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

FORM 10-Q

(Mark One)

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

For the quarterly period ended March 31, 2020
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: 001-36124

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

Pennsylvania	**46-2116489**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

845 Berkshire Blvd., Suite 200
Wyomissing, PA 19610
(Address of principal executive offices) (Zip Code)

610-401-2900
(Registrant's telephone number, including area code)
Not Applicable
(Former name, former address, and former fiscal year, if changed since last report)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value $.01 per share	GLPI	Nasdaq

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

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

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

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

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

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒
Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Title	April 30, 2020
Common Stock, par value $.01 per share	215,117,570

Forward-looking statements in this document are subject to known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements of Gaming and Leisure Properties, Inc. ("GLPI") and its subsidiaries (collectively, the "Company") to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Forward-looking statements include information concerning the Company’s business strategy, plans, goals and objectives.

Forward-looking statements in this document include, but are not limited to, statements regarding the extent and duration of the economic disruptions related to the novel coronavirus COVID-19 ("COVID-19") global pandemic on our tenants' operations and our taxable real estate investment trust ("REIT") subsidiaries' ("TRS") operations. In addition, statements preceded by, followed by or that otherwise include the words "believes," "expects," "anticipates," "intends," "projects," "estimates," "plans," "may increase," "may fluctuate," and similar expressions or future or conditional verbs such as "will," "should," "would," "may" and "could" are generally forward-looking in nature and not historical facts. You should understand that the following important factors could affect future results and could cause actual results to differ materially from those expressed in such forward-looking statements:

- COVID-19 has had, and is expected to continue to have, a significant impact on our tenants' financial conditions and operations. As a result of the outbreak, our casino operations and those of our tenants have been forced to close temporarily as federal, state and local officials have undertaken various steps to mitigate the spread of infections from COVID-19. If our tenants are unable to re-commence normal operations, our tenants may have difficulties in funding their rent obligations to us thereby requesting rent deferrals or receipt of non-cash assets in return for rent concessions;

- the time it may take our tenants and our casino operations to resume operations and the extent of time it may take for those operations to normalize;

- the impact that rising unemployment levels could have on discretionary consumer spending, including on casino operations;
- the current and uncertain future impact of the COVID-19 outbreak, including its effect on the ability or desire of people to gather in large groups (including in casinos), which is expected to impact our financial results, operations, outlooks, plans, goals, growth, cash flows, liquidity, and stock price;

- unforeseen consequences related to United States government stimulus packages or a failure to mitigate the sharp economic downturn from COVID-19;

- our ability to realize significant value for the real property assets of Tropicana Las Vegas which we acquired from Penn National Gaming, Inc. ("Penn") in return for $307.5 million of rent credits;

- the ability and willingness of our tenants, operators and other third parties to meet and/or perform their obligations under their respective contractual arrangements with us, including lease and note requirements and in some cases, their obligations to indemnify, defend and hold us harmless from and against various claims, litigation and liabilities;

- the ability of our tenants and operators to maintain the financial strength and liquidity necessary to satisfy their respective obligations and liabilities to third parties, including without limitation to satisfy obligations under their existing credit facilities and other indebtedness;

- the availability of and the ability to identify suitable and attractive acquisition and development opportunities and the ability to acquire and lease the respective properties on favorable terms;

- the degree and nature of our competition;

- the ability to receive, or delays in obtaining, the regulatory approvals required to own and/or operate our properties, or other delays or impediments to completing our planned acquisitions or projects;

- our ability to maintain our status as a REIT, given the highly technical and complex Internal Revenue Code (the "Code") provisions for which only limited judicial and administrative authorities exist, where even a technical or inadvertent violation could jeopardize REIT qualification and where requirements may depend in part on the actions of third parties over which the Company has no control or only limited influence;

- the satisfaction of certain asset, income, organizational, distribution, shareholder ownership and other requirements on a continuing basis in order for the Company to maintain its REIT status;

- the ability of our tenants and operators to comply with laws, rules and regulations in the operation of our properties, to deliver high quality services, to attract and retain qualified personnel and to attract customers;

- the satisfaction of the loan made to Eldorado Resorts, Inc. ("Eldorado") by way of substitution of one or more additional Eldorado properties acceptable to Eldorado and the Company, which will be transferred to the Company;

- the ability to generate sufficient cash flows to service our outstanding indebtedness;

- the access to debt and equity capital markets, including for acquisitions or refinancings due to maturities;

- adverse changes in our credit rating;

- fluctuating interest rates;

- the impact of global or regional economic conditions;

- the availability of qualified personnel and our ability to retain our key management personnel;

- GLPI's obligation to indemnify Penn and its subsidiaries in certain circumstances if the spin-off transaction described in Note 1 to the condensed consolidated financial statements fails to be tax-free;

- changes in the United States tax law and other state, federal or local laws, whether or not specific to real estate, REITs or the gaming, lodging or hospitality industries;

- changes in accounting standards;

- the impact of weather or climate events or conditions, natural disasters, acts of terrorism and other international hostilities, war or political instability;

- other risks inherent in the real estate business, including potential liability relating to environmental matters and illiquidity of real estate investments; and

- additional factors as discussed in the Company’s Annual Report on Form 10-K for the year ended December 31, 2019 (our "Annual Report"), in this Quarterly Report on Form 10-Q and Current Reports on Form 8-K as filed with the United States Securities and Exchange Commission.

Certain of these factors and other factors, risks and uncertainties are discussed in the "Risk Factors" section in the Company’s Annual Report and this Quarterly Report on Form 10-Q. Other unknown or unpredictable factors may also cause actual results to differ materially from those projected by the forward-looking statements. Most of these factors are difficult to anticipate and are generally beyond the control of the Company.

You should consider the areas of risk described above, as well as those set forth in the "Risk Factors" section in the Company’s Annual Report and this Quarterly Report on Form 10-Q, in connection with considering any forward-looking statements that may be made by the Company generally. Except for the ongoing obligations of the Company to disclose material information under the federal securities laws, the Company does not undertake any obligation to release publicly any revisions to any forward-looking statements, to report events or to report the occurrence of unanticipated events unless required to do so by law.

GAMING AND LEISURE PROPERTIES, INC. AND SUBSIDIARIES

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Gaming and Leisure Properties, Inc. and Subsidiaries
Condensed Consolidated Balance Sheets
(in thousands, except share data)

	March 31, 2020 (unaudited)	December 31, 2019
Assets		
Real estate investments, net	$ 7,046,276	$ 7,100,555
Property and equipment, used in operations, net	92,443	94,080
Real estate loans	303,684	303,684
Right-of-use assets and land rights, net	835,027	838,734
Cash and cash equivalents	559,545	26,823
Prepaid expenses	4,544	4,228
Goodwill	16,067	16,067
Other intangible assets	9,577	9,577
Deferred tax assets	5,529	6,056
Other assets	26,469	34,494
Total assets	$ 8,899,161	$ 8,434,298
Liabilities		
Accounts payable	$ 339	$ 1,006
Accrued expenses	5,998	6,239
Accrued interest	77,564	60,695
Accrued salaries and wages	3,154	13,821
Gaming, property, and other taxes	810	944
Lease liabilities	183,298	183,971
Long-term debt, net of unamortized debt issuance costs, bond premiums and original issuance discounts	6,255,714	5,737,962
Deferred rental revenue	337,129	328,485
Deferred tax liabilities	332	279
Other liabilities	22,518	26,651
Total liabilities	6,886,856	6,360,053
Shareholders’ equity		
Preferred stock ($.01 par value, 50,000,000 shares authorized, no shares issued or outstanding at March 31, 2020 and December 31, 2019)	—	—
Common stock ($.01 par value, 500,000,000 shares authorized, 215,107,229 and 214,694,165 shares issued and outstanding at March 31, 2020 and December 31, 2019, respectively)	2,151	2,147
Additional paid-in capital	3,951,341	3,959,383
Accumulated deficit	(1,941,187)	(1,887,285)
Total shareholders’ equity	2,012,305	2,074,245
Total liabilities and shareholders’ equity	$ 8,899,161	$ 8,434,298

See accompanying notes to the condensed consolidated financial statements.

Gaming and Leisure Properties, Inc. and Subsidiaries
Condensed Consolidated Statements of Income
(in thousands, except per share data)
(unaudited)

	Three Months Ended March 31, 2020	2019
Revenues		
Rental income	$ 249,407	$ 247,678
Interest income from real estate loans	7,316	7,193
Total income from real estate	256,723	254,871
Gaming, food, beverage and other	26,759	32,993
Total revenues	283,482	287,864
Operating expenses		
Gaming, food, beverage and other	16,503	19,022
Land rights and ground lease expense	8,078	9,249
General and administrative	15,988	17,240
Depreciation	56,563	58,578
Loan impairment charges	—	13,000
Total operating expenses	97,132	117,089
Income from operations	186,350	170,775
Other income (expenses)		
Interest expense	(72,004)	(76,728)
Interest income	196	89
Losses on debt extinguishment	(17,329)	—
Total other expenses	(89,137)	(76,639)
Income before income taxes	97,213	94,136
Income tax expense	319	1,126
Net income	$ 96,894	$ 93,010
Earnings per common share:		
Basic earnings per common share	$ 0.45	$ 0.43
Diluted earnings per common share	$ 0.45	$ 0.43

See accompanying notes to the condensed consolidated financial statements.

Gaming and Leisure Properties, Inc. and Subsidiaries
Condensed Consolidated Statements of Changes in Shareholders' Equity
(in thousands, except share data)
(unaudited)

	Common Stock		Additional Paid-In Capital	Accumulated Deficit	Total Shareholders' Equity
	Shares	Amount			
Balance, December 31, 2019	214,694,165	$ 2,147	$ 3,959,383	$ (1,887,285)	$ 2,074,245
ATM Program offering costs, net of issuance of common stock	7,971	—	310	—	310
Restricted stock activity	405,093	4	(8,352)	—	(8,348)
Dividends paid ($0.70 per common share)	—	—	—	(150,796)	(150,796)
Net income	—	—	—	96,894	96,894
Balance, March 31, 2020	215,107,229	$ 2,151	$ 3,951,341	$ (1,941,187)	$ 2,012,305

	Common Stock		Additional Paid-In Capital	Accumulated Deficit	Total Shareholders' Equity
	Shares	Amount			
Balance, December 31, 2018	214,211,932	$ 2,142	$ 3,952,503	$ (1,689,038)	$ 2,265,607
Stock option activity	26,799	—	592	—	592
Restricted stock activity	406,769	4	(5,327)	—	(5,323)
Dividends paid ($0.68 per common share)	—	—	—	(146,202)	(146,202)
Net income	—	—	—	93,010	93,010
Balance, March 31, 2019	214,645,500	$ 2,146	$ 3,947,768	$ (1,742,230)	$ 2,207,684

See accompanying notes to the condensed consolidated financial statements.

Gaming and Leisure Properties, Inc. and Subsidiaries
Condensed Consolidated Statements of Cash Flows
(in thousands)
(unaudited)

Three months ended March 31,	2020	2019
Operating activities		
Net income	$ 96,894	$ 93,010
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	59,583	61,668
Amortization of debt issuance costs, bond premiums and original issuance discounts	2,770	2,891
Losses on dispositions of property	1	7
Deferred income taxes	38	(248)
Stock-based compensation	4,235	4,325
Straight-line rent adjustments	8,644	8,644
Losses on debt extinguishment	17,329	—
Loan impairment charges	—	13,000
(Increase), decrease		
Prepaid expenses and other assets	6,467	(3,346)
Increase, (decrease)		
Accounts payable	(667)	(1,809)
Accrued expenses	1,556	521
Accrued interest	16,869	52,962
Accrued salaries and wages	(10,667)	(10,162)
Gaming, property and other taxes	(134)	276
Income taxes	—	648
Other liabilities	(4,133)	(964)
Net cash provided by operating activities	198,785	221,423
Investing activities		
Capital maintenance expenditures	(646)	(530)
Proceeds from sale of property and equipment	—	182
Net cash used in investing activities	(646)	(348)
Financing activities		
Dividends paid	(150,796)	(146,202)
Taxes paid related to shares withheld for tax purposes on restricted stock award vestings, net of proceeds from exercise of options	(12,583)	(9,056)
Proceeds from issuance of stock from ATM Program offering costs	310	—
Proceeds from issuance of long-term debt	1,174,600	62,000
Financing costs	—	(236)
Repayments of long-term debt	(661,206)	(123,030)
Premium and related costs paid on tender of senior unsecured notes	(15,742)	—
Net cash provided by (used in) financing activities	334,583	(216,524)
Net increase in cash and cash equivalents	532,722	4,551
Cash and cash equivalents at beginning of period	26,823	25,783
Cash and cash equivalents at end of period	$ 559,545	$ 30,334

See Note 16 to the condensed consolidated financial statements for supplemental cash flow information and noncash investing and financing activities.

Gaming and Leisure Properties, Inc.
Notes to the Condensed Consolidated Financial Statements
(unaudited)

1. Business and Operations

Gaming and Leisure Properties, Inc. ("GLPI") is a self-administered and self-managed Pennsylvania real estate investment trust ("REIT"). GLPI (together with its subsidiaries, the "Company") was incorporated on February 13, 2013, as a wholly-owned subsidiary of Penn National Gaming, Inc. ("Penn"). On November 1, 2013, Penn contributed to GLPI, through a series of internal corporate restructurings, substantially all of the assets and liabilities associated with Penn's real property interests and real estate development business, as well as the assets and liabilities of Hollywood Casino Baton Rouge and Hollywood Casino Perryville (which are referred to as the "TRS Properties"), and then spun-off GLPI to holders of Penn's common and preferred stock in a tax-free distribution (the "Spin-Off"). The assets and liabilities of GLPI were recorded at their respective historical carrying values at the time of the Spin-Off in accordance with the provisions of Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 505-60 - *Spinoffs and Reverse Spinoffs ("*ASC 505"*).*

The Company elected on its United States ("U.S.") federal income tax return for its taxable year that began on January 1, 2014 to be treated as a REIT and GLPI, together with its indirect wholly-owned subsidiary, GLP Holdings, Inc., jointly elected to treat each of GLP Holdings, Inc., Louisiana Casino Cruises, Inc. (d/b/a Hollywood Casino Baton Rouge) and Penn Cecil Maryland, Inc. (d/b/a Hollywood Casino Perryville) as a "taxable REIT subsidiary" ("TRS") effective on the first day of the first taxable year of GLPI as a REIT. In connection with the Spin-Off, Penn allocated its accumulated earnings and profits (as determined for U.S. federal income tax purposes) for periods prior to the consummation of the Spin-Off between Penn and GLPI. In connection with its election to be taxed as a REIT for U.S. federal income tax purposes, GLPI declared a special dividend to its shareholders to distribute any accumulated earnings and profits relating to the real property assets and attributable to any pre-REIT years, including any earnings and profits allocated to GLPI in connection with the Spin-Off, to comply with certain REIT qualification requirements.

As a result of the Spin-Off, GLPI owns substantially all of Penn's former real property assets (as of the consummation of the Spin-Off) and leases back most of those assets to Penn for use by its subsidiaries, under a unitary master lease, a triple-net operating lease with an initial term of 15 years (expiring October 31, 2028), with no purchase option, followed by four 5-year renewal options (exercisable by Penn) on the same terms and conditions (the "Penn Master Lease"), and GLPI also owns and operates the TRS Properties through an indirect wholly-owned subsidiary, GLP Holdings, Inc. In April 2016, the Company acquired substantially all of the real estate assets of Pinnacle Entertainment, Inc. ("Pinnacle") for approximately $4.8 billion. GLPI originally leased these assets back to Pinnacle, under a unitary triple-net lease with an initial term of 10 years (expiring April 30, 2026), with no purchase option, followed by five 5-year renewal options (exercisable by Pinnacle) on the same terms and conditions (the "Pinnacle Master Lease"). On October 15, 2018, the Company completed its previously announced transactions with Penn, Pinnacle and Boyd Gaming Corporation ("Boyd") to accommodate Penn's acquisition of the majority of Pinnacle's operations, pursuant to a definitive agreement and plan of merger between Penn and Pinnacle, dated December 17, 2017 (the "Penn-Pinnacle Merger"). Concurrent with the Penn-Pinnacle Merger, the Company amended the Pinnacle Master Lease to allow for the sale of the operating assets of Ameristar Casino Hotel Kansas City, Ameristar Casino Resort Spa St. Charles and Belterra Casino Resort from Pinnacle to Boyd (the "Amended Pinnacle Master Lease") and entered into a new unitary triple-net master lease agreement with Boyd (the "Boyd Master Lease") for these properties on terms similar to the Company's Amended Pinnacle Master Lease. The Boyd Master Lease has an initial term of 10 years (from the original April 2016 commencement date of the Pinnacle Master Lease and expiring April 30, 2026), with no purchase option, followed by five 5-year renewal options (exercisable by Boyd) on the same terms and conditions. The Company also purchased the real estate assets of Plainridge Park Casino ("Plainridge Park") from Penn for $250.0 million, exclusive of transaction fees and taxes, and added this property to the Amended Pinnacle Master Lease. The Amended Pinnacle Master Lease was assumed by Penn at the consummation of the Penn-Pinnacle Merger. The Company also entered into a mortgage loan agreement with Boyd in connection with Boyd's acquisition of Belterra Park Gaming & Entertainment Center ("Belterra Park"), whereby the Company loaned Boyd $57.7 million.

In addition to the acquisition of Plainridge Park described above, on October 1, 2018, the Company closed its previously announced transaction to acquire certain real property assets from Tropicana Entertainment Inc. ("Tropicana") and certain of its affiliates pursuant to a Purchase and Sale Agreement (the "Real Estate Purchase Agreement") dated April 15, 2018 between Tropicana and GLP Capital L.P., the operating partnership of GLPI ("GLP Capital"), which was subsequently amended on October 1, 2018 (as amended, the "Amended Real Estate Purchase Agreement"). Pursuant to the terms of the Amended Real Estate Purchase Agreement, the Company acquired the real estate assets of Tropicana Atlantic City, Tropicana Evansville, Tropicana Laughlin, Trop Casino Greenville and the Belle of Baton Rouge (the "GLP Assets") from Tropicana for an aggregate cash purchase price of $964.0 million, exclusive of transaction fees and taxes (the "Tropicana Acquisition").

Concurrent with the Tropicana Acquisition, Eldorado Resorts, Inc. ("Eldorado") acquired the operating assets of these properties from Tropicana pursuant to an Agreement and Plan of Merger dated April 15, 2018 by and among Tropicana, GLP Capital, Eldorado and a wholly-owned subsidiary of Eldorado and leased the GLP Assets from the Company pursuant to the terms of a new unitary triple-net master lease with an initial term of 15 years, with no purchase option, followed by four successive 5-year renewal periods (exercisable by Eldorado) on the same terms and conditions (the "Eldorado Master Lease"). Additionally, on October 1, 2018, the Company made a loan to Eldorado in the amount of $246.0 million in connection with Eldorado's acquisition of Lumière Place Casino and Hotel ("Lumière Place") (and together with the Tropicana Acquisition, the "Tropicana Transactions").

GLPI's primary business consists of acquiring, financing, and owning real estate property to be leased to gaming operators in triple-net lease arrangements. As of March 31, 2020, GLPI's portfolio consisted of interests in 44 gaming and related facilities, including the TRS Properties, the real property associated with 32 gaming and related facilities operated by Penn, the real property associated with 5 gaming and related facilities operated by Eldorado, the real property associated with 4 gaming and related facilities operated by Boyd (including one mortgaged facility) and the real property associated with the Casino Queen in East St. Louis, Illinois. These facilities are geographically diversified across 16 states, contain approximately 22.1 million square feet and were 100% occupied at March 31, 2020.

In the first quarter of 2020, it became clear that there was a global outbreak of a new strain of novel coronavirus COVID-19 ("COVID-19"). The global, domestic and local response to the COVID-19 outbreak continues to evolve rapidly. Thus far, responses to the COVID-19 outbreak have included mandates from federal, state and/or local authorities that require temporary closures of or imposed limitations on the operations of non-essential businesses. All of the Company's tenants' casino operations, in addition to the Company's two TRS Properties, were closed in mid-March and their reopening dates are unknown and subject to factors outside of the Company's control.

2. Basis of Presentation

The accompanying unaudited condensed consolidated financial statements of the Company have been prepared in accordance with U.S. generally accepted accounting principles ("GAAP") for interim financial information and with the instructions for Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by GAAP for complete consolidated financial statements. In the opinion of management, all normal recurring adjustments considered necessary for a fair presentation have been included.

The condensed consolidated financial statements include the accounts of GLPI and its subsidiaries. All intercompany accounts and transactions have been eliminated in consolidation. The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses for the reporting periods. Actual results could differ from those estimates.

Operating results for the three months ended March 31, 2020 are not necessarily indicative of the results that may be expected for the year ending December 31, 2020, particularly given the uncertainty related to the COVID-19 outbreak described in Note 1. The notes to the consolidated financial statements contained in our Annual Report on Form 10-K for the year ended December 31, 2019 (our "Annual Report") should be read in conjunction with these condensed consolidated financial statements. The December 31, 2019 financial information has been derived from the Company's audited consolidated financial statements.

The Company's significant accounting policies are described in Note 2 of the notes to the consolidated financial statements included in the Company's Annual Report and since the date of those financial statements, the Company has not had any significant changes to these accounting policies that have had a material impact on the Company's financial statements.

3. New Accounting Pronouncements

Recently Adopted Accounting Pronouncements

In August 2018, the FASB issued ASU No. 2018-15, *Intangibles - Goodwill and Other - Internal Use Software (Subtopic 350-40: Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement that is a Service Contract (a consensus of the FASB Emerging Issues Task Force*) ("ASU 2018-15"). This ASU clarifies that entities should follow the guidance for capitalizing implementation costs incurred to develop or obtain internal-use software to account for implementation costs of cloud computing arrangements that are service contracts. ASU 2018-15 does not change the accounting for the service component of a cloud computing arrangement. ASU 2018-15 is effective for fiscal years beginning after December 15, 2019, with early adoption permitted. The Company's adoption of ASU 2018-15 did not have an impact on its condensed consolidated financial statements.

In June 2016, the FASB issued ASU No. 2016-13, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments* ("ASU 2016-13"). This ASU introduces a new model for estimating credit losses for certain types of financial instruments, including mortgage and other loans receivable, amongst other financial instruments. ASU 2016-13 sets forth an "expected credit loss" impairment model to replace the current "incurred loss" method of recognizing credit losses, which is intended to improve financial reporting by requiring timely recording of credit losses on loans and other financial instruments. ASU 2016-13 is effective for fiscal years beginning after December 15, 2019, with early adoption permitted for fiscal years beginning after December 15, 2018. The Company assessed the impact of this pronouncement at March 31, 2020 and concluded that the impact of this pronouncement was immaterial.

Accounting Pronouncements Not Yet Adopted

In March 2020, the FASB issued ASU No. 2020-04, Reference Rate Reform ("ASU 2020-04"). Reference rates such as London Interbank Offered Rate ("LIBOR") are widely used in a broad range of financial instruments and other agreements. Regulators and market participants in various jurisdictions have undertaken efforts, generally referred to as "reference rate reform", to eliminate certain reference rates and introduce new reference rates that are based on a larger and more liquid population of observable transactions. As a result of this reform initiative, certain widely used rates such as LIBOR are expected to be discontinued. ASU 2020-04 provides optional expedients for applying the guidance for contract modifications or other situations affected by reference rate reform, specifically addressing the accounting for modifications of contracts within the scope of ASC Topics 310 on receivables, ASC 470 on debt, and ASC 842 on leases and ASC subtopic 815-15 on embedded derivatives. The Company is in the process of evaluating this pronouncement on its condensed consolidated financial statements.

4. Real Estate Investments

Real estate investments, net, represents investments in 41 rental properties and the corporate headquarters building and is summarized as follows:

	March 31, 2020	December 31, 2019
	(in thousands)	
Land and improvements	$ 2,552,285	$ 2,552,285
Building and improvements	5,749,211	5,749,211
Total real estate investments	8,301,496	8,301,496
Less accumulated depreciation	(1,255,220)	(1,200,941)
Real estate investments, net	$ 7,046,276	$ 7,100,555

5. Property and Equipment Used in Operations

Property and equipment used in operations, net, consists of the following and primarily represents the assets utilized in the TRS Properties:

	March 31, 2020	December 31, 2019
	(in thousands)	
Land and improvements	$ 30,499	$ 30,492
Building and improvements	116,904	116,904
Furniture, fixtures, and equipment	119,091	118,766
Construction in progress	434	120
Total property and equipment	266,928	266,282
Less accumulated depreciation	(174,485)	(172,202)
Property and equipment, net	$ 92,443	$ 94,080

6. Receivables

Real Estate Loans

At March 31, 2020, the Company has two loans, the proceeds of which were used to acquire real estate by the respective casino owner-operators. On October 1, 2018, Eldorado purchased the real estate assets of Lumière Casino and Hotel from Tropicana for a cash purchase price of $246.0 million, exclusive of transaction fees. Financing for the transaction was provided by the Company in the form of a $246.0 million real estate loan (the "Eldorado Loan"). The Eldorado Loan had an interest rate equal to 9.09% until October 1, 2019, and then increased to 9.27% until its maturity. Until the one-year anniversary of the closing, the Eldorado Loan was secured by a first mortgage lien on Lumière Place. On the one-year anniversary of the Eldorado Loan, the mortgage evidenced by a deed of trust on the Lumière Place property terminated and the Eldorado Loan became unsecured and will remain unsecured until its final maturity on the two-year anniversary of the closing. The parties anticipate that the Eldorado Loan will be fully repaid on or prior to maturity by way of substitution of one or more additional Eldorado properties acceptable to Eldorado and the Company, which will be transferred to the Company and added to the Eldorado Master Lease.

On October 15, 2018, Boyd purchased the real estate assets of Belterra Park from Pinnacle for a cash purchase price of $57.7 million, exclusive of transaction fees. Financing for the transaction was provided by the Company in the form of $57.7 million secured mortgage loan on Belterra Park (the "Belterra Park Loan"). The Belterra Park Loan bears interest at an initial rate equal to 11.11% and matures in connection with the expiration of the Boyd Master Lease (as may be extended at the tenant's option to April 30, 2051). At March 31, 2020, the interest rate on the Belterra Park Loan was 11.20%.

Loan Receivable

In January 2014, the Company completed the asset acquisition of the real property associated with the Casino Queen in East St. Louis, Illinois. GLPI leases the property back to Casino Queen on a triple-net basis on terms similar to those in the Company's existing master leases. The lease has an initial term of 15 years and the tenant has an option to renew it at the same terms and conditions for four successive five-year periods (the "Casino Queen Lease").

Simultaneously with the Casino Queen acquisition, GLPI provided Casino Queen with a $43.0 million, 5-year term loan at 7% interest, pre-payable at any time, which, together with the sale proceeds, completely refinanced and retired all of Casino Queen’s outstanding long-term debt obligations. On March 13, 2017, the outstanding principal and interest on this loan was repaid in full and GLPI simultaneously provided a new unsecured $13.0 million, 5.5-year term loan (the "Casino Queen Loan") to CQ Holding Company, Inc., an affiliate of Casino Queen ("CQ Holding Company"), to partially finance its acquisition of Lady Luck Casino in Marquette, Iowa. The Casino Queen Loan bears an interest rate of 15% and is pre-payable at any time.

On June 12, 2018, the Company received a Notice of Event of Default under the senior credit agreement of CQ Holding Company from the secured lender under such agreement, which reported a covenant default under its senior secured agreement. Under the terms of that agreement, when an event of default occurs, CQ Holding Company is prohibited from making cash payments to unsecured lenders such as GLPI. Therefore, beginning in June 2018 and through March 31, 2020, the interest due from CQ Holding Company under the Company's Casino Queen Loan was paid in kind. In addition to the covenant violation noted above under its senior credit agreement, CQ Holding Company also had a payment default under the senior credit agreement. Furthermore, the Company notified Casino Queen of events of default under the Casino Queen Loan, related to financial covenant violations during the year ended December 31, 2018.

During 2019, the operating results of Casino Queen continued to decline, the secured debt of Casino Queen was sold to a third-party casino operator at a discount and the Company no longer expected the loan to be repaid. Thus, because the Company did not expect Casino Queen to be able to repay the $13.0 million of principal due to the Company under the Casino Queen Loan the full $13.0 million of principal was written off and an impairment charge was recorded for the three-month period ended March 31, 2019.

At March 31, 2020, Casino Queen was in violation of the rent coverage ratio required under the Casino Queen Lease and the Company provided notice and a reservation of rights to Casino Queen and its secured lenders of such default. At March 31, 2020, all lease payments due from Casino Queen remain current. See Note 17 for further discussion related to events subsequent to March 31, 2020.

7. Lease Assets and Lease Liabilities

Lease Assets

The Company is subject to various operating leases as lessee for both real estate and equipment, the majority of which are ground leases related to properties the Company leases to its tenants under triple-net operating leases. These ground leases may include fixed rent, as well as variable rent based upon an individual property's performance or changes in an index such as the CPI and have maturity dates ranging from 2028 to 2108, when considering all renewal options. For certain of these ground leases, the Company's tenants are responsible for payment directly to the third-party landlord. Under ASC 842, the Company is required to gross-up its condensed consolidated financial statements for these ground leases as the Company is considered the primary obligor. In conjunction with the adoption of ASU 2016-02 on January 1, 2019, the Company recorded right-of-use assets and related lease liabilities on its condensed consolidated balance sheet to represent its rights to use the underlying leased assets and its future lease obligations, respectively, including for those ground leases paid directly by our tenants. Because the right-of-use asset relates, in part, to the same leases which resulted in the land right assets the Company recorded on its condensed consolidated balance sheet in conjunction with the Company's assumption of below market leases at the time it acquired the related land and building assets, the Company is required to report the right-of-use assets and land rights in the aggregate on the condensed consolidated balance sheet.

Land rights, net represent the Company's rights to land subject to long-term ground leases. The Company obtained ground lease rights through the acquisition of several of its rental properties and immediately subleased the land to its tenants. These land rights represent the below market value of the related ground leases. The Company assessed the acquired ground leases to determine if the lease terms were favorable or unfavorable, given market conditions at the acquisition date. Because the market rents to be received under the Company's triple-net tenant leases were greater than the rents to be paid under the acquired ground leases, the Company concluded that the ground leases were below market and were therefore required to be recorded as a definite lived asset (land rights) on its books.

Components of the Company's right-of use assets and land rights, net are detailed below (in thousands):

	March 31, 2020	
Right-of use assets - operating leases	$	183,376
Land rights, net		651,651
Right-of-use assets and land rights, net	$	835,027

Land Rights

The land rights are amortized over the individual lease term of the related ground lease, including all renewal options, which ranged from 10 years to 92 years at their respective acquisition dates. Land rights net, consist of the following:

	March 31, 2020		December 31, 2019	
	(in thousands)			
Land rights	$	694,077	$	694,077
Less accumulated amortization		(42,426)		(39,406)
Land rights, net	$	651,651	$	654,671

As of March 31, 2020, estimated future amortization expense related to the Company’s land rights by fiscal year is as follows (in thousands):

Year ending December 31,		
2020 (remainder of year)	$	9,061
2021		12,081
2022		12,081
2023		12,081
2024		12,081
Thereafter		594,266
Total	$	651,651

Lease Liabilities

At March 31, 2020, maturities of the Company's operating lease liabilities were as follows (in thousands):

Year ending December 31,		
2020 (remainder of year)	$	10,343
2021		13,752
2022		13,704
2023		13,638
2024		13,617
Thereafter		644,059
Total lease payments	$	709,113
Less: interest		(525,815)
Present value of lease liabilities	$	183,298

Lease Expense

Operating lease costs represent the entire amount of expense recognized for operating leases that are recorded on the condensed consolidated balance sheet. Variable lease costs are not included in the measurement of the lease liability and include both lease payments tied to a property's performance and changes in an index such as the CPI that are not determinable at lease commencement, while short-term lease costs are costs for those operating leases with a term of 12 months or less.

The components of lease expense were as follows:

	Three Months Ended March 31, 2020		Three Months Ended March 31, 2019	
	(in thousands)		(in thousands)	
Operating lease cost	$	3,695	$	3,893
Variable lease cost		1,462		2,436
Short-term lease cost		227		238
Amortization of land right assets		3,020		3,090
Total lease cost	$	8,404	$	9,657

Amortization expense related to the land right intangibles, as well as variable lease costs and the majority of the Company's operating lease costs are recorded within land rights and ground lease expense in the condensed consolidated statements of income. The Company's short-term lease costs are recorded in both gaming, food, beverage and other expense and general and administrative expense in the condensed consolidated statements of income, while a small portion of operating lease costs is also recorded in both gaming, food, beverage and other expense and general and administrative expense in the condensed consolidated statements of income.

Supplemental Disclosures Related to Leases

Supplemental balance sheet information related to the Company's operating leases was as follows:

	March 31, 2020
Weighted average remaining lease term - operating leases	53.40 years
Weighted average discount rate - operating leases	6.7%

Supplemental cash flow information related to the Company's operating leases was as follows:

	Three Months Ended March 31, 2020
	(in thousands)
Cash paid for amounts included in the measurement of leases liabilities:	
Operating cash flows from operating leases [1]	$ 488
Right-of-use assets obtained in exchange for new lease obligations:	
Operating leases	$ 185

[1] The Company's cash paid for operating leases is significantly less than the lease cost for the same period due to the majority of the Company's ground lease rent being paid directly to the landlords by the Company's tenants. Although GLPI expends no cash related to these leases, they are required to be grossed up in the Company's financial statements under ASC 842.

8. Long-term Debt

Long-term debt is as follows:

	March 31, 2020	December 31, 2019
	(in thousands)	
Unsecured $1,175 million revolver	$ 1,174,600	$ 46,000
Unsecured term loan A-1	449,000	449,000
$1,000 million 4.875% senior unsecured notes due November 2020	—	215,174
$400 million 4.375% senior unsecured notes due April 2021	—	400,000
$500 million 5.375% senior unsecured notes due November 2023	500,000	500,000
$400 million 3.35% senior unsecured notes due September 2024	400,000	400,000
$850 million 5.25% senior unsecured notes due June 2025	850,000	850,000
$975 million 5.375% senior unsecured notes due April 2026	975,000	975,000
$500 million 5.75% senior unsecured notes due June 2028	500,000	500,000
$750 million 5.30% senior unsecured notes due January 2029	750,000	750,000
$700 million 4.00% senior unsecured notes due January 2030	700,000	700,000
Finance lease liability	958	989
Total long-term debt	6,299,558	5,786,163
Less: unamortized debt issuance costs, bond premiums and original issuance discounts	(43,844)	(48,201)
Total long-term debt, net of unamortized debt issuance costs, bond premiums and original issuance discounts	$ 6,255,714	$ 5,737,962

The following is a schedule of future minimum repayments of long-term debt as of March 31, 2020 (in thousands):

Within one year	$ 131
2-3 years	449,281
4-5 years	2,074,909
Over 5 years	3,775,237
Total minimum payments	$ 6,299,558

Senior Unsecured Credit Facility

The Company's senior unsecured credit facility (the "Credit Facility") consists of a $1,175 million revolving credit facility and a $449 million Term Loan A-1 facility. The revolving credit facility matures on May 21, 2023 and the Term Loan A-1 facility matures on April 28, 2021. At March 31, 2020, the interest rate on the term loan facility and revolver was LIBOR plus 1.50%.

The Company fully drew down on its revolving credit facility in the first quarter of 2020 to increase its liquidity position and repay certain senior unsecured notes as described below. At March 31, 2020, the Credit Facility had a gross outstanding balance of $1,623.6 million, consisting of the $449 million Term Loan A-1 facility and $1,174.6 million of borrowings under the revolving credit facility. Additionally, at March 31, 2020, the Company was contingently obligated under letters of credit issued pursuant to the Credit Facility with face amounts aggregating approximately $0.4 million, resulting in no available borrowing capacity under the revolving credit facility as of March 31, 2020.

The Credit Facility contains customary covenants that, among other things, restrict, subject to certain exceptions, the ability of GLPI and its subsidiaries to grant liens on their assets, incur indebtedness, sell assets, make investments, engage in acquisitions, mergers or consolidations or pay certain dividends and other restricted payments. The Credit Facility contains the following financial covenants, which are measured quarterly on a trailing four-quarter basis: a maximum total debt to total asset value ratio, a maximum senior secured debt to total asset value ratio, a maximum ratio of certain recourse debt to unencumbered asset value and a minimum fixed charge coverage ratio. In addition, GLPI is required to maintain a minimum tangible net worth and its status as a REIT. GLPI is permitted to pay dividends to its shareholders as may be required in order to maintain REIT status, subject to the absence of payment or bankruptcy defaults. GLPI is also permitted to make other dividends and distributions subject to pro forma compliance with the financial covenants and the absence of defaults. The Credit Facility also contains certain customary affirmative covenants and events of default, including the occurrence of a change of control and termination of the Penn Master Lease (subject to certain replacement rights). The occurrence and continuance of an event of default under the Credit Facility will enable the lenders under the Credit Facility to accelerate the loans and terminate the commitments thereunder.

At March 31, 2020, the Company was in compliance with all required financial covenants under the Credit Facility. Additionally, the Company entered into an amendment at March 30, 2020, with the Company's credit facility lenders creditors which permits the fair value of non-cash assets received for rental payments from our tenants to be recognized within net operating income to the extent earned in accordance with GAAP for debt covenant purposes as well as the inclusion of cash in the definition of unencumbered assets.

Senior Unsecured Notes

In the first quarter of 2020, the Company redeemed all $215.2 million aggregate principal amount of the Company’s outstanding 4.875% senior unsecured notes due in November 2020 and all $400 million aggregate principal amount of the Company’s outstanding 4.375% senior unsecured notes due in April 2021. The Company recorded a loss on the early extinguishment of debt related to the current year redemption of $17.3 million, primarily for call premium charges and debt issuance write-offs.

At March 31, 2020, the Company had $4,675.0 million of outstanding senior unsecured notes (the "Senior Notes"). Each of the Company's Senior Notes contain covenants limiting the Company’s ability to: incur additional debt and use its assets to secure debt; merge or consolidate with another company; and make certain amendments to the Penn Master Lease. The Senior Notes also require the Company to maintain a specified ratio of unencumbered assets to unsecured debt. These covenants are subject to a number of important and significant limitations, qualifications and exceptions.

At March 31, 2020, the Company was in compliance with all required financial covenants under its Senior Notes.

9. Fair Value of Financial Assets and Liabilities

Fair value is defined as the price that would be received to sell an asset or transfer a liability in an orderly transaction between market participants at the measurement date. Assets and liabilities recorded at fair value are classified based upon the level of judgment associated with the inputs used to measure their fair value. ASC 820 - *Fair Value Measurements and Disclosures* ("ASC 820") establishes a hierarchy that prioritizes fair value measurements based on the types of inputs used for the various valuation techniques (market approach, income approach, and cost approach). The levels of the hierarchy related to the subjectivity of the valuation inputs are described below:

- Level 1: Observable inputs such as quoted prices in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly; these include quoted prices for similar assets or liabilities in active markets, such as interest rates and yield curves that are observable at commonly quoted intervals.
- Level 3: Unobservable inputs that reflect the reporting entity's own assumptions, as there is little, if any, related market activity.

The Company's assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the valuation of assets and liabilities and their placement within the fair value hierarchy.

Assets and Liabilities Measured at Fair Value on a Recurring Basis

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

Cash and Cash Equivalents

The fair value of the Company's cash and cash equivalents approximates the carrying value of the Company's cash and cash equivalents, due to the short maturity of the cash equivalents.

Deferred Compensation Plan Assets

The Company's deferred compensation plan assets consist of open-ended mutual funds and as such the fair value measurement of the assets is considered a Level 1 measurement as defined under ASC 820. Deferred compensation plan assets are included within other assets on the condensed consolidated balance sheets.

Real Estate Loans

The fair value of the real estate loans approximates the carrying value of the Company's real estate loans, as collection on the outstanding loan balances is reasonably assured. The fair value measurement of the real estate loans is considered a Level 3 measurement as defined under ASC 820.

Long-term Debt

The fair value of the Senior Notes and senior unsecured credit facility is estimated based on quoted prices in active markets and as such is a Level 1 measurement as defined under ASC 820.

The estimated fair values of the Company’s financial instruments are as follows (in thousands):

	March 31, 2020		December 31, 2019	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets:				
Cash and cash equivalents	$ 559,545	$ 559,545	$ 26,823	$ 26,823
Deferred compensation plan assets	23,654	23,654	28,855	28,855
Real estate loans	303,684	303,684	303,684	303,684
Financial liabilities:				
Long-term debt:				
Senior unsecured credit facility	1,623,600	1,605,640	495,000	493,533
Senior unsecured notes	4,675,000	4,052,813	5,290,174	5,707,996

Assets and Liabilities Measured at Fair Value on a Nonrecurring Basis

Certain assets and liabilities are measured at fair value on a nonrecurring basis in periods subsequent to initial recognition. There were no assets measured at fair value on a nonrecurring basis during the three months ended March 31, 2020; however, assets measured at fair value on a nonrecurring basis during the three months ended March 31, 2019 are categorized in the table below based upon the lowest level of significant input to the valuation. There were no liabilities measured at fair value on a nonrecurring basis during the three months ended March 31, 2020 and 2019.

	Level 1	Level 2	Level 3	Total Impairment Charges Recorded during the Three Months Ended March 31, 2019
			(in thousands)	
Assets:				
Loan receivable	$ —	$ —	$ —	$ 13,000
Total assets measured at fair value on a nonrecurring basis	$ —	$ —	$ —	$ 13,000

Loan Receivable

During the first quarter of 2019, the Company recorded an impairment charge of $13.0 million related to the write-off of the principal due to the Company under the Casino Queen Loan. During 2019, the operating results of Casino Queen continued to decline, the secured debt of Casino Queen was sold to a third-party casino operator at a discount and the Company no longer expected the loan to be repaid. Thus, because the Company did not expect Casino Queen to repay the $13.0 million of principal due to it under the Casino Queen Loan, the full $13.0 million of principal was written off and an impairment charge was recorded in the condensed consolidated statement of income for the three months ended March 31, 2019. See Note 6 for further details surrounding the Casino Queen Loan.

10. Commitments and Contingencies

Litigation

The Company is subject to various legal and administrative proceedings relating to personal injuries, employment matters, commercial transactions, and other matters arising in the normal course of business. The Company does not believe that the final outcome of these matters will have a material adverse effect on the Company’s consolidated financial position or results of operations. In addition, the Company maintains what it believes is adequate insurance coverage to further mitigate the risks of such proceedings. However, such proceedings can be costly, time consuming, and unpredictable and, therefore, no assurance can be given that the final outcome of such proceedings may not materially impact the Company’s financial condition or results of operations. Further, no assurance can be given that the amount or scope of existing insurance coverage will be sufficient to cover losses arising from such matters.

11. Revenue Recognition

As of March 31, 2020, 19 of the Company’s real estate investment properties were leased to a subsidiary of Penn under the Penn Master Lease, an additional 12 of the Company's real estate investment properties were leased to a subsidiary of Penn under the Amended Pinnacle Master Lease, 5 of the Company's real estate investment properties were leased to a subsidiary of Eldorado under the Eldorado Master Lease and 3 of the Company's real estate investment properties were leased to a subsidiary of Boyd under the Boyd Master Lease. Additionally, the Meadows real estate assets are leased to Penn under a single property triple-net lease (the "Meadows Lease") and the Casino Queen real estate assets are leased back to the operator under the Casino Queen Lease.

The obligations under the Penn Master Lease and Amended Pinnacle Master Lease, as well as the Meadows Lease, are guaranteed by Penn and, with respect to each lease, jointly and severally by Penn's subsidiaries that occupy and operate the facilities covered by such lease. Similarly, the obligations under the Eldorado Master Lease are jointly and severally guaranteed by Eldorado and by most of Eldorado's subsidiaries that occupy and operate the facilities leased under the Eldorado Master Lease. The obligations under the Boyd Master Leases are jointly and severally guaranteed by Boyd's subsidiaries that occupy and operate the facilities leased under the Boyd Master Lease.

The rent structure under the Penn Master Lease includes a fixed component, a portion of which is subject to an annual 2% escalator if certain rent coverage ratio thresholds are met, and a component that is based on the performance of the facilities, which is adjusted, subject to certain floors (i) every five years to an amount equal to 4% of the average net revenues of all facilities under the Penn Master Lease (other than Hollywood Casino Columbus and Hollywood Casino Toledo) during the preceding five years, and (ii) monthly by an amount equal to 20% of the net revenues of Hollywood Casino Columbus and Hollywood Casino Toledo during the preceding month.

Similar to the Penn Master Lease, the Amended Pinnacle Master Lease also includes a fixed component, a portion of which is subject to an annual 2% escalator if certain rent coverage ratio thresholds are met and a component that is based on the performance of the facilities, which is adjusted, subject to certain floors, every two years to an amount equal to 4% of the average annual net revenues of all facilities under the Amended Pinnacle Master Lease during the preceding two years.

The Eldorado Master Lease includes a fixed component, a portion of which is subject to an annual 2% escalator if certain rent coverage ratio thresholds are met and a component that is based on the performance of the facilities, which is adjusted, subject to certain floors, every two years to an amount equal to 4% of the average annual net revenues of all facilities under the Eldorado Master Lease during the preceding two years.

The Boyd Master Lease includes a fixed component, a portion of which is subject to an annual 2% escalator if certain rent coverage ratio thresholds are met, and a component that is based on the performance of the facilities, which is adjusted, subject to certain floors, every two years to an amount equal to 4% of the average annual net revenues of all facilities under the Boyd Master Lease during the preceding two years.

The Meadows Lease contains a fixed component, subject to annual escalators, and a component that is based on the performance of the facility, which is reset every two years to an amount determined by multiplying (i) 4% by (ii) the average annual net revenues of the facility for the trailing two-year period. The Meadows Lease contains an annual escalator provision for up to 5% of the base rent, if certain rent coverage ratio thresholds are met, which remains at 5% until the earlier of ten years or the year in which total rent is $31.0 million, at which point the escalator will be reduced to 2% annually thereafter.

The rent structure under the Casino Queen Lease also includes a fixed component, a portion of which is subject to an annual 2% escalator if certain rent coverage ratio thresholds are met, and a component that is based on the performance of the facility, which is reset every five years to an amount equal to the greater of (i) the annual amount of non-fixed rent applicable for the lease year immediately preceding such rent reset year and (ii) an amount equal to 4% of the average annual net revenues of the facility for the trailing five-year period.

Furthermore, the Company's master leases provide for a floor on the percentage rent described above, should the Company's tenants acquire or commence operating a competing facility within a restricted area (typically 60 miles from a property under the existing master lease with such tenant). These clauses provide landlord protections by basing the percentage rent floor for any affected facility on the net revenues of such facility for the calendar year immediately preceding the year in which the competing facility is acquired or first operated by the tenant. A percentage rent floor of $22.9 million per year was triggered on Penn's Hollywood Casino Toledo property, as a result of Penn's May 2019 purchase of the operations of the

Greektown Casino-Hotel in Detroit, Michigan. Additionally, upon the May 2020 variable rent reset for the Amended Pinnacle Master Lease, Penn's January 2019 acquisition of Margaritaville will result in a floor on Boomtown Bossier City.

In addition to rent, as triple-net lessees, all of the Company's tenants are required to pay the following executory costs: (1) all facility maintenance, (2) all insurance required in connection with the leased properties and the business conducted on the leased properties, including coverage of the landlord's interests, (3) taxes levied on or with respect to the leased properties (other than taxes on the income of the lessor) and (4) all utilities and other services necessary or appropriate for the leased properties and the business conducted on the leased properties.

The Company determined, based on facts and circumstances prevailing at the time of each lease's inception, that neither Penn nor Casino Queen could continue as a going concern without the property(ies) that are leased to them under the Penn Master Lease and Casino Queen Lease, respectively. At lease inception, all of Casino Queen's revenues and substantially all of Penn's revenues were generated from operations in connection with the leased properties. There are also various legal restrictions in the jurisdictions in which Penn, and Casino Queen operate that limit the availability and location of gaming facilities, which makes relocation or replacement of the leased gaming facilities restrictive and potentially impracticable. Moreover, under the terms of the Penn Master Lease, Penn must make renewal elections with respect to all of the leased property together; the tenant is not entitled to selectively renew certain of the leased property while not renewing other property. Accordingly, the Company concluded that failure by Penn or Casino Queen to renew the Penn Master Lease or Casino Queen Lease, respectively, would impose a significant penalty on such tenant such that renewal of all lease renewal options appeared at lease inception to be reasonably assured. Therefore, the Company concluded that the term of Penn Master Lease and the Casino Queen Lease is 35 years, equal to the initial 15-year term plus all four of the 5-year renewal options.

On October 15, 2018, in conjunction with the Penn-Pinnacle Merger, the Pinnacle Master Lease was amended by a fourth amendment to allow for the sale of the operating assets of Ameristar Casino Hotel Kansas City, Ameristar Casino Resort Spa St. Charles and Belterra Casino Resort from Pinnacle to Boyd. As a result of this amendment, the Company reassessed the lease's classification and determined the Amended Pinnacle Master Lease qualified for operating lease treatment under ASC 840. Therefore, subsequent to the Penn-Pinnacle Merger, the Amended Pinnacle Master Lease is treated as an operating lease in its entirety. Because the properties under the Amended Pinnacle Master Lease did not represent a meaningful portion of Penn's business at the time Penn assumed the Amended Pinnacle Master Lease, the Company concluded that the lease term of the Amended Pinnacle Master Lease is 10 years, equal to the initial 10-year term only.

Because the Meadows Lease was a single property lease operated by a large multi-property operator, GLPI concluded it was not reasonably assured at lease inception that the operator would elect to exercise all lease renewal options. Therefore, the Company concluded that the lease term of the Meadows Lease is 10 years, equal to the initial 10-year term only. In conjunction with the Penn-Pinnacle Merger, Penn assumed the Meadows Lease from Pinnacle. The accounting for the Meadows Lease, including the lease term, was not impacted by the change in tenant. Based upon similar fact patterns, the Company concluded it was not reasonably assured at lease inception that Eldorado or Boyd would elect to exercise all lease renewal options under the Eldorado Master Lease and the Boyd Master Lease as the earnings from these properties did not represent a meaningful portion of either Eldorado's or Boyd's business at lease inception. Therefore, the Company concluded that the lease term of the Eldorado Master Lease is 15 years and the lease term of the Boyd Master Lease is 10 years, equal to only the initial terms of such master leases.

Details of the Company's rental income for the three months ended March 31, 2020 was as follows (in thousands):

	Three Months Ended March 31, 2020
Building base rent [1]	$ 167,325
Land base rent	47,592
Percentage rent	38,566
Total cash rental income	$ 253,483
Straight-line rent adjustments	(8,644)
Ground rent in revenue	4,491
Other rental revenue	77
Total rental income	$ 249,407

[1] Building base rent is subject to the annual rent escalators described above.

The Company may periodically loan funds to casino owner-operators for the purchase of real estate. Interest income related to real estate loans is recorded as interest income from real estate loans within the Company's condensed consolidated statements of income in the period earned. At March 31, 2020, the Company has two loans, the proceeds of which were used to acquire real estate, the Belterra Park Loan and the Eldorado Loan. During the three months ended March 31, 2020 and 2019, the Company recognized interest income from real estate loans of $7.3 million and $7.2 million, respectively.

Gaming, Food, Beverage and Other Revenues

Gaming revenue generated by the TRS Properties mainly consists of revenue from slot machines, and to a lesser extent, table game and poker revenue. Gaming revenue is recognized net of certain sales incentives, including promotional allowances in accordance with ASC 606 - *Revenue from Contracts with Customers*. The Company also defers a portion of the revenue received from customers (who participate in points-based loyalty programs) at the time of play until a later period when the points are redeemed or forfeited. Other revenues at our TRS Properties are derived from our dining, retail and certain other ancillary activities.

12. Earnings Per Share

The Company calculates earnings per share ("EPS") in accordance with ASC 260 - *Earnings per Share* ("ASC 260"*)*. Basic EPS is computed by dividing net income applicable to common stock by the weighted-average number of common shares outstanding during the period, excluding net income attributable to participating securities (unvested restricted stock awards). Diluted EPS reflects the additional dilution for all potentially-dilutive securities such as stock options, unvested restricted shares and unvested performance-based restricted shares. In accordance with ASC 260, the Company includes all performance-based restricted shares that would have vested based upon the Company’s performance at quarter-end in the calculation of diluted EPS. Diluted EPS for the Company's common stock is computed using the more dilutive of the two-class method or the treasury stock method.

The following table reconciles the weighted-average common shares outstanding used in the calculation of basic EPS to the weighted-average common shares outstanding used in the calculation of diluted EPS for the three months ended March 31, 2020 and 2019:

	Three Months Ended March 31,	
	2020	2019
	(in thousands)	
Determination of shares:		
Weighted-average common shares outstanding	215,090	214,626
Assumed conversion of restricted stock awards	50	54
Assumed conversion of performance-based restricted stock awards	309	608
Diluted weighted-average common shares outstanding	215,449	215,288

The following table presents the calculation of basic and diluted EPS for the Company’s common stock for the three months ended March 31, 2020 and 2019:

	Three Months Ended March 31,	
	2020	2019
	(in thousands, except per share and share data)	
Calculation of basic EPS:		
Net income	$ 96,894	$ 93,010
Less: Net income allocated to participating securities	(144)	(158)
Net income attributable to common shareholders	$ 96,750	$ 92,852
Weighted-average common shares outstanding	215,090	214,626
Basic EPS	$ 0.45	$ 0.43
Calculation of diluted EPS:		
Net income	$ 96,894	$ 93,010
Diluted weighted-average common shares outstanding	215,449	215,288
Diluted EPS	$ 0.45	$ 0.43
Antidilutive securities excluded from the computation of diluted earnings per share (in shares)	70,892	78,483

14. Stock-Based Compensation

The Company accounts for stock compensation under ASC 718 - *Compensation - Stock Compensation*, which requires the Company to expense the cost of employee services received in exchange for an award of equity instruments based on the grant-date fair value of the award. This expense is recognized ratably over the requisite service period following the date of grant. The fair value of the Company's time-based restricted stock awards is equivalent to the closing stock price on the day of grant. The Company utilizes a third party valuation firm to measure the fair value of performance-based restricted stock awards at grant date using the Monte Carlo model.

As of March 31, 2020, there was $10.8 million of total unrecognized compensation cost for restricted stock awards that will be recognized over the grants' remaining weighted average vesting period of 2.06 years. For the three months ended March 31, 2020, the Company recognized $1.8 million of compensation expense associated with these awards, compared to $2.0 million for the three months ended March 31, 2019.

The following table contains information on restricted stock award activity for the three months ended March 31, 2020:

	Number of Award Shares
Outstanding at December 31, 2019	316,971
Granted	263,587
Released	(251,390)
Canceled	(7,999)
Outstanding at March 31, 2020	321,169

Performance-based restricted stock awards have a three-year cliff vesting with the amount of restricted shares vesting at the end of the three-year period determined based upon the Company’s performance as measured against its peers. More specifically, the percentage of shares vesting at the end of the measurement period will be based on the Company’s three-year total shareholder return measured against the three-year total shareholder return of the companies included in the MSCI US REIT index and the Company's stock performance ranking among a group of triple-net REIT peer companies. The triple-net measurement group includes publicly traded REITs, which the Company believes derive at least 75% of revenues from triple-net leases. As of March 31, 2020, there was $18.1 million of total unrecognized compensation cost, which will be recognized over the performance-based restricted stock awards' remaining weighted average vesting period of 2.23 years. For the three months ended March 31, 2020, the Company recognized $2.4 million of compensation expense associated with these awards, compared to $2.3 million for the three months ended March 31, 2019.

The following table contains information on performance-based restricted stock award activity for the three months ended March 31, 2020:

	Number of Performance-Based Award Shares
Outstanding at December 31, 2019	1,383,334
Granted	504,000
Released	(446,667)
Canceled	(16,673)
Outstanding at March 31, 2020	1,423,994

13. Shareholders' Equity

Common Stock

On August 14, 2019, the Company commenced a continuous equity offering under which the Company may sell up to an aggregate of $600 million of its common stock from time to time through a sales agent in "at the market" offerings (the "ATM Program"). Actual sales will depend on a variety of factors, including market conditions, the trading price of the Company's common stock and determinations of the appropriate sources of funding. The Company may sell the shares in amounts and at times to be determined by the Company, but has no obligation to sell any of the shares in the ATM Program. The ATM Program also allows the Company to enter into forward sale agreements. In no event will the aggregate number of shares sold under the ATM Program (whether under any forward sale agreement or through a sales agent), have an aggregate sales price in excess of $600 million. The Company expects, that if it enters into a forward sale contract, to physically settle each forward sale agreement with the forward purchaser on one or more dates specified by the Company prior to the maturity date of that particular forward sale agreement, in which case the aggregate net cash proceeds at settlement will equal the number of shares underlying the particular forward sale agreement multiplied by the relevant forward sale price. However, the Company may also elect to cash settle or net share settle a particular forward sale agreement, in which case proceeds may or may not be received or cash may be owed to the forward purchaser.

In connection with the ATM Program, the Company engaged a sales agent who may receive compensation of up to 2% of the gross sales price of the shares sold. Similarly, in the event the Company enters into a forward sale agreement, it will pay the relevant forward seller a commission of up to 2% of the sales price of all borrowed shares of common stock sold during the applicable selling period of the forward sale agreement.

During the three months ended March 31, 2020, the Company sold 7,971 shares of its common stock under the ATM Program at an average price of $45.90 per share, which generated gross proceeds of approximately $0.4 million (net proceeds of approximately $0.3 million). The Company has sold 9,471 shares of its common stock at an average price of $45.46 per share and generated gross proceeds of approximately $0.4 million (net proceeds of approximately $55 thousand) under the ATM Program. As of March 31, 2020, the Company had $599.6 million remaining for issuance under the ATM Program and had not entered into any forward sale agreements.

Dividends

The following table lists the dividends declared and paid by the Company during the three months ended March 31, 2020 and 2019:

Declaration Date	Shareholder Record Date	Securities Class	Dividend Per Share	Period Covered	Distribution Date	Dividend Amount (in thousands)
2020						
February 20, 2020	March 6, 2020	Common Stock	$0.70	First Quarter 2020	March 20, 2020	$ 150,574
2019						
February 19, 2019	March 8, 2019	Common Stock	$ 0.68	First Quarter 2019	March 22, 2019	$ 145,954

In addition, for both the three months ended March 31, 2020 and 2019, dividend payments were made to GLPI restricted stock award holders in the amount of $0.2 million.

15. Segment Information

Consistent with how the Company's Chief Operating Decision Maker (as such term is defined in ASC 280 - *Segment Reporting*) reviews and assesses the Company's financial performance, the Company has two reportable segments, GLP Capital (a wholly-owned subsidiary of GLPI through which GLPI owns substantially all of its assets) and the TRS Properties. The GLP Capital reportable segment consists of the leased real property and represents the majority of the Company's business. The TRS Properties reportable segment consists of Hollywood Casino Perryville and Hollywood Casino Baton Rouge.

The following tables present certain information with respect to the Company's segments.

(in thousands)	Three Months Ended March 31, 2020			Three Months Ended March 31, 2019		
	GLP Capital [1]	TRS Properties	Total	GLP Capital [1]	TRS Properties	Total
Total revenues	$ 256,723	$ 26,759	$ 283,482	$ 254,871	$ 32,993	$ 287,864
Income from operations	183,184	3,166	186,350	164,869	5,906	170,775
Interest expense	69,403	2,601	72,004	74,127	2,601	76,728
Income before income taxes	96,648	565	97,213	90,831	3,305	94,136
Income tax expense	127	192	319	68	1,058	1,126
Net income	96,521	373	96,894	90,763	2,247	93,010
Depreciation	54,776	1,787	56,563	56,175	2,403	58,578
Capital maintenance expenditures	88	558	646	2	528	530

(1) Interest expense is net of intercompany interest eliminations of $2.6 million for both the three months ended March 31, 2020 and 2019.

16. Supplemental Disclosures of Cash Flow Information and Noncash Activities

Supplemental disclosures of cash flow information are as follows:

	Three Months Ended March 31, 2020	2019
	(in thousands)	
Cash paid for interest	$ 52,339	$ 20,850

Noncash Investing and Financing Activities

On January 1, 2019, in conjunction with its adoption of ASU 2016-02, the Company recorded right-of-use assets and related lease liabilities of $203 million on its condensed consolidated balance sheet to represent its rights to underlying assets and future lease obligations. The Company did not engage in any other noncash investing and financing activities during the three months ended March 31, 2020 and 2019.

17. Subsequent Events

On April 16, 2020, the Company acquired from Penn the real property associated with the Tropicana Las Vegas Casino Hotel Resort ("Tropicana Las Vegas") in exchange for rent credits of $307.5 million. An affiliate of Penn will continue to operate the casino and hotel business of the Tropicana Las Vegas pursuant to a triple net lease with GLPI for nominal rent for the earlier of two years (subject to three one-year extensions at the Company's option) or until the Tropicana Las Vegas is sold. The Company will conduct a sales process with respect to the Tropicana Las Vegas, with Penn receiving 75% of the net proceeds above$307.5 million (plus certain taxes, expenses and costs) if a sale agreement is signed during the first 12 months following closing and 50% of the net proceeds above $307.5 million (plus certain taxes, expenses and costs) if a sale agreement is signed during the subsequent 12 months following closing. Penn will not be entitled to receive any net sale proceeds of the relevant sale agreement is signed at any time after 24 months from closing.

During April 2020, the Company collected all cash rents from its tenants with the exception of Casino Queen with whom the Company is in the process of negotiating a deferred rent agreement.

On April 29, 2020, the Company's Board of Directors declared a second quarter dividend of $0.60 per share of the Company's common stock, to be paid on June 26, 2020, to shareholders of record on May 13, 2020, of which $0.48 per share will be in the form of the Company's common stock and $0.12 per share will be paid in cash.

ITEM 2. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Our Operations

Gaming and Leisure Properties, Inc. ("GLPI") is a self-administered and self-managed Real Estate Investment Trust ("REIT"). The Company was formed from the 2013 tax-free spin-off of the real estate assets of Penn National Gaming, Inc. ("Penn") and was incorporated in Pennsylvania on February 13, 2013, as a wholly-owned subsidiary of Penn. On November 1, 2013, Penn contributed to GLPI, through a series of internal corporate restructurings, substantially all of the assets and liabilities associated with Penn's real property interests and real estate development business, as well as the assets and liabilities of Hollywood Casino Baton Rouge and Hollywood Casino Perryville (which are referred to as the "TRS Properties") and then spun-off GLPI to holders of Penn's common and preferred stock in a tax-free distribution (the "Spin-Off"). The Company elected on its U.S. federal income tax return for its taxable year that began on January 1, 2014 to be treated as a REIT and the Company, together with an indirect wholly-owned subsidiary of the Company, GLP Holdings, Inc., jointly elected to treat each of GLP Holdings, Inc., Louisiana Casino Cruises, Inc. (d/b/a Hollywood Casino Baton Rouge) and Penn Cecil Maryland, Inc. (d/b/a Hollywood Casino Perryville) as a "taxable REIT subsidiary" effective on the first day of the first taxable year of GLPI as a REIT. As a result of the Spin-Off, GLPI owns substantially all of Penn's former real property assets (as of the consummation of the Spin-Off) and leases back most of those assets to Penn for use by its subsidiaries, under a unitary master lease, a triple-net operating lease with an initial term of 15 years (expiring October 31, 2028), with no purchase option, followed by four 5-year renewal options (exercisable by Penn) on the same terms and conditions (the "Penn Master Lease"), and owns and operates the TRS Properties through its indirect wholly-owned subsidiary, GLP Holdings, Inc. The assets and liabilities of GLPI were recorded at their respective historical carrying values at the time of the Spin-Off.

In April 2016, the Company acquired substantially all of the real estate assets of Pinnacle Entertainment, Inc. ("Pinnacle") for approximately $4.8 billion. GLPI originally leased these assets back to Pinnacle, under a unitary triple-net lease with an initial term of 10 years, with no purchase option, followed by five 5-year renewal options (exercisable by Pinnacle) on the same terms and conditions (the "Pinnacle Master Lease"). On October 15, 2018, the Company completed its previously announced transactions with Penn, Pinnacle and Boyd Gaming, Inc. ("Boyd") to accommodate Penn's acquisition of the majority of Pinnacle's operations, pursuant to a definitive agreement and plan of merger between Penn and Pinnacle, dated December 17, 2017 (the "Penn-Pinnacle Merger"). Concurrent with the Penn-Pinnacle Merger, the Company amended the Pinnacle Master Lease to allow for the sale of the operating assets of Ameristar Casino Hotel Kansas City, Ameristar Casino Resort Spa St. Charles and Belterra Casino Resort from Pinnacle to Boyd (the "Amended Pinnacle Master Lease") and entered into a new unitary triple-net master lease agreement with Boyd for these properties on terms similar to the Company’s Amended Pinnacle Master Lease (the "Boyd Master Lease"). The Boyd Master Lease has an initial term of 10 years (from the original April 2016 commencement date of the Pinnacle Master Lease and expiring April 30, 2026), with no purchase option, followed by five 5-year renewal options (exercisable by Boyd) on the same terms and conditions. The Company also purchased the real estate assets of Plainridge Park from Penn for $250.0 million, exclusive of transaction fees and taxes, and added this property to the Amended Pinnacle Master Lease. The Amended Pinnacle Master Lease was assumed by Penn at the consummation of the Penn-Pinnacle Merger. The Company also entered into a mortgage loan agreement with Boyd in connection with Boyd's acquisition of Belterra Park Gaming & Entertainment Center, whereby the Company loaned Boyd $57.7 million.

In addition to the acquisition of Plainridge Park described above, on October 1, 2018, the Company closed its previously announced transaction to acquire certain real property assets from Tropicana Entertainment Inc. ("Tropicana") and certain of its affiliates pursuant to a Purchase and Sale Agreement (the "Real Estate Purchase Agreement") dated April 15, 2018 between Tropicana and GLP Capital L.P., the operating partnership of GLPI ("GLP Capital"), which was subsequently amended on October 1, 2018 (as amended, the "Amended Real Estate Purchase Agreement"). Pursuant to the terms of the Amended Real Estate Purchase Agreement, the Company acquired the real estate assets of Tropicana Atlantic City, Tropicana Evansville, Tropicana Laughlin, Trop Casino Greenville and the Belle of Baton Rouge (the "GLP Assets") from Tropicana for an aggregate cash purchase price of $964.0 million, exclusive of transaction fees and taxes (the "Tropicana Acquisition"). Concurrent with the Tropicana Acquisition, Eldorado Resorts Inc. ("Eldorado") acquired the operating assets of these properties from Tropicana pursuant to an Agreement and Plan of Merger dated April 15, 2018 by and among Tropicana, GLP Capital, Eldorado and a wholly-owned subsidiary of Eldorado and leased the GLP Assets from the Company pursuant to the terms of a new unitary triple-net master lease with an initial term of 15 years, with no purchase option, followed by four successive 5-year renewal periods (exercisable by Eldorado) on the same terms and conditions (the "Eldorado Master Lease"). Additionally, on October 1, 2018 the Company entered into a loan agreement with Eldorado in connection with Eldorado’s acquisition of Lumière Place, whereby the Company loaned Eldorado $246.0 million.

GLPI's primary business consists of acquiring, financing, and owning real estate property to be leased to gaming operators in triple-net lease arrangements. As of March 31, 2020, GLPI's portfolio consisted of interests in 44 gaming and related facilities, including the TRS Properties, the real property associated with 32 gaming and related facilities operated by Penn, the real property associated with 5 gaming and related facilities operated by Eldorado, the real property associated with 4 gaming and related facilities operated by Boyd (including one financed property) and the real property associated with the Casino Queen in East St. Louis, Illinois. These facilities, including our corporate headquarters building, are geographically diversified across 16 states and contain approximately 22.1 million square feet. As of March 31, 2020, our properties were 100% occupied.

As of March 31, 2020, the majority of our earnings are the result of the rental revenues we receive from our triple-net master leases with Penn, Boyd and Eldorado. Additionally, we have rental revenue from the Casino Queen property which is leased back to a third-party operator on a triple-net basis (the "Casino Queen Lease") and the Meadows property which is leased to Penn on a triple-net basis (the "Meadows Lease"). In addition to rent, the tenants are required to pay the following executory costs: (1) all facility maintenance, (2) all insurance required in connection with the leased properties and the business conducted on the leased properties, including coverage of the landlord's interests, (3) taxes levied on or with respect to the leased properties (other than taxes on the income of the lessor) and (4) all utilities and other services necessary or appropriate for the leased properties and the business conducted on the leased properties.

Additionally, in accordance with Accounting Standards Codification ("ASC") 842, we record revenue for the ground lease rent paid by our tenants with an offsetting expense in land rights and ground lease expense within the condensed consolidated statement of income as we have concluded that as the lessee we are the primary obligor under the ground leases. We sublease these ground leases back to our tenants, who are responsible for payment directly to the landlord.

Gaming revenue for our TRS Properties is derived primarily from gaming on slot machines and to a lesser extent, table game and poker revenue, which is highly dependent upon the volume and spending levels of customers at our TRS Properties. Other revenues at our TRS Properties are derived from our dining, retail and certain other ancillary activities.

Recent Developments

COVID-19

The spread of the novel coronavirus (COVID-19) and the recent developments surrounding the global pandemic are having material negative impacts on the global and United States economies that have resulted in an unprecedented drop in economic activity. In mid-March 2020, many businesses in the United States were forced to close by state governments in an effort to limit the spread of COVID-19, which has resulted in record unemployment claims that are expected to continue to rise in the near term, until the economy reopens. Additional impacts and recent developments include:

- Federal, state and local government officials have taken steps to require various non-essential businesses to close to slow the spread of COVID-19. As a result, all casinos have been closed across the country, which in turn has had a significant negative impact on our tenants' and our own operating results. At this time, it is uncertain when casinos and other non-essential businesses will reopen as well as the extent of the recovery in the regional gaming markets that our tenants primarily operate in, given the extent of damage to the economy. If our tenants' properties do not reopen in the near term, it is possible that our tenants may not be able to service their rent obligations. We may elect to enter into rent deferral agreements or accept non-cash assets to satisfy rent obligations in a manner similar to the transaction with Penn, which is discussed below.
- On April 16, 2020, the Company and certain of its subsidiaries acquired the real property associated with the Tropicana Las Vegas Casino Hotel Resort (“Tropicana Las Vegas”) from Penn in exchange for rent credits of $307.5 million, which is expected to be applied to rent due under the parties’ existing leases for the months of May, June, July, August, October and a portion of November 2020. Penn will otherwise be obligated to continue making cash rent payments to GLPI, including cash rent in April (which was received in full), September, November and December 2020. We also continue to expect to complete the acquisition of the land under Penn's gaming facility under construction in Morgantown, Pennsylvania, in exchange for $30 million in rent credits.

- An affiliate of Penn will continue to operate the casino and hotel business of the Tropicana Las Vegas pursuant to a triple net lease with GLPI for nominal rent for the earlier of two years (subject to three one-year extensions at the Company's option) or until the Tropicana Las Vegas is sold. We will conduct a sale process with respect to the Tropicana Las Vegas, with Penn receiving 75% of the net proceeds above $307.5 million (plus certain taxes, expenses and costs) if a sale agreement is signed during the first 12 months following closing and 50% of net proceeds above $307.5 million (plus certain taxes, expenses and costs) if a sale agreement is signed during the subsequent 12 months following closing. Penn will not be entitled to receive any net sale proceeds if the relevant sale agreement is signed at any time after 24 months from closing. In addition, after the completion of the Morgantown transaction, the Company will lease the property back to an affiliate of Penn for an initial annual rent of $3.0 million, subject to escalation provisions following the opening of the property to the public. Penn will guaranty the performance of its affiliates under the Tropicana Las Vegas and Morgantown leases.

- The Company granted Penn the exclusive right until December 31, 2020 to purchase from the Company the operations of our Hollywood Casino Perryville, located in Perryville, Maryland, for $31.1 million, with the closing of such purchase, provided Penn exercises its option and subject to regulatory approvals, expected to occur during calendar year 2021 on a date selected by Penn with reasonable prior notice to the Company unless otherwise agreed by both parties. Upon closing, the Company will lease the real estate of the Perryville facility to Penn pursuant to a lease providing for initial annual rent of $7.77 million, subject to escalation provisions.

- In addition, Penn will exercise the next scheduled five-year renewals under each of its two master leases with the Company, and the terms of the master lease covering Penn's Hollywood Casino at Penn National Racecourse, located in Grantville, Pennsylvania, will be amended to provide the Company with protection from any adverse impact on the lease escalation provisions resulting from decreased net revenues from such facility.

- Also, the Company granted Penn the option to exercise an additional five-year renewal term at the end of the lease term for each of the two master leases, subject to certain regulatory approvals.

- The Company's wholly-owned and operated TRS Properties closed in mid-March 2020 due to the COVID-19 outbreak and will follow precautionary guidelines once they reopen. We are unable to predict when these facilities will resume operations at this time nor can we predict how they will perform once they reopen.
- In March 2020, to strengthen our liquidity position and financial flexibility through an indefinite period of property closures, we borrowed just over $530 million by drawing down our remaining revolving credit facility availability to provide additional near-term liquidity even though the Company has no debt maturities until April 2021 following our redemption of certain of the Company's $4,675.0 million of outstanding senior unsecured notes (the "Senior Notes") due in November 2020 and April 2021 during the three-month period ended March 31, 2020.
- We entered into an amendment on March 30, 2020 with our creditors which permits the fair value as determined by us of non-cash assets received for rental payments from our tenants to be recognized within net operating income to the extent earned in accordance with generally accepted accounting principles for debt covenant purposes as well as the inclusion of cash in the definition of unencumbered assets. We comfortably passed all of our debt covenants at March 31, 2020 and, based on continuing compliance by our tenants with the provisions of their leases, we do not anticipate any need for additional covenant relief and have ample liquidity.
- We have collected all of our cash rent through April 2020 from our tenants other than Casino Queen with whom we are currently negotiating a deferred rent agreement.

- On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act") was enacted in response to the COVID-19 pandemic. The CARES Act, among other things, permits net operating loss ("NOL") carryovers and carrybacks to offset 100% of taxable income for taxable years beginning before 2021. In addition, the CARES Act allows NOLs incurred in 2018, 2019, and 2020 to be carried back to each of the five preceding taxable years to generate a refund of previously paid income taxes. The Company is monitoring the availability of an NOL carryback at the TRS Properties to generate a future tax cash benefit.

- The CARES Act modifies the limitation of business interest expense for tax years beginning in 2019 and 2020. The modifications increase the allowable business interest expense deduction from 30% of adjusted taxable income to 50% of adjusted taxable income, and allows taxpayers to calculate the 2020 limitation using 2019 adjusted taxable income. These modifications increase the anticipated allowable interest expense deduction of the TRS Properties.

Segment Information

Consistent with how our Chief Operating Decision Maker reviews and assesses our financial performance, we have two reportable segments, GLP Capital and the TRS Properties. The GLP Capital reportable segment consists of the leased real property and represents the majority of our business. The TRS Properties reportable segment consists of Hollywood Casino Perryville and Hollywood Casino Baton Rouge.

Executive Summary

Financial Highlights

We reported total revenues and income from operations of $283.5 million and $186.4 million for the three months ended March 31, 2020, respectively, compared to $287.9 million and $170.8 million, respectively, for the corresponding period in the prior year.

The major factors affecting our results for the three months ended March 31, 2020, as compared to the three months ended March 31, 2019, were as follows:

- Total income from real estate was $256.7 million for the three months ended March 31, 2020, and $254.9 million for the three months ended March 31, 2019, respectively. Total income from real estate increased by $1.9 million for the three months ended March 31, 2020, as compared to the corresponding period in the prior year primarily due to higher rent from rent escalations on the majority of our leases, partially offset by lower revenues from ground lease rents paid by our tenants as well as lower percentage rent paid by Penn.

- Revenues for our TRS Properties decreased by $6.2 million for the three months ended March 31, 2020, as compared to the corresponding period in the prior year, primarily due to the impact of COVID-19 which closed both of these properties in mid-March 2020.

- Total operating expenses decreased by $20.0 million for the three months ended March 31, 2020, as compared to the corresponding periods in the prior year. The decrease in operating expenses for the three months ended March 31, 2020 as compared to the prior year period was primarily driven by a loan impairment charge of $13.0 million in the first quarter of 2019 related to GLPI's unsecured $13.0 million, 5.5-year term loan (the "Casino Queen Loan") to CQ Holding Company, Inc., an affiliate of Casino Queen ("CQ Holding Company"), lower expenses in our TRS Properties due to their closures in mid-March 2020 from COVID-19 and lower depreciation and general and administrative expenses.

- Other income and expenses increased by $12.5 million for the three months ended March 31, 2020, as compared to the corresponding periods in the prior year due to debt extinguishment charges of $17.3 million for the three months ended March 31, 2020, as the Company retired certain near-term Senior Notes to lengthen our average debt maturity and lower our financing costs. Partially offsetting this increase was lower interest expense resulting from the Company's refinancing activities during the third quarter of 2019 and the first quarter of 2020.

- Net income increased by $3.9 million for the three months ended March 31, 2020, as compared to the corresponding period in the prior year, primarily due to the variances explained above.

Critical Accounting Estimates

We make certain judgments and use certain estimates and assumptions when applying accounting principles in the preparation of our consolidated financial statements. The nature of the estimates and assumptions are material due to the levels of subjectivity and judgment necessary to account for highly uncertain factors or the susceptibility of such factors to change. We have identified the accounting for income taxes, real estate investments, leases and goodwill and other intangible assets as critical accounting estimates, as they are the most important to our financial statement presentation and require difficult, subjective and complex judgments.

We believe the current assumptions and other considerations used to estimate amounts reflected in our condensed consolidated financial statements are appropriate. However, if actual experience differs from the assumptions and other considerations used in estimating amounts reflected in our consolidated financial statements, the resulting changes could have a material adverse effect on our consolidated results of operations and, in certain situations, could have a material adverse effect on our consolidated financial condition.

For further information on our critical accounting estimates, see Item 7. "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the Notes to our audited consolidated financial statements included in our Annual Report. There has been no material change to these estimates for the three months ended March 31, 2020.

Results of Operations

The following are the most important factors and trends that contribute or will contribute to our operating performance:

- As discussed previously, the impact of the COVID-19 outbreak has resulted in the nationwide closures of all casino operations throughout the United States as well as sharp increases in unemployment levels. At this time we are not able to predict when our properties will be allowed to reopen nor the velocity of the recovery in the facilities' operations.

- We do not anticipate any rent escalations being triggered under our leases in 2020 due to the impact of COVID-19. Our leases also contain variable rent which is reset on varying schedules depending on the lease. In the aggregate, the portion of our cash rents that are variable represented approximately 16% of our 2019 full year cash rental income. Of that 16% variable rent, approximately 27% resets every five years which is associated with our Penn Master Lease and Casino Queen Lease, 42% resets every two years and 31% resets monthly which is associated with the Penn Master Lease (of which approximately 47% is subject to a floor). While all of our properties remain closed, we are immediately impacted by the monthly percentage rent in the Penn Master Lease relating to our Columbus property.

- The variable rent resets in the Boyd Master Lease and the Amended Pinnacle Master Lease will reset for the two year period ended April 30, 2020. We expect approximately a $1.5 million and a $5.0 million reduction in annual variable rent on each of these leases, respectively, which will prevail for the subsequent two year period through April 30, 2022. In addition, the Eldorado Master Lease and the Meadows Lease variable rent resets occur in October 2020, and we expect variable rent will be negatively impacted by the duration of the casino closures as well as performance upon reopening.
- The fact that several wholly-owned subsidiaries of Penn lease a substantial number of our properties, pursuant to two master leases and a single property lease and account for a significant portion of our revenue.

- We anticipate selling the real property assets of Tropicana Las Vegas that we acquired from Penn on April 16, 2020, in return for $307.5 million in rent credits. To the extent we are unable to realize this value our results will be negatively impacted.

- The fact that the rules and regulations of U.S. federal income taxation are constantly under review by legislators, the Internal Revenue Service and the U.S. Department of the Treasury. Changes to the tax laws or interpretations thereof, with or without retroactive application, could materially and adversely affect GLPI and its investors.

The consolidated results of operations for the three months ended March 31, 2020 and 2019 are summarized below:

	Three Months Ended March 31,	
	2020	2019
	(in thousands)	
Total revenues	$ 283,482	$ 287,864
Total operating expenses	97,132	117,089
Income from operations	186,350	170,775
Total other expenses	(89,137)	(76,639)
Income before income taxes	97,213	94,136
Income tax expense	319	1,126
Net income	$ 96,894	$ 93,010

Certain information regarding our results of operations by segment for the three months ended March 31, 2020 and 2019 is summarized below:

	Three Months Ended March 31,			
	2020	2019	2020	2019
	Total Revenues		Income from Operations	
	(in thousands)			
GLP Capital	$ 256,723	$ 254,871	$ 183,184	$ 164,869
TRS Properties	26,759	32,993	3,166	5,906
Total	$ 283,482	$ 287,864	$ 186,350	$ 170,775

FFO, AFFO and Adjusted EBITDA

Funds From Operations ("FFO"), Adjusted Funds From Operations ("AFFO") and Adjusted EBITDA are non-U.S. generally accepted accounting principles ("GAAP") financial measures used by the Company as performance measures for benchmarking against the Company's peers and as internal measures of business operating performance, which is used as a bonus metric. The Company believes FFO, AFFO and Adjusted EBITDA provide a meaningful perspective of the underlying operating performance of the Company's current business. This is especially true since these measures exclude real estate depreciation and we believe that real estate values fluctuate based on market conditions rather than depreciating in value ratably on a straight-line basis over time.

FFO, AFFO and Adjusted EBITDA are non-GAAP financial measures that are considered supplemental measures for the real estate industry and a supplement to GAAP measures. The National Association of Real Estate Investment Trusts defines FFO as net income (computed in accordance with GAAP), excluding (gains) or losses from sales of property and real estate depreciation. We define AFFO as FFO excluding stock based compensation expense, the amortization of debt issuance costs, bond premiums and original issuance discounts, other depreciation, the amortization of land rights, straight-line rent adjustments, losses on debt extinguishment, retirement costs and goodwill and loan impairment charges, reduced by maintenance capital expenditures. Finally, we define Adjusted EBITDA as net income excluding interest, taxes on income, depreciation, (gains) or losses from sales of property, stock based compensation expense, straight-line rent adjustments, the amortization of land rights, losses on debt extinguishment, retirement costs and goodwill and loan impairment charges.

FFO, AFFO and Adjusted EBITDA are not recognized terms under GAAP. These non-GAAP financial measures: (i) do not represent cash flows from operations as defined by GAAP; (ii) should not be considered as an alternative to net income as a measure of operating performance or to cash flows from operating, investing and financing activities; and (iii) are not alternatives to cash flows as a measure of liquidity. In addition, these measures should not be viewed as an indication of our ability to fund our cash needs, including to make cash distributions to our shareholders, to fund capital improvements, or to make interest payments on our indebtedness. Investors are also cautioned that FFO, AFFO and Adjusted EBITDA, as presented, may not be comparable to similarly titled measures reported by other real estate companies, including REITs, due to the fact that not all real estate companies use the same definitions. Our presentation of these measures does not replace the presentation of our financial results in accordance with GAAP.

The reconciliation of the Company's net income per GAAP to FFO, AFFO, and Adjusted EBITDA for the three months ended March 31, 2020 and 2019 is as follows:

	Three Months Ended March 31, 2020	Three Months Ended March 31, 2019
	(in thousands)	
Net income	**$ 96,894**	**$ 93,010**
Losses from dispositions of property	1	7
Real estate depreciation	54,279	55,675
Funds from operations	**$ 151,174**	**$ 148,692**
Straight-line rent adjustments	8,644	8,644
Other depreciation	2,284	2,903
Amortization of land rights	3,020	3,090
Amortization of debt issuance costs, bond premiums and original issuance discounts	2,770	2,891
Stock based compensation	4,235	4,325
Losses on debt extinguishment	17,329	—
Loan impairment charges	—	13,000
Capital maintenance expenditures	(646)	(530)
Adjusted funds from operations	**$ 188,810**	**$ 183,015**
Interest, net	71,808	76,639
Income tax expense	319	1,126
Capital maintenance expenditures	646	530
Amortization of debt issuance costs, bond premiums and original issuance discounts	(2,770)	(2,891)
Adjusted EBITDA	**$ 258,813**	**$ 258,419**

The reconciliation of each segment's net income per GAAP to FFO, AFFO, and Adjusted EBITDA for the three months ended March 31, 2020 and 2019 is as follows:

	GLP Capital Three Months Ended March 31,		TRS Properties Three Months Ended March 31,	
	2020	2019	2020	2019
	(in thousands)			
Net income	**$ 96,521**	**$ 90,763**	**$ 373**	**$ 2,247**
Losses from dispositions of property	—	7	1	—
Real estate depreciation	54,279	55,675	—	—
Funds from operations	**$ 150,800**	**$ 146,445**	**$ 374**	**$ 2,247**
Straight-line rent adjustments	8,644	8,644	—	—
Other depreciation	497	500	1,787	2,403
Amortization of land rights	3,020	3,090	—	—
Amortization of debt issuance costs, bond premiums and original issuance discounts	2,770	2,891	—	—
Stock based compensation	4,235	4,325	—	—
Loan impairment charges	—	13,000	—	—
Losses on debt extinguishment	17,329	—	—	—
Capital maintenance expenditures	(88)	(2)	(558)	(528)
Adjusted funds from operations	**$ 187,207**	**$ 178,893**	**$ 1,603**	**$ 4,122**
Interest, net [(1)]	69,207	74,038	2,601	2,601
Income tax expense	127	68	192	1,058
Capital maintenance expenditures	88	2	558	528
Amortization of debt issuance costs, bond premiums and original issuance discounts	(2,770)	(2,891)	—	—
Adjusted EBITDA	**$ 253,859**	**$ 250,110**	**$ 4,954**	**$ 8,309**

(1) Interest expense, net for the GLP Capital segment is net of intercompany interest eliminations of $2.6 million for both the three months ended March 31, 2020 and 2019, respectively.

Net income for our GLP Capital segment was $96.5 million for the three months ended March 31, 2020 and $90.8 million for the three months ended March 31, 2019. FFO, AFFO, and Adjusted EBITDA for our GLP Capital segment were $150.8 million, $187.2 million and $253.9 million for the three months ended March 31, 2020, respectively. FFO, AFFO, and Adjusted EBITDA for our GLP Capital segment were $146.4 million, $178.9 million and $250.1 million for the three months ended March 31, 2019, respectively. The increase in net income for our GLP Capital segment for the three months ended March 31, 2020, as compared to the three months ended March 31, 2019, was primarily driven by a $1.9 million increase in income from real estate, a $16.5 million decrease in operating expenses primarily due to the $13 million impairment charge recorded on our Casino Queen Loan in 2019 and lower depreciation expense, land right and lease expense and interest expense partially offset by debt extinguishment charges of $17.3 million in 2020 to retire certain Senior Notes with near term maturities. The increase in income from real estate in our GLP Capital segment was primarily due to the rent escalators realized on nearly all of our leases partially offset by lower ground lease rents paid by our tenants in which the Company is the primary obligor.

The increase in FFO in our GLP Capital segment for the three months ended March 31, 2020, as compared to the three months ended March 31, 2019 was driven by the explanations above, including an add-back for the depreciation expense. The increase in AFFO for our GLP Capital segment for the three months ended March 31, 2020, as compared to the three months ended March 31, 2019 was primarily driven by the changes described above, as well as the add-back for losses on debt extinguishment for 2020 and the add back of the loan impairment charges for 2019. Adjusted EBITDA for our GLP Capital segment for the three months ended March 31, 2020, as compared to the three months ended March 31, 2019 also increased, driven by the explanations above, as well as add-backs for interest expense.

Net income, FFO, AFFO and Adjusted EBITDA for our TRS Properties segment each declined from the corresponding period in the prior year primarily due to the impact of COVID-19, which resulted in both properties being forced to close in mid-March 2020.

Revenues

Revenues for the three months ended March 31, 2020 and 2019 were as follows (in thousands):

	Three Months Ended March 31, 2020	2019	Variance	Percentage Variance
Rental income	$ 249,407	$ 247,678	$ 1,729	0.7 %
Interest income from real estate	7,316	7,193	123	N/A
Total income from real estate	256,723	254,871	1,852	0.7 %
Gaming, food, beverage and other	26,759	32,993	(6,234)	(18.9)%
Total revenues	$ 283,482	$ 287,864	$ (4,382)	(1.5)%

Total income from real estate

For the three months ended March 31, 2020 and 2019, total income from real estate was $256.7 million and $254.9 million, respectively, for our GLP Capital segment. In accordance with ASC 842, the Company records revenue for the ground lease rent paid by its tenants with an offsetting expense in land rights and ground lease expense within the condensed consolidated statement of income as the Company has concluded that as the lessee it is the primary obligor under the ground leases. The Company subleases these ground leases back to its tenants, who are responsible for payment directly to the landlord. These amounts declined by $1.1 million in the three months ended March 31, 2020 compared to the corresponding period in the prior year due to the impact of COVID-19.

Total income from real estate increased $1.9 million, or 0.7%, for the three months ended March 31, 2020, as compared to the three months ended March 31, 2019, primarily due to rent escalations incurred under the majority of our leases partially offset by lower ground lease gross ups mentioned above.

Details of the Company's income from real estate for the three months ended March 31, 2020 was as follows (in thousands):

Three Months Ended March 31, 2020	Penn Master Lease	Amended Pinnacle Master Lease	Eldorado Master Lease and Loan	Boyd Master Lease and Mortgage	Penn - Meadows Lease	Casino Queen Lease	Total
Building base rent	$ 69,852	$ 56,800	$ 15,534	$ 18,911	$ 3,953	$ 2,275	$ 167,325
Land base rent	23,492	17,814	3,340	2,946	—	—	47,592
Percentage rent	20,328	7,942	3,340	2,808	2,792	1,356	38,566
Total cash rental income	$ 113,672	$ 82,556	$ 22,214	$ 24,665	$ 6,745	$ 3,631	$ 253,483
Straight-line rent adjustments	$ 2,231	$ (6,318)	$ (2,895)	$ (2,234)	$ 572	$ —	$ (8,644)
Ground rent in revenue	740	1,607	1,723	421	—	—	4,491
Other rental revenue	—	—	—	—	77	—	77
Total rental income	$ 116,643	$ 77,845	$ 21,042	$ 22,852	$ 7,394	$ 3,631	$ 249,407
Interest income from real estate loans	—	—	5,701	1,615	—	—	7,316
Total income from real estate	$ 116,643	$ 77,845	$ 26,743	$ 24,467	$ 7,394	$ 3,631	$ 256,723

Gaming, food, beverage and other revenue

Gaming, food, beverage and other revenue for our TRS Properties segment decreased by $6.2 million, or 18.9%, for the three months ended March 31, 2020, as compared to the three months ended March 31, 2019, primarily due to decreases in revenues at both properties, driven primarily by the impact of COVID-19, which resulted in both properties closing in mid-March 2020.

Operating expenses

Operating expenses for the three months ended March 31, 2020 and 2019 were as follows (in thousands):

	Three Months Ended March 31, 2020	Three Months Ended March 31, 2019	Variance	Percentage Variance
Gaming, food, beverage and other	$ 16,503	$ 19,022	$ (2,519)	(13.2)%
Land rights and ground lease expense	8,078	9,249	(1,171)	(12.7)%
General and administrative	15,988	17,240	(1,252)	(7.3)%
Depreciation	56,563	58,578	(2,015)	(3.4)%
Loan impairment charges	—	13,000	(13,000)	N/A
Total operating expenses	$ 97,132	$ 117,089	$ (19,957)	(17.0)%

Gaming, food, beverage and other

Gaming, food, beverage and other expenses decreased by 2.5 million, or 13.2%, for the three months ended March 31, 2020, as compared to the three months ended March 31, 2019, primarily due to the impact of COVID-19, which forced our TRS Properties to close their operations in mid-March 2020.

Land rights and ground lease expense

Land rights and ground lease expense includes the amortization of land rights and rent expense related to the Company's long-term ground leases. Land rights and ground lease expense decreased by $1.2 million, or 12.7%, for the three months ended March 31, 2020, as compared to the three months ended March 31, 2019, primarily due to ground lease rents paid by our tenants that are based on the facilities' revenues which declined due to the impact of COVID-19. We sublease these ground leases back to our tenants, who are responsible for payment directly to the applicable landlord. These amounts are required to be recorded in both revenue and expense within the consolidated statements of income as we have concluded that as the lessee the Company is the primary obligor under the ground leases.

General and Administrative Expense

General and administrative expenses include items such as compensation costs (including stock based compensation), professional services and costs associated with development activities. General and administrative expenses decreased by $1.3 million, or 7.3%, for the three months ended March 31, 2020, as compared to the three months ended March 31, 2019, primarily due to lower bonus accruals.

Depreciation

Depreciation expense decreased by $2.0 million, or 3.4%, to $56.6 million for the three months ended March 31, 2020 as compared to the three months ended March 31, 2019, primarily due to certain assets being fully depreciated in 2019.

Loan impairment charges

On March 17, 2017, the Company provided the Casino Queen Loan to CQ Holding Company to partially finance its acquisition of Lady Luck Casino in Marquette, Iowa. During 2018, the operating results of Casino Queen declined substantially and Casino Queen defaulted under its senior credit agreement and also the Casino Queen Loan. As a result, the operations of Casino Queen were put up for sale during the fourth quarter of 2018. At December 31, 2018, active negotiations for the sale of Casino Queen's operations were taking place and full payment of the principal was still expected, due to the anticipation that the operations were to be sold in the near term for an amount allowing for repayment of the full amount of the loan principal due to GLPI.

During the first quarter of 2019, the operating results of Casino Queen continued to decline, resulting in the anticipated acquirer withdrawing from the sales process. Subsequent offers for the operating assets of Casino Queen have declined substantially and proceeds from the sale are not expected to generate enough cash to repay all of Casino Queen’s creditors. Thus, because the Company did not expect Casino Queen to be able to repay the principal due to it under the Casino Queen Loan, the full $13.0 million of principal was written off at March 31, 2019. The Company recorded an impairment charge of

$13.0 million through the condensed consolidated statement of income for the three months ended March 31, 2019 to reflect the write-off of the Casino Queen Loan.

Other income (expenses)

Other income (expenses) for the three months ended March 31, 2020 and 2019 were as follows (in thousands):

	Three Months Ended March 31,			Percentage
	2020	2019	Variance	Variance
Interest expense	$ (72,004)	$ (76,728)	$ 4,724	(6.2)%
Interest income	196	89	107	120.2 %
Losses on debt extinguishment	(17,329)	—	(17,329)	N/A
Total other expenses	$ (89,137)	$ (76,639)	$ (12,498)	16.3 %

Interest expense

Interest expense decreased by $4.7 million, or 6.2%, for the three months ended March 31, 2020, as compared to the three months ended March 31, 2019, primarily due to the issuance of $400 million of 3.35% senior unsecured notes due 2024 and $700 million of 4.00% senior unsecured notes due 2030 during the third quarter of 2019 and increased borrowings under our revolving credit facility, which were utilized to repay higher cost unsecured borrowings with near term maturities. We also fully drew down our revolving credit facility by borrowing just over $530 million towards the end of the first quarter of 2020 to increase liquidity levels given the near term uncertainty associated with COVID-19.

Losses on debt extinguishment

In the first quarter of 2020, the Company redeemed all $215.2 million aggregate principal amount of the Company's outstanding 4.875% senior unsecured notes due in November 2020 and all $400 million aggregate principal amount of the Company's outstanding 4.375% senior unsecured notes due in April 2021, resulting in the retirement of such Senior Notes. The Company recorded a loss on the early extinguishment of debt related to the current year retirement of $17.3 million, primarily for call premium charges and debt issuance write-offs.

Taxes

During the three months ended March 31, 2020 and 2019, income tax expense was approximately $0.3 million and $1.1 million, respectively. Our effective tax rate (income taxes as a percentage of income before income taxes) was 0.3% for the three months ended March 31, 2020, as compared to 1.2% for the three months ended March 31, 2019.

Liquidity and Capital Resources

Our primary sources of liquidity and capital resources are cash flow from operations, borrowings from banks, and proceeds from the issuance of debt and equity securities.

Net cash provided by operating activities was $198.8 million and $221.4 million during the three months ended March 31, 2020 and 2019, respectively. The decrease in net cash provided by operating activities of $22.6 million for the three months ended March 31, 2020 as compared to the corresponding period in the prior year was primarily comprised of an increase in interest payments of $31.5 million due to the timing of payments and to a lesser extent additional borrowings compared to the prior year, a decrease in cash receipts from customers of $3.4 million partially offset by a decrease in cash paid for operating expenses of $12.2 million. The decrease in cash receipts collected from our customers for the three months ended March 31, 2020 as compared to the corresponding period in the prior year was primarily due to the impact of COVID-19, which forced our TRS Properties to close in mid-March 2020.

Investing activities used cash of $0.6 million and $0.3 million during the three months ended March 31, 2020 and 2019, respectively. Net cash used in investing activities during the three months ended March 31, 2020 consisted of capital expenditures of $0.6 million. Net cash used by investing activities for the three months ended March 31, 2019 consisted of capital expenditures of $0.5 million partially offset by proceeds from the sale of property and equipment of $0.2 million.

Financing activities provided cash of $334.6 million and used cash of $216.5 million during the three months ended March 31, 2020 and 2019, respectively. Net cash provided by financing activities during the three months ended March 31, 2020 was driven by $1,174.6 million of proceeds from the issuance of long-term debt that was utilized for the repayments of long-term debt of $661.2 million and to increase near-term liquidity in light of COVID-19. Additionally, during the three-month period ended March 31, 2020, we had dividend payments of $150.8 million, $15.7 million of premiums and related costs paid on the retirement of certain Senior Notes, and taxes paid related to shares withheld for tax purposes on restricted stock award vestings, net of proceeds from stock option exercises of $12.6 million. Net cash used by financing activities during the three months ended March 31, 2019 was driven by dividend payments of $146.2 million, repayments of long term debt of $123.0 million, and taxes paid related to shares withheld for tax purposes on restricted stock award vestings, net of proceeds from stock option exercises of $9.1 million, partially offset by $62.0 million of proceeds from the issuance of long-term debt.

Capital Expenditures

Capital expenditures are accounted for as either capital project or capital maintenance (replacement) expenditures. Capital project expenditures are for fixed asset additions that expand an existing facility or create a new facility. The cost of properties developed by the Company include costs of construction, property taxes, interest and other miscellaneous costs incurred during the development period until the project is substantially complete and available for occupancy. Capital maintenance expenditures are expenditures to replace existing fixed assets with a useful life greater than one year that are obsolete, worn out or no longer cost effective to repair.

During the three months ended March 31, 2020 and 2019, the TRS Properties spent approximately $0.6 million and $0.5 million, respectively, for capital maintenance expenditures. The majority of the capital maintenance expenditures were for slot machines and slot machine equipment. Under the triple-net lease structure, our tenants are responsible for capital maintenance expenditures at our leased properties.

Debt

Senior Unsecured Credit Facility

The Company's senior unsecured credit facility (the "Credit Facility") consists of a $1,175 million revolving credit facility and a $449 million Term Loan A-1 facility. The revolving credit facility matures on May 21, 2023 and the Term Loan A-1 facility matures on April 28, 2021. At March 31, 2020, the interest rate on the term loan facility and revolver was London Interbank Offered Rate ("LIBOR") plus 1.50%.

At March 31, 2020, the Credit Facility had a gross outstanding balance of $1,624 million, consisting of the $449 million Term Loan A-1 facility and $1,174.6 million of borrowings under the revolving credit facility. Additionally, at March 31, 2020, the Company was contingently obligated under letters of credit issued pursuant to the Credit Facility with face amounts aggregating approximately $0.4 million, resulting in no available borrowing capacity under the revolving credit facility as of March 31, 2020. The Company fully drew down on its revolving credit facility in late March 2020 to increase its liquidity position and repay certain Senior Notes as described below.

The interest rates payable on the loans are, at the Company's option, equal to either a LIBOR rate or a base rate plus an applicable margin, which ranges from 1.0% to 2.0% per annum for LIBOR loans and 0.0% to 1.0% per annum for base rate loans, in each case, depending on the credit ratings assigned to the Credit Facility. At March 31, 2020, the applicable margin was 1.50% for LIBOR loans and 0.50% for base rate loans. In addition, the Company is required to pay a commitment fee on the unused portion of the commitments under the revolving facility at a rate that ranges from 0.15% to 0.35% per annum, depending on the credit ratings assigned to the Credit Facility. At March 31, 2020, the commitment fee rate was 0.25%. The Company is not required to repay any loans under the Credit Facility prior to maturity and may prepay all or any portion of the loans under the Credit Facility prior to maturity without premium or penalty, subject to reimbursement of any LIBOR breakage costs of the lenders. The Company's wholly owned subsidiary, GLP Capital is the primary obligor under the Credit Facility, which is guaranteed by GLPI.

The Credit Facility contains customary covenants that, among other things, restrict, subject to certain exceptions, the ability of GLPI and its subsidiaries to grant liens on their assets, incur indebtedness, sell assets, make investments, engage in acquisitions, mergers or consolidations or pay certain dividends and other restricted payments. The Credit Facility contains the following financial covenants, which are measured quarterly on a trailing four-quarter basis: a maximum total debt to total asset value ratio (asset value calculated based upon adjusted net operating income at a cap rate of 9% as defined in our Credit Facility), a maximum senior secured debt to total asset value ratio, a maximum ratio of certain recourse debt to unencumbered asset value and a minimum fixed charge coverage ratio. In addition, GLPI is required to maintain a minimum tangible net worth and its status as a REIT. GLPI is permitted to pay dividends to its shareholders as may be required in order to maintain REIT status, subject to the absence of payment or bankruptcy defaults. GLPI is also permitted to make other dividends and distributions subject to pro forma compliance with the financial covenants and the absence of defaults. The Credit Facility also contains certain customary affirmative covenants and events of default, including the occurrence of a change of control and termination of the Penn Master Lease (subject to certain replacement rights). The occurrence and continuance of an event of default under the Credit Facility will enable the lenders under the Credit Facility to accelerate the loans and terminate the commitments thereunder. At March 31, 2020, the Company was in compliance with all required financial covenants under the Credit Facility and the Company reached an agreement with its credit facility lenders to allow non-cash rent received for rental payments from our tenants to be included in the definition of adjusted net operating income to the extent earned in accordance with GAAP for debt covenant purposes as well as the inclusion of cash in the definition of encumbered assets. Additionally, based on continuing compliance by most of our tenants with the provisions of their leases, we do not anticipate the need for any additional covenant relief and expect to have ample liquidity.

Senior Unsecured Notes

In the first quarter of 2020, the Company redeemed all $215.2 million aggregate principal amount of the Company's outstanding 4.875% senior unsecured notes due in November 2020 and all $400 million aggregate principal amount of the Company's outstanding 4.375% senior unsecured notes due in April 2021, resulting in the retirement of such Senior Notes. The Company recorded a loss on the early extinguishment of debt related to the current year retirement of $17.3 million primarily for call premium charges and debt issuance write-offs.

At March 31, 2020, the Company had $4,675.0 million of outstanding Senior Notes. Each of the Company's Senior Notes contain covenants limiting the Company’s ability to: incur additional debt and use its assets to secure debt; merge or consolidate with another company; and make certain amendments to the Penn Master Lease. The Senior Notes also require the Company to maintain a specified ratio of unencumbered assets to unsecured debt. These covenants are subject to a number of important and significant limitations, qualifications and exceptions.

At March 31, 2020, the Company was in compliance with all required financial covenants under its Senior Notes.

GLPI guarantees the Senior Notes which were co-issued by its subsidiaries, GLP Capital and GLP Financing II, Inc. Each of the subsidiary issuers is 100% owned by GLPI. The guarantees of GLPI are full and unconditional. GLPI is not subject to any material or significant restrictions on its ability to obtain funds from its subsidiaries by dividend or loan or to transfer assets from such subsidiaries, except as provided by applicable law. None of GLPI's other subsidiaries guarantee the Senior Notes.

Summarized financial information for Subsidiary Issuers and Parent Guarantor

	As of March 31, 2020	As of December 31, 2019
Real estate investments, net	$ 2,487,026	$ 2,514,806
Real estate loans	246,000	246,000
Right-of-use assets and land rights, net	180,347	181,593
Cash and cash equivalents	538,166	4,281
Long term debt, net of unamortized debt issuance costs, bond premiums and original issuance discounts	6,255,714	5,737,962
Accrued interest	77,564	60,695
Lease liabilities	89,333	89,856
Deferred rental revenue	272,501	271,837

	For the three-month period ended March 31, 2020	For the year ended December 31, 2019
Revenues	$ 143,386	$ 575,451
Income from operations	100,723	384,170
Interest expense	(72,004)	(301,520)
Net income	11,459	61,734

The financial information presented above is that of the subsidiary issuers and parent guarantor and the financial information of non-issuer subsidiaries has been excluded. The financial information of subsidiary issuers and the parent guarantor has been presented on a combined basis; however, the only asset on the parent guarantor balance sheet is its investment in subsidiaries which is not included in the presentation above in accordance with the disclosure requirements.

Distribution Requirements

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

On April 29, 2020, the Company's Board of Directors declared a second quarter dividend of $0.60 per share of the Company's common stock, consisting of a combination of cash and shares of the Company's common stock. The dividend will be paid on June 26, 2020, to shareholders of record on May 13, 2020. The cash component of the dividend (other than cash paid in lieu of fractional shares) will not exceed 20% in the aggregate, or $0.12 per share, with the balance, or $0.48 per share, payable in shares of the Company's common stock. The new quarterly dividend level reflects the impact of the COVID-19 closures on the Company's business and anticipates that our major tenants will continue to fulfill payment of their financial obligations to the Company. Further, it is anticipated that the portion of dividends to be paid in shares will be limited to periods during which non-cash rents are realized by the Company and those stock dividends are expected to meet the REIT distribution requirements discussed above.

LIBOR Transition

The majority of our debt is at fixed rates and our exposure to variable interest rates is currently limited to our revolving credit facility and our Term Loan A-1. Both of these debt instruments are indexed to LIBOR, which is expected to be

phased out during late 2021. The discontinuance of LIBOR is expected to affect our interest expense and earnings. As the Term Loan A-1 matures in mid-2021, only the borrowings under our revolver will be subject to the expected LIBOR transition. LIBOR is currently expected to transition to a new standard rate, the Secured Overnight Financing Rate ("SOFR"). We are currently monitoring the transition and are not certain whether SOFR will become the standard rate for our variable rate debt.
However, the transition away from LIBOR rates will likely require us to renegotiate our revolving credit facility, which does not provide for reference rate replacement. We expect to successfully renegotiate this agreement and do not expect the reference rate transition to have a significant impact to our overall operations.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We face market risk exposure in the form of interest rate risk. These market risks arise from our debt obligations. We have no international operations. Our exposure to foreign currency fluctuations is not significant to our financial condition or results of operations.

GLPI's primary market risk exposure is interest rate risk with respect to its indebtedness of $6,299.6 million at March 31, 2020. Furthermore, $4,675.0 million of our obligations at March 31, 2020, are the Senior Notes that have fixed interest rates with maturity dates ranging from three and one-half years to ten years. An increase in interest rates could make the financing of any acquisition by GLPI more costly, as well as increase the costs of its variable rate debt obligations. Rising interest rates could also limit GLPI's ability to refinance its debt when it matures or cause GLPI to pay higher interest rates upon refinancing and increase interest expense on refinanced indebtedness. GLPI may manage, or hedge, interest rate risks related to its borrowings by means of interest rate swap agreements. However, the provisions of the Code applicable to REITs limit GLPI's ability to hedge its assets and liabilities.

The table below provides information at March 31, 2020 about our financial instruments that are sensitive to changes in interest rates. For debt obligations, the table presents notional amounts maturing in each fiscal year and the related weighted-average interest rates by maturity dates. Notional amounts are used to calculate the contractual payments to be exchanged by maturity date and the weighted-average interest rates are based on implied forward LIBOR rates at March 31, 2020.

	04/01/20-12/31/20	1/01/21-12/31/21	1/01/22-12/31/22	1/01/23-12/31/23	1/01/24-12/31/24	Thereafter	Total	Fair Value at 3/31/2020
	(in thousands)							
Long-term debt:								
Fixed rate	$ —	$ —	$ —	$ 500,000	$ 400,000	$ 3,775,000	$ 4,675,000	$ 4,052,813
Average interest rate				5.38%	3.35%	5.13%		
Variable rate	$ —	$ 449,000	$ —	$ 1,174,600	$ —	$ —	$ 1,623,600	$ 1,605,640
Average interest rate (1)		1.83%		2.03%				

(1) Estimated rate, reflective of forward LIBOR plus the spread over LIBOR applicable to variable-rate borrowing. For considerations surrounding the phase out of LIBOR refer to the discussion under the heading "Liquidity and Capital Resources" in this Form 10-Q.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Controls and Procedures

The Company's management, under the supervision and with the participation of our principal executive officer and principal financial officer, has evaluated the effectiveness of the Company's disclosure controls and procedures, as such term is defined under Rule 13a-15(e) promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), as of March 31, 2020, which is the end of the period covered by this Quarterly Report on Form 10-Q. In designing and evaluating the disclosure controls and procedures, management recognized that any controls and procedures, no matter how well-designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Based on this evaluation, our principal executive officer and principal financial officer concluded that the Company's disclosure controls and procedures were effective as of March 31, 2020 to ensure that information required to be disclosed by the Company in reports we file or submit under the Exchange Act is (i) recorded, processed, summarized, evaluated and reported, as applicable, within the time periods specified in the United States Securities and Exchange Commission's rules and forms and (ii) accumulated and communicated to the Company's management, including the Company's principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosures.

Changes in Internal Control over Financial Reporting

We implemented controls to ensure we adequately evaluated our loans and properly assessed the impact of ASU 2016-13 on our financial statements to facilitate the adoption of this new guidance in the three-month period ended March 31, 2020.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

Information in response to this Item is incorporated by reference to the information set forth in "Note 10: Commitments and Contingencies" in the Notes to the condensed consolidated financial statements in Part I of this Quarterly Report on Form 10-Q.

ITEM 1A. RISK FACTORS

Risk factors that affect our business and financial results are discussed in Part I, "Item 1A. Risk Factors," of our Annual Report. You should carefully consider the risks described in our Annual Report, which could materially affect our business, financial condition or future results. The risks described in our Annual Report are not the only risks we face. Additional risks and uncertainties not currently known to us or that we currently deem immaterial also may materially adversely affect our business, financial condition, and/or operating results. If any of the risks actually occur, our business, financial condition, and/or results of operations could be negatively affected. There have been no material changes in our risk factors from those previously disclosed in our Annual Report other than what is discussed below.

COVID-19 has had, and is expected to continue to have, a significant impact on our tenants' financial conditions and operations.

In December 2019, a new strain of novel coronavirus, COVID-19, was reported in China and shortly thereafter spread across the globe. This global pandemic outbreak led to unprecedented responses by federal, state and local officials that continue to rapidly evolve. Thus far, certain responses have included mandates from authorities requiring temporary closures of or imposed limitations on the operations of many businesses in the attempt to mitigate the spread of infections. Unemployment levels have risen sharply and economic activity levels have declined dramatically as a result. The United States government has implemented various significant aid packages to support the economy and credit markets to combat these declines.

Our casino operations and those of our tenants were forced to close temporarily in mid-March and as of the date of this filing have not yet reopened. If our tenants are unable to re-commence normal operations in the near-term, our tenants may have difficulties in funding their rent obligations to us and may request us to agree to rent deferrals or accept non-cash assets in lieu of rent. Even if our properties recommence operations, it is uncertain how long it may take for the operations to normalize given the significant negative impact the COVID-19 crisis has had on the economy. In addition, the tenants at our properties may be required to implement additional safety measures that could be costly to adhere to and/or negatively impact the customer experience.

Our ability to realize significant value for the real property assets of Tropicana Las Vegas is uncertain.

Our ability to realize significant value for the real property assets of Tropicana Las Vegas, which we acquired from Penn in return for $307.5 million of rent credits, is uncertain given current economic conditions resulting from COVID-19. It is possible that we may need to wait for a prolonged period of time before market conditions improve to enable us to realize significant value for the Tropicana real property assets, if at all.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

The Company did not repurchase any shares of common stock or sell any unregistered securities during the three months ended March 31, 2020.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

Not applicable.

ITEM 6. EXHIBITS

Exhibit	Description of Exhibit
4.1 *	Amendment No. 5, dated as of March 30, 2020, to the Credit Agreement dated as of October 28, 2013 among GLP Capital, L.P., the several banks and other financial institutions party thereto, JPMorgan Chase Bank, N.A., as Administrative Agent and the various other parties thereto.
22.1*	List of Subsidiary Issuers of Guaranteed Securities
31.1*	CEO Certification pursuant to Rule 13a-14(a) or 15d-14(a) of the Securities Exchange Act of 1934.
31.2*	CFO Certification pursuant to Rule 13a-14(a) or 15d-14(a) of the Securities Exchange Act of 1934.
32.1*	CEO Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2*	CFO Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101	The following financial information from Gaming and Leisure Properties, Inc.'s Quarterly Report on Form 10-Q for the quarter ended March 31, 2020, formatted in Inline XBRL: (i) Condensed Consolidated Balance Sheets, ii) Condensed Consolidated Statements of Income, (iii) Condensed Consolidated Statements of Changes in Shareholders’ Equity, (iv) Condensed Consolidated Statements of Cash Flows and (v) Notes to the Condensed Consolidated Financial Statements.
104	The cover page from the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2020, formatted in Inline XBRL and contained in Exhibit 101.

* Filed or furnished, as applicable, herewith

SIGNATURE

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.

		GAMING AND LEISURE PROPERTIES, INC.
May 1, 2020	By:	/s/ Steven T. Snyder
		Steven T. Snyder
		Chief Financial Officer
		(Principal Financial Officer)

AMENDMENT No. 5 to the Credit Agreement, dated as of March 30, 2020 (this "Amendment"), to the Credit Agreement dated as of October 28, 2013 among GLP CAPITAL, L.P. (as successor-by-merger to GLP Financing, LLC), a Pennsylvania limited partnership (the "Borrower"), the several banks and other financial institutions or entities from time to time parties to the Credit Agreement (the "Lenders"), JPMORGAN CHASE BANK, N.A., as Administrative Agent (in such capacity, the "Administrative Agent") and the various other parties thereto (as amended by Amendment No. 1 to the Credit Agreement, dated as of July 31, 2015, as amended by Amendment No. 2 to the Credit Agreement, dated as of May 21, 2018, as amended by Amendment No. 3 to the Credit Agreement, dated as of October 10, 2018, and as amended by Amendment No. 4 to the Credit Agreement, dated as of March 1, 2019, the "Credit Agreement", and the Credit Agreement, as amended by this Amendment, the "Amended Credit Agreement"); capitalized terms used and not otherwise defined herein shall have the meanings assigned to such terms in the Amended Credit Agreement.

WHEREAS, the Borrower desires to amend the Credit Agreement on the terms set forth herein; and

WHEREAS, Section 10.01 of the Credit Agreement provides that the Administrative Agent and the Borrower may amend, modify or supplement the Credit Agreement or the other Loan Documents to cure any ambiguity, omission, mistake, defect or inconsistency with notice to the Lenders and the prior written consent of the Borrower;

NOW, THEREFORE, in consideration of the premises contained herein 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:

Section I.**Credit Agreement Amendments**. Effective as of the Amendment No. 5 Effective Date, the Credit Agreement is hereby amended as follows:

(a) Clause (a) of the definition of "Adjusted Net Operating Income" is hereby amended and restated in its entirety as follows:

> "(a) (i) rents (including non-cash rent which, to the extent such rent consists of assets, shall be measured as the fair market value of the assets as reasonably determined by the Borrower and to the extent earned) and (ii) other revenues received in the ordinary course, in each case, from such Master Lease Properties or group of properties or property, including, for avoidance of doubt, all Straight-Line Rents of Parent or any of its Subsidiaries on an "as received" basis, and not on a "straight-line" basis, notwithstanding any requirement that such calculations be prepared in accordance with GAAP (including proceeds of rent loss or business interruption insurance and any operating revenue produced by a Gaming Facility, hotel facility or other property operated by Parent or any of its Subsidiaries) minus"

(b) The definition of "Consolidated EBITDA" is hereby amended by adding the new paragraph below immediately after clause (b)(iv):

"*provided* that to the extent any amounts referred to in this definition or deducted in calculating net income (or net loss) (including any costs or expenses included in calculating net income (or net loss)) are required to be paid by the Tenant under the Master Lease or any other Person that is a lessee or operator of any such property, such amounts will not be subtracted, and will be added back to Consolidated EBITDA for the applicable property or group of properties."

(c) The definition of "Unencumbered Asset Value" is hereby amended and restated in its entirety as follows:

""Unencumbered Asset Value" means, as of any date of determination, an amount equal to the sum of (a) the sum of the Asset Values of all Unencumbered Assets as of such date *plus* (b) an amount (but not less than zero) equal to all unrestricted cash and Cash Equivalents on hand of Parent and its Subsidiaries as of such date; *provided*, *however*, that (i) the portion of the Unencumbered Asset Value attributable to undeveloped land, Redevelopment Properties, and Development Properties shall not, in the aggregate, exceed 15.0% of the total Unencumbered Asset Value; (ii) the portion of the Unencumbered Asset Value attributable to undeveloped land shall not exceed 10.0% of the total Unencumbered Asset Value; (iii) the portion of the Unencumbered Asset Value attributable to undeveloped land, Income Properties, Redevelopment Properties or Development Properties, in each case that are (A) not currently and (B) not currently being developed or redeveloped into, Gaming Facilities or hotel facilities, shall not, in the aggregate, exceed 20.0% of the total Unencumbered Asset Value; and (iv) the portion of the total Unencumbered Asset Value attributable to any single Income Property, Redevelopment Property, Development Property or undeveloped land shall not exceed 30.0% of the total Unencumbered Asset Value; *provided*, that for purposes of this clause (iv), (I) the Asset Value of any such single Income Property that is listed on Schedule 1.01(e)(ii) shall be deemed to be equal to the amount set forth on such Schedule as of the date of the Spin-Off, and such amounts shall be subject to increase or decrease by the applicable property's *pro rata* share of any increase or decrease in the aggregate Asset Value of all properties subject to the Master Lease at any time after the date of the Spin-Off (except as provided in the following clause (II)), and (II) if such single Income Property, Redevelopment Property, Development Property or undeveloped land is added to the Master Lease after the date of the Spin-Off, the Asset Value of such single Income Property, Redevelopment Property, Development Property or undeveloped land at the time it is added to the Master Lease shall be an amount equal to the fair market value thereof as reasonably determined by the Borrower in consultation with the Administrative Agent, and, thereafter, such Asset Value shall be subject to increase or decrease by its pro rata share of any increase or decrease in the aggregate Asset Value of all properties subject to the Master Lease."

(d) Section 7.08(a) is hereby amended by adding the following sentence at the end of such section:

"Notwithstanding the foregoing, nothing in this Section 7.08 shall limit the ability of the Borrower to receive property, assets or payment in-kind to satisfy the rent obligations of the Tenant."

(e) The following definitions are hereby added to Section 1.01 of the Credit Agreement in the appropriate alphabetical order:

(i) "Amendment No. 5 to the Credit Agreement" means Amendment No. 5 to the Credit Agreement, dated as of March 30, 2020, by and among the Borrower, the Lenders party thereto, the Administrative Agent and the various other parties thereto and the various other parties thereto.

(ii) "Amendment No. 5 Effective Date" means the date on which the conditions set forth in Section 2 of Amendment No. 5 to the Credit Agreement have been satisfied, such date being March 30, 2020.

Section 2. **Conditions to Effectiveness to Amendment No. 5 to the Credit Agreement.** The terms and provisions of this Amendment shall become effective upon delivery of an executed counterpart of this Amendment from each of the Borrower and the Administrative Agent.

Section 3. **Counterparts**. This Amendment may be executed in counterparts (and by different parties hereto in different counterparts) each of which shall constitute an original, but all of which when taken together shall constitute a single contract. Delivery of an executed counterpart of a signature page of this Amendment by fax transmission or other electronic scan transmission (e.g., "pdf" or "tif") shall be effective as delivery of an originally executed counterpart hereof.

Section 4. **Applicable Law; Waiver of Jury Trial; Jurisdiction; Consent to Service of Process**. The provisions set forth in Sections 10.14 and 10.15 of the Credit Agreement are hereby incorporated *mutatis mutandis* with all references to the "Agreement" therein being deemed references to this Amendment.

Section 5. **Headings**. The headings of this Amendment are for purposes of reference only and shall not limit or otherwise affect the meaning hereof.

Section 6. **Effect of Amendment**. Except as expressly set forth herein, this Amendment (i) shall not by implication or otherwise limit, impair, constitute a waiver of or otherwise affect the rights and remedies of the Lenders, the Administrative Agent or any other Agent, in each case under the Amended Credit Agreement or any other Loan Document, and (ii) shall not alter, modify, amend or in any way affect any of the terms, conditions, obligations, covenants or agreements contained in the Amended Credit Agreement or any other Loan Document. This Amendment shall constitute a Loan Document for purposes of the Amended Credit Agreement and from and after the Amendment No. 5 Effective Date, all references to the Credit Agreement in any Loan Document and all references in the Amended Credit Agreement to "this Agreement", "hereunder", "hereof" or words of like import referring to the Credit

Agreement, shall, unless expressly provided otherwise, refer to the Amended Credit Agreement. The Borrower hereby consents to this Amendment and confirms that all obligations of the Borrower under the Loan Documents to which it is a party shall continue to apply to the Amended Credit Agreement.

[Signature pages follow]

(a)

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed by their respective authorized officers as of the day and year first above written.

GLP CAPITAL, L.P. By: GAMING AND LEISURE PROPERTIES, INC., its general partner

By: ___ Name: Steven T. Snyder Title: Chief Financial Officer

[Signature Page to Amendment No. 5 to the Credit Agreement]

The undersigned Lender hereby consents to this Amendment No. 5 to the Credit Agreement

BANK OF AMERICA, N.A., as a Lender

By: ___ Name: Brian D. Corum Title: Managing Director

The undersigned Lender hereby consents to this Amendment No. 5 to the Credit Agreement

Manufacturers & Traders Trust Company, as a Lender

By: ___ Name: Lance E. Smith Title: Vice President

The undersigned Lender hereby consents to this Amendment No. 5 to the Credit Agreement

CITIZENS BANK, N.A., as a Lender

By: ___ Name: Sean McWhinnie Title: Director

The undersigned Lender hereby consents to this Amendment No. 5 to the Credit Agreement

WELLS FARGO BANK, N.A., as a Lender

By: ___ Name: Donald Schubert Title: Managing Director

The undersigned Lender hereby consents to this Amendment No. 5 to the Credit Agreement

BARCLAYS BANK PLC, as a Lender

By: ___ Name: Craig Malloy Title: Director

The undersigned Lender hereby consents to this Amendment No. 5 to the Credit Agreement

Fifth Third Bank, National Association, as a Lender

By: ___ Name: Nathaniel Evett Title: Vice President

[Signature Page to Amendment No. 5 to the Credit Agreement]

The undersigned Lender hereby consents to this Amendment No. 5 to the Credit Agreement

TRUIST BANK (as successor by merger to SunTrust Bank), as a Lender

By: ___ Name: Chris Hursey Title: Director

The undersigned Lender hereby consents to this Amendment No. 5 to the Credit Agreement

Credit Agricole Corporate and Investment Bank, as a Lender

By: ___ Name: David Bowers Title: Managing Director

By: ___ Name: Adam Jenner Title: Director

The undersigned Lender hereby consents to this Amendment No. 5 to the Credit Agreement

GOLDMAN SACHS BANK USA, as a Lender

By: ___ Name: Jamie Minieri Title: Authorized Signatory

The undersigned Lender hereby consents to this Amendment No. 5 to the Credit Agreement

City National Rochdale Fixed Income Opportunities Fund, as a Lender

By: Seix Investment Advisors LLC, as Subadviser

By: ___ Name: George Goudelias Title: Managing Director

The undersigned Lender hereby consents to this Amendment No. 5 to the Credit Agreement

Mountain View CLO X Ltd., as a Lender

By: Seix Investment Advisors LLC, as Subadviser

By: ___ Name: George Goudelias Title: Managing Director

The undersigned Lender hereby consents to this Amendment No. 5 to the Credit Agreement

Mountain View 2014-1 Ltd., as a Lender

By: Seix Investment Advisors LLC, as Collateral Manager

By: ___ Name: George Goudelias Title: Managing Director

The undersigned Lender hereby consents to this Amendment No. 5 to the Credit Agreement

Virtus Seix Floating Rate High Income Fund, as a Lender

By: Seix Investment Advisors LLC, as Subadviser

By: ___ Name: George Goudelias Title: Managing Director

The undersigned Lender hereby consents to this Amendment No. 5 to the Credit Agreement

AMMC CLO 19, Limited, as a Lender

By: American Money Management Corp., as Collateral Manager

By: ___ Name: David Meyers Title: Senior Vice President

The undersigned Lender hereby consents to this Amendment No. 5 to the Credit Agreement

AMMC CLO 22, Limited, as a Lender

By: American Money Management Corp., as Collateral Manager

By: ___ Name: David Meyers Title: Senior Vice President

The undersigned Lender hereby consents to this Amendment No. 5 to the Credit Agreement

AMMC CLO XI, Limited, as a Lender

By: American Money Management Corp., as Collateral Manager

By: ___ Name: David Meyers Title: Senior Vice President

The undersigned Lender hereby consents to this Amendment No. 5 to the Credit Agreement

Great American Insurance Company, as a Lender

By: ___ Name: David P. Meyers Title: Senior Vice President

The undersigned Lender hereby consents to this Amendment No. 5 to the Credit Agreement

Great American Life Insurance Company, as a Lender

By: ___ Name: David P. Meyers Title: Senior Vice President

Exhibit 22.1

List of Subsidiary Issuers of Guaranteed Securities

The following subsidiaries of Gaming and Leisure Properties, Inc. (the "Company") were, as of March 31, 2020, issuers of the (i) $500 million 5.375% senior unsecured notes due November 2023, (ii) $400 million 3.35% senior unsecured notes due September 2024, (iii) $850 million 5.25% senior unsecured notes due June 2025, (iv) $975 million 5.375% senior unsecured notes due April 2026, (v) $500 million 5.75% senior unsecured notes due June 2028, (vi) $750 million 5.30% senior unsecured notes due January 2029 and (vii) $700 million 4.00% senior unsecured notes due January 2030, each guaranteed by the Company:

Entity	**Jurisdiction of Incorporation or Formation**
GLP Capital, L.P.	Pennsylvania
GLP Financing II, Inc.	Delaware

Exhibit 31.1

CERTIFICATION PURSUANT TO RULE 13a-14(a) OR 15d-14(a) OF THE SECURITIES EXCHANGE ACT OF 1934

I, Peter M. Carlino, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Gaming and Leisure 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 officer 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 officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

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

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

Date:	May 1, 2020	/s/ Peter M. Carlino
		Name: Peter M. Carlino
		Chief Executive Officer

Exhibit 31.2

CERTIFICATION PURSUANT TO RULE 13a-14(a) OR 15d-14(a) OF THE SECURITIES EXCHANGE ACT OF 1934

I, Steven T. Snyder, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Gaming and Leisure 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 officer 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 officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

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

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

Date: May 1, 2020

/s/ Steven T. Snyder
Name: Steven T. Snyder
Chief Financial Officer

Exhibit 32.1

CERTIFICATION PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002
18 U.S.C. SECTION 1350

In connection with the quarterly report of Gaming and Leisure Properties, Inc. (the "Company") on Form 10-Q for the quarter ended March 31, 2020, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Peter M. Carlino, Chief Executive Officer of the Company, certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that, to my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Peter M. Carlino
Peter M. Carlino
Chief Executive Officer
Date: May 1, 2020

Exhibit 32.2

CERTIFICATION PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002
18 U.S.C. SECTION 1350

In connection with the quarterly report of Gaming and Leisure Properties, Inc. (the "Company") on Form 10-Q for the quarter ended March 31, 2020, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Steven T. Snyder, Chief Financial Officer of the Company, certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that, to my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Steven T. Snyder
Steven T. Snyder
Chief Financial Officer
Date: May 1, 2020