment Officer  
610/401-2900  
[investorinquiries@glpropinc.com](mailto:investorinquiries@glpropinc.com)

**Investor Relations**

Joseph Jaffoni, Richard Land, James Leahy at JCIR  
212/835-8500  
[glpi@jcir.com](mailto:glpi@jcir.com)



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