Use these links to rapidly review the document
TABLE OF CONTENTS
INDEX TO FINANCIAL STATEMENTS

Table of Contents

As filed with the Securities and Exchange Commission on September 23, 2013

Registration No. 333-188608

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

AMENDMENT NO. 3
TO

Form S-11
FOR REGISTRATION UNDER THE SECURITIES ACT OF 1933
OF SECURITIES OF CERTAIN REAL ESTATE COMPANIES

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

825 Berkshire Blvd., Suite 400
Wyomissing, Pennsylvania 19610
(610) 373-2400
(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

William J. Clifford
Chief Financial Officer
825 Berkshire Blvd., Suite 400
Wyomissing, Pennsylvania 19610
(610) 373-2400
(Name, address, including zip code, and telephone number, including area code, of agent for service)

With a copy to:
Daniel A. Neff
Wachtell, Lipton, Rosen & Katz
51 West 52nd Street
New York, NY 10019
(212) 403-1000

Approximate date of commencement of proposed sale to the public:
As soon as practicable after this registration statement becomes effective.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act, check the following box. ☒

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

If delivery of the prospectus is expected to be made pursuant to Rule 434, check the following box. o

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

Large accelerated filer o	Accelerated filer o	Non-accelerated filer ☒ (Do not check if a smaller reporting company)	Smaller reporting company o

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to Section 8(a), may determine.

EXPLANATORY NOTE

This Registration Statement has been prepared on a prospective basis on the assumption that, among other things, the spin-off of the Registrant from Penn National Gaming, Inc. (as described in the Prospectus which is a part of this Registration Statement) and the related transactions contemplated to occur prior to or contemporaneously with the spin-off will be consummated as contemplated by the Prospectus. There can be no assurance, however, that any or all of such transactions will occur or will occur as so contemplated. Any significant modifications to or variations in the transactions contemplated will be reflected in an amendment or supplement to this Registration Statement.

The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

Subject to Completion, dated September 23, 2013

PROSPECTUS

Gaming and Leisure Properties, Inc.

[•] Shares of Common Stock, Par Value $0.01 Per Share

This Prospectus is being furnished to you as a shareholder of Penn National Gaming, Inc. ("Penn") in connection with the pro rata distribution (the "Spin-Off") to Penn shareholders, following the Carlino Stock Exchange (as defined below), of all of the outstanding shares of common stock of Gaming and Leisure Properties, Inc. (the "Registrant," "Company" or "GLPI"), currently a wholly-owned subsidiary of Penn that at the time of the distribution will hold directly or indirectly 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 the Hollywood Casino Baton Rouge and the Hollywood Casino Perryville, owned by Penn immediately prior to the Spin-Off. This Prospectus also covers up to [•] shares of our common stock that may be issuable pursuant to outstanding awards granted under Penn's long term incentive compensation plans to individuals who, at the time of the Spin-Off, are no longer employed by or serving on the board of directors of Penn or GLPI.

To implement the Spin-Off, Penn (and its affiliates) and the Company will effect a series of restructuring transactions following which Penn will distribute all outstanding shares of GLPI common stock to the holders of Penn common and preferred stock. Each of you, as a holder of Penn common stock or Penn Series C convertible preferred stock, par value $0.01 per share (the "Penn Series C preferred stock"), will receive one share of common stock of GLPI for every share of Penn common stock and every 1/1,000th of a share of Penn Series C preferred stock that you held at the close of business on [•], 2013, the record date for the Spin-Off. Peter M. Carlino, who we sometimes refer to as "Mr. Carlino," will also exchange (i) shares of Penn common stock for shares of GLPI common stock prior to the Spin-Off (the "Carlino Stock Exchange") and (ii) options to acquire Penn common stock for options to acquire GLPI common stock following the Spin-Off (the "Carlino Option Exchange," and together with the Carlino Stock Exchange, the "Compliance Exchanges" and, together with the Spin-Off, the "Separation"). Penn will engage in the Compliance Exchanges with Mr. Carlino to ensure that each member of the Carlino family beneficially owns less than 10% of the outstanding shares of Penn common stock for certain federal tax purposes following the Separation, so that GLPI can qualify to be taxed as a real estate investment trust ("REIT") for U.S. federal income tax purposes. Absent a re-alignment of the ownership interests of Mr. Carlino and/or other persons related to the Carlino family, GLPI will not be able to qualify as a REIT and the Spin-Off may not occur.

Immediately after the Spin-Off is completed, GLPI will be a separate public company. All of the outstanding shares of the common stock of GLPI are currently owned directly or indirectly by Penn. Accordingly, there currently is no public trading market for the common stock of GLPI. GLPI intends to list its common stock under the ticker symbol "GLPI" on the NASDAQ Stock Market.

We intend to elect and qualify to be taxed as a REIT for U.S. federal income tax purposes, which we currently expect to occur commencing with our taxable year beginning on January 1, 2014 (the "REIT Conversion"). To assist us in qualifying to be taxed as a REIT, among other purposes, our charter will contain certain restrictions relating to the ownership and transfer of our stock, including and subject to certain exceptions with respect to certain members of the Carlino family and FIF V PFD LLC, an affiliate of Fortress Investment Group LLC that is referred to in this Prospectus as Fortress, a provision generally restricting shareholders from owning more than [•]% by value or number of shares, whichever is more restrictive, of our outstanding shares of capital stock without the prior consent of our board of directors. See "Description of Capital Stock of GLPI—Restrictions on Ownership and Transfer" for a detailed description of the ownership and transfer restrictions applicable to our common stock.

We are an "emerging growth company" as defined in Section 2(a)(19) of the Securities Act of 1933, as amended (the "Securities Act"), and, as such, are allowed (but have elected not) to provide in this Prospectus more limited disclosures than an issuer that would not so qualify. In addition, for so long as we remain an emerging growth company, we may also take advantage of certain limited exceptions from investor protection laws such as the Sarbanes-Oxley Act of 2002 and the Investor Protection and Securities Reform Act of 2010 for limited periods. Please see "Summary—JOBS Act."

No vote of Penn shareholders is required in connection with the Separation. Neither Penn nor the Company is asking you for a proxy, and you are not requested to send us a proxy. Penn shareholders will not be required to pay any consideration for the shares of common stock of the Company they receive in the Separation, and (except for Mr. Carlino, Fortress and Centerbridge Capital Partners, L.P., Centerbridge Capital Partners Strategic, L.P. and Centerbridge Capital Partners SBS, L.P., as described below) they will not be required to surrender or exchange shares of their Penn common or preferred stock or take any other action in connection with the Separation.

In reviewing this Prospectus, you should carefully consider the matters described under the caption "Risk Factors" beginning on page 13 of this prospectus.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED THESE SECURITIES OR PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The date of this Prospectus is [•], 2013.

TABLE OF CONTENTS

	Page
SUMMARY	1
QUESTIONS AND ANSWERS ABOUT GLPI AND THE SPIN-OFF	7
RISK FACTORS	13
Risk Factors Relating to Our Spin-Off from Penn	13
Risk Factors Relating to the Status of GLPI as a REIT	18
Risk Factors Relating to Our Business following the Spin-Off	23
FORWARD-LOOKING STATEMENTS	31
THE SEPARATION	33
General	33
Reasons for the Separation	33
The Number of Shares You Will Receive in the Spin-Off	34
When and How You Will Receive the Distribution	34
Results of the Separation	34
The Purging Distribution	35
Material U.S. Federal Income Tax Consequences of the Spin-Off	36
Market for Common Stock of GLPI	39
Trading Before the Distribution Date	39
Conditions to the Spin-Off	39
Treatment of Penn Preferred Stock in the Spin-Off	41
Accounting Treatment	42
Financial Advisor	42
Reason for Furnishing this Prospectus	42
RELATIONSHIP BETWEEN GLPI AND PENN AFTER THE SPIN-OFF	43
The Separation and Distribution Agreement	43
The Master Lease	46
The Tax Matters Agreement	51
The Employee Matters Agreement	51
The Transition Services Agreement	51
Overlapping Directors	52
TREATMENT OF OUTSTANDING COMPENSATORY EQUITY-BASED AWARDS	53
Options and Cash Settled Stock Appreciation Rights	53
Restricted Stock Awards and Phantom Stock Units	54
DIVIDEND POLICY	55
FINANCING	57
BUSINESS AND PROPERTIES OF GLPI	59
Our Business	59
Our History	59
Industry Background / Market Opportunity	60
Our Competitive Strengths	61
Business Strategies	63
Our Portfolio / Property (including Operating Data)	65
Description of the Properties	66
Lease Agreement	69

	Page
Maintenance of the Properties	69
Mortgages, Liens or Encumbrances	70
Competition	70
Employees	70
Regulation	71
Insurance	72
Legal Proceedings	72
Environmental Matters	73
CAPITALIZATION	74
SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA	75
GLPI UNAUDITED PRO FORMA AND FORECASTED CONSOLIDATED FINANCIAL STATEMENTS	77
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS OF GLPI	89
Overview	89
Components of GLPI's Revenues and Expenses from the rental of its properties to Penn	89
Liquidity and Capital Resources	91
Capital expenditures	92
Obligations and Commitments	92
Critical Accounting Estimates	93
Discussion of Historical Operations of GLPI's TRSs	95
QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK	97
Interest Rate Risk	97
MANAGEMENT OF GLPI	98
GLPI Board of Directors and Executive Officers	98
Directors	98
Executive Officers	100
Committees of the Board of Directors	100
Compensation and Governance Committee Interlocks and Insider Participation	101
Compensation of Directors	102
Code of Business Conduct	102
Corporate Governance Guidelines	102
Director Independence	102
EXECUTIVE COMPENSATION	103
Compensation Discussion and Analysis	103
Executive Summary	103
Shareholder Outreach and Say on Pay Vote	103
Peer Group	104
Overview of Compensation Program	104
Analysis of Compensation	108
Employment Agreements	110
Other Compensation Policies	110
Summary Compensation Table	111
All Other Compensation Table	112
2012 Grants of Plan-Based Awards	113
Outstanding 2012 Equity Awards at Fiscal Year-End	114

	Page
2012 Option Exercises and Stock Vested	115
2012 Nonqualified Deferred Compensation	115
Penn's Deferred Compensation Plan	116
Potential Payments Upon Termination or Change in Control	117
Employment Agreements	119
GLPI SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT	124
DESCRIPTION OF CAPITAL STOCK OF GLPI	126
General	126
Distributions of Securities	126
Authorized and Issued Capital Stock at Time of Spin-Off	126
Common Stock	126
Preferred Stock	127
Resale of GLPI Common Stock	128
Restrictions on Ownership and Transfer	128
Pennsylvania State Takeover Statutes	132
Amendments to GLPI's Charter and Bylaws and Approval of Extraordinary Actions	133
Classified Board; Size of Board and Vacancies; Removal of Directors	134
Shareholder Action by Written Consent	134
Shareholder Meetings	134
Requirements for Advance Notification of Shareholder Nominations and Proposals	134
Effect of Certain Provisions of Pennsylvania Law and of the Charter and Bylaws	134
Limitation on Liability of Directors and Officers	135
CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS	136
Agreements with Certain Shareholders in Connection with the Spin-Off	136
Relationship between GLPI and Penn and their respective Subsidiaries	138
Employment Agreements and Arrangements	138
Indemnification of Directors and Officers	138
Conflict of Interest Policies	138
POLICIES WITH RESPECT TO CERTAIN ACTIVITIES AND TRANSACTIONS	139
Investment Policies	139
Financing Policies	140
Investment and Other Policies	141
Conflict of Interest Policies	141
Transactions with Interested Directors or Officers	142
Lending Policies	142
Reporting Policies	143
U.S. FEDERAL INCOME TAX CONSIDERATIONS	144
Taxation of GLPI	144
Taxation of Shareholders	158
Other Tax Considerations	163
DESCRIPTION OF THE LONG TERM INCENTIVE COMPENSATION PLAN	165
General	165
Administration of the Plan	165
Number of Shares Available for Issuance	165
Amount of Cash Awards Available for Issuance	165
Types of Awards	166

	Page
Fair Market Value	167
Adjustments for Changes in Capitalization	167
Termination of Employment or Service	167
Change in Control	168
Duration	168
Amendment and Termination	169
Additional REIT Restrictions	169
U.S. Tax Consequences	169
USE OF PROCEEDS	172
DETERMINATION OF OFFERING PRICE	172
LEGAL MATTERS	172
EXPERTS	172
WHERE YOU CAN FIND MORE INFORMATION	173
INDEX TO FINANCIAL STATEMENTS	F-1

You should not assume that the information contained in this Prospectus is accurate as of any date other than the date set forth on the cover. Changes to the information contained in this Prospectus may occur after that date and the Company does not undertake any obligation to update the information unless required to do so by law.

SUMMARY

This summary highlights information contained elsewhere in this Prospectus and may not contain all of the information that may be important to you. For a mor complete understanding of our business and the Spin-Off, you should read this summary together with the more detailed information and financial statements appearing elsewhere in this Prospectus. You should read this entire Prospectus carefully, including the "Risk Factors" and "Forward-Looking Statements" sections. "GLPI," "the Company," "we," "our," and "us" refer to GLPI and our subsidiaries.

Our Company

GLPI is a newly formed company that was incorporated in Pennsylvania on February 13, 2013. Its principal offices are currently located at 825 Berkshire Blvd., Suite 400, Wyomissing, Pennsylvania. Its main telephone number is currently (610) [•]. GLPI intends to make an election on its federal income tax return for its taxable year beginning on January 1, 2014 to be treated as a REIT, and GLPI, together with an indirectly wholly owned subsidiary of GLPI, GLP Holdings, Inc., will jointly elect to treat each of GLP Holdings, Inc., Louisiana Casino Cruises, Inc. and Penn Cecil Maryland, Inc. as a "taxable REIT subsidiary" (a "TRS") effective on the first day of the first taxable year of GLPI as a REIT, as defined below.

Following the distribution of GLPI shares by Penn to Penn's shareholders, GLPI will be a publicly-traded, self-administered, self-managed REIT primarily engaged in the property business, which will consist of owning, acquiring, developing, expanding, managing, and leasing gaming and related facilities. GLPI will be the first gaming-focused REIT, and expects to grow its portfolio by aggressively pursuing opportunities to acquire additional gaming facilities to lease to gaming operators, which may include Penn. GLPI also anticipates diversifying its portfolio over time, including by acquiring properties outside the gaming industry to lease t third parties.

GLPI expects to generate its revenues in the property business primarily by leasing gaming facilities to gaming operators in "triple-net" lease arrangements, a business model common to a number of publicly-traded REITs in other industries and which GLPI expects to exist with respect to any lease transactions that would b entered into by future REIT competitors of GLPI. Initially, GLPI's portfolio will consist of 21 gaming and related facilities (including two properties under development in Dayton, OH and Mahoning Valley, OH). GLP Capital, L.P., a subsidiary of GLPI through which GLPI will own substantially all of its assets, will leas all but two of its gaming and related facilities to Penn Tenant, LLC, a subsidiary of Penn, under a master lease agreement, as discussed below in section "Relationship between GLPI and Penn after the Spin-Off—The Master Lease." Louisiana Casino Cruises, Inc. and Penn Cecil Maryland, Inc., both of which will be wholly owned subsidiaries of GLP Holdings, Inc., operate and will operate (following the Spin-Off) the Hollywood Casino Baton Rouge and the Hollywood Casino Perryville, respectively, which are two gaming facilities of GLPI that will not be subject to this master lease agreement, and which we refer to as the "TRS Properties." Our portfolio of 21 properties (including two properties under development in Dayton, OH and Mahoning Valley, OH), comprising approximately 6.6 million square feet (building space and approximately 3,220 acres of owned and leased land, is diversified by location across 13 states. We believe our geographic diversification will lim the effect of changes in any one market on our overall performance.

Approximately 900 current employees of Penn are expected to be employed by GLPI following the Spin-Off. Substantially all of these employees will be employed at Louisiana Casino Cruises, Inc. and Penn Cecil Maryland, Inc., both of which will be wholly owned subsidiaries of GLP Holdings, Inc., in connection wit the operation of the TRS Properties.

To maintain REIT status, we must meet a number of organizational and operational requirements, including a requirement that we annually distribute to our shareholders at least 90% of our REIT taxable income, determined without regard to the dividends paid deduction and excluding any net capital gains. See "U.S. Federal Income Tax Considerations."

Overview of the Separation

The board of directors of Penn has announced a plan to separate its operating assets and real property assets, along with their associated liabilities, into two separate, publicly traded companies: an operating entity and a REIT. Penn will accomplish the separation by contributing 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 the TRS Properties that will be operated by i TRSs, to GLPI through a series of internal corporate restructurings and then distributing all of the outstanding shares of GLPI common stock owned by Penn immediately prior to the Spin-Off to holders of Penn common stock and Penn Series C preferred stock. Prior to the Spin-Off, GLPI and Penn will enter into a separation and distribution agreement setting forth the mechanics of the Spin-Off, certain organizational matters and other ongoing obligations of Penn and GLPI (the "Separation and Distribution Agreement"). Penn and GLPI or their respective subsidiaries, as applicable, will also enter into a number of other agreements prior to the Spin-Off to provide a framework for the restructuring and for the relationships between GLPI and Penn that will exist following the Closing.

Upon satisfaction or waiver of the conditions to the Spin-Off, which are described in more detail in "The Separation—Conditions to the Spin-Off," Penn will effect the Spin-Off by distributing one share of common stock of GLPI to the holders of Penn common stock and Penn Series C preferred stock for every share of Pen common stock and 1/1,000th of a share of Penn Series C preferred stock that they will hold at the close of business on [•], 2013, the record date for the Spin-Off.

As of [•], 2013, members of the Carlino family each beneficially owned [•] or fewer shares of Penn common stock (including stock options and restricted shares), which represents beneficial ownership of approximately [•]% or less of Penn's outstanding common stock for the purpose of determining whether GLPI, directly or indirectly, receives any rent from related party tenants under relevant provisions of the Internal Revenue Code of 1986, as amended (the "Code"). See "U.S. Federal Income Tax Considerations—Taxation of GLPI—Requirements for Qualification—General." Penn, GLPI and Mr. Carlino expect to enter into an Exchange Agreement prior to the declaration of the Spin-Off (the "Carlino Exchange Agreement") providing for the Compliance Exchanges, the effect of which will be to reduce the beneficial ownership of Penn of each of the members of the Carlino family immediately following the Separation, for the purpose of determining compliance with the "related party tenant rule," to 9.9% or less of Penn's outstanding common stock, so that GLPI can qualify to be taxed as a REIT for U.S. federal income tax purposes. Absent this re-alignment of ownership interests, GLPI will not be able to qualify as a REIT and the Spin-Off may not occur. The Compliance Exchanges will also result in a corresponding increase in each member of the Carlino family's beneficial ownership of GLPI immediately following the Separation, to approximately [•]% or less of GLPI's outstanding common stock for these purposes.

The Carlino Exchange Agreement is expected to provide that Mr. Carlino will deliver all of the shares of Penn common stock that he holds (including shares hel jointly or through any grantor retained annuity trust, but not including any shares held by the Carlino Family Trust) to Penn on the business day prior to the record dat for the Spin-Off in exchange for a number of shares of GLPI common stock having equivalent value, with the value of Penn common stock and GLPI common stock determined for this purpose by applying multiples of 6.8x for Penn (pro forma for the Spin-Off) and 12.5x for GLPI to the projected adjusted EBITDA (defined as ne income excluding interest, taxes, stock compensation, depreciation and amortization, and gain or loss on disposal of assets) of Penn and GLPI, respectively, for the calendar year 2013. The Carlino Exchange Agreement is also expected to

provide that Mr. Carlino will deliver to Penn, on the second business day following the distribution date for the Spin-Off, the minimum number of options to acquire Penn common stock that must be cancelled so that, immediately following such time, the beneficial ownership of Penn common stock of each of the members of the Carlino family, for the purpose of determining compliance with the "related party tenant rule," will be no greater than 9.9%, and in exchange Mr. Carlino will receive options to acquire GLPI common stock with an equivalent aggregate intrinsic value. The Carlino Exchange Agreement also imposes certain transfer and other restrictions on Mr. Carlino to ensure that GLPI may qualify as a REIT, including a prohibition on any acquisition by Mr. Carlino of shares of Penn common stock that would increase the beneficial ownership of Penn of certain members of the Carlino family (for the purpose of determining whether GLPI, directly or indirectly, receives any rent from related party tenants under relevant provisions of the Code) above 9.9% for so long as Penn is considered a related party tenant of GLPI. Although Mr. Carlino, Penn and GLPI have agreed in principle to effect the Carlino Exchange Agreement as described above, the Carlino Exchange Agreement has not been executed and no assurance can be given that such agreement, or another agreement providing for the Compliance Exchanges, will be executed and delivered.

Penn and the independent members of Penn's board of directors have engaged Duff & Phelps, LLC ("Duff & Phelps") to serve as an independent financial advisor to Penn's independent directors and to provide an opinion as to the fairness, from a financial point of view, of the contemplated transactions with Peter M. Carlino described above, as well as the contemplated transactions with Fortress described below. On November 15, 2012, the independent members of the board of directors of Penn received a written opinion from Duff & Phelps, as of such date and based upon and subject to the procedures followed, assumptions made, qualifications and limitations on the review undertaken and other matters considered by Duff & Phelps in preparing its opinion, that the consideration to be received by Peter M. Carlino in the Separation (as described above) is fair from a financial point of view to the shareholders of Penn (other than shareholders who are members of the Carlino family or trusts for their benefit and Fortress, and without giving effect to any impact of the Separation on any particular shareholder other than in its capacity as a shareholder), assuming that the Compliance Exchanges consist solely of the Carlino Stock Exchange according to an exchange ratio determined based on the values and multiples described above. Duff & Phelps' opinion was directed to the independent members of the board of directors of Penn and only addressed the fairness from a financial point of view of the consideration to be received by Mr. Carlino in the Separation, and does not address any other aspect or implication of the Separation, except as described in "Certain Relationships and Related Party Transactions—Agreements with Certain Shareholders in Connection with the Spin-Off—Fortress."

As of June 30, 2013, there were 12,050 shares of Series B redeemable preferred stock of Penn ("Penn Series B preferred stock") outstanding, 9,750 of which were held by Fortress and 2,300 of which were collectively held by Centerbridge Capital Partners, L.P., Centerbridge Capital Partners Strategic, L.P. and Centerbridge Capital Partners SBS, L.P., referred to collectively as Centerbridge. Penn has entered into agreements with the holders of its outstanding Penn Series B preferred stock to redeem for cash, or exchange for Penn Series C preferred stock, all of the outstanding Penn Series B preferred stock prior to the record date of the Spin-Off. Additionally, prior to the record date for the Spin-Off, Penn will have the right to purchase from Fortress the number of shares of Penn Series C preferred stock required to ensure that, immediately following the consummation of the Spin-Off, Fortress will own not more than 9.9% of GLPI's common stock, so that GLPI can qualify to be taxed as a REIT for U.S. federal income tax purposes. For more detail, see "The Separation—Treatment of Penn Preferred Stock in the Spin-Off."

In the Separation, Penn will allocate its accumulated earnings and profits (as determined for U.S. federal income tax purposes) for periods prior to the consummation of the Separation between Penn and GLPI in a manner that, in its best judgment, is in accordance with the provisions of the Code. In

connection with its election to be taxed as a REIT for U.S. federal income tax purposes, GLPI will declare a 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 Separation, to comply with certain REIT qualification requirements (the "Purging Distribution"). We estimate that the Purging Distribution will total approximatel $1.05 billion, or approximately $11.92 per share of GLPI common stock outstanding immediately prior to the Purging Distribution. The Purging Distribution will be paid in a combination of cash and GLPI stock, which Penn anticipates will consist of approximately 28% cash and 72% GLPI stock. See "The Separation—The Purging Distribution" for detail, including detail on the calculation of the per share estimate.

The Penn board of directors has reserved the right, in its sole discretion, to amend, modify or abandon the Spin-Off and related transactions at any time prior to the distribution date. In addition, the Spin-Off is subject to the satisfaction or waiver of a number of conditions. These conditions include the receipt of all gaming approvals required to be obtained prior to the Spin-Off. See "The Separation—Conditions to the Spin-Off."

Our Relationship with Penn

To govern their ongoing relationship, in connection with the Spin-Off, Penn and GLPI or their respective subsidiaries, as applicable, will enter into: (i) the Separation and Distribution Agreement, (ii) a master lease agreement (the "Master Lease") pursuant to which GLP Capital, L.P., as landlord, will lease to Penn Tenant, LLC, a subsidiary of Penn, as tenant, the GLPI assets relating to the business of Penn (excluding the TRS Properties), (iii) an agreement relating to tax matter (the "Tax Matters Agreement"), (iv) an agreement pursuant to which Penn will provide certain services to GLPI on a transitional basis (the "Transition Services Agreement") and (v) an agreement relating to employee matters (the "Employee Matters Agreement"). The agreements that we will enter into with Penn in connection with the Spin-Off, including the Separation and Distribution Agreement, Master Lease, Tax Matters Agreement, Employee Matters Agreement and Transition Service Agreement, have been negotiated in the context of the Separation while we are still a wholly owned subsidiary of Penn. Accordingly, during the period in which the terms of those agreements were negotiated, we did not have an independent board of directors or a management team independent of Penn. As a result, although those agreements are generally intended to reflect arm's-length terms, the terms of those agreements may not reflect terms that would have resulted from arm's-length negotiations between unaffiliated third parties. Accordingly, there can be no assurance that the terms of these agreements will be as favorable for GLPI as would have resulted from negotiations with one or more unrelated third parties.

Financing

In connection with the Spin-Off, (i) GLPI and its subsidiary, GLP Capital, L.P., expect to enter into senior unsecured credit facilities, comprised of a $850 million revolving credit facility (which is expected to be reduced to $700 million at or about the time of the Spin-Off) and a $300 million term loan facility, and (ii) GLP Capital, L.P. expects to issue $2.05 billion in senior unsecured notes, which senior notes will be guaranteed by GLPI. GLPI and GLP Capital, L.P. expect to have $150 million of indebtedness outstanding under the revolving credit facility immediately following the Spin-Off.

Restrictions on Ownership and Transfer of Our Common Stock

To assist us in complying with the limitations on the concentration of ownership of REIT stock imposed by the Code, among other purposes, our charter will provide for restrictions on ownership and transfer of our shares of stock, including, subject to certain exceptions, prohibitions on any person beneficially or constructively owning more than [•]% of the outstanding shares of our common

stock or more than [•]% in value or in number, whichever is more restrictive, of the outstanding shares of all classes and series of our stock. A person that did no acquire more than [•]% of our outstanding stock may become subject to our charter restrictions if repurchases by us cause such person's holdings to exceed [•]% of our outstanding stock. Our board will make exceptions to the ownership limit for certain existing shareholders and, under certain circumstances, our boar of directors may also waive the ownership limits. Our charter will provide that shares of our capital stock acquired or held in excess of the ownership limit will be transferred to a trust for the benefit of a designated charitable beneficiary, and that any person who acquires shares of our capital stock in violation of the ownership limit will not be entitled to any dividends on the shares or be entitled to vote the shares or receive any proceeds from the subsequent sale of the shares in excess of the lesser of the market price on the day the shares were transferred to the trust or the amount realized from the sale. We or our designee will have the right to purchase th shares from the trustee at this calculated price as well. A transfer of shares of our capital stock by a shareholder in violation of the limit may be void under certain circumstances. Our [•]% ownership limitation may have the effect of delaying, deferring or preventing a change in control of GLPI, including an extraordinary transaction (such as a merger, tender offer or sale of all or substantially all of our assets) that might provide a premium price for our shareholders. See "Description of Capital Stock of GLPI—Restrictions on Ownership and Transfer."

In addition, all of GLPI's outstanding capital stock shall be held subject to applicable gaming laws. Our charter will provide that capital stock of GLPI that is owned or controlled by an unsuitable person or an affiliate of an unsuitable person will be transferred to a trust for the benefit of a designated charitable beneficiary, and that any such unsuitable person or affiliate will not be entitled to any dividends on the shares or be entitled to vote the shares or receive any proceeds from the subsequent sale of the shares in excess of the lesser of the price paid by the unsuitable person or affiliate for the shares or the amount realized from the sale, in each case less a discount in a percentage (up to 100%) to be determined by our board of directors in its sole and absolute discretion. The shares shall additionally be redeemable by GLPI, out of funds legally available for that redemption, to the extent required by the gaming authorities making the determination of unsuitability or t the extent determined to be necessary or advisable by our board, at a redemption price equal to the lesser of (i) the market price on the date of the redemption notice, (ii) the market price on the redemption date, or (iii) the actual amount paid for the shares by the owner thereof, in each case less a discount in a percentage (up to 100%) to be determined by our board of directors in its sole and absolute discretion. See "Description of Capital Stock of GLPI—Redemption of Securities Owned or Controlled by an Unsuitable Person or Affiliate."

Our Tax Status

We intend to elect and qualify to be taxed as a REIT for U.S. federal income tax purposes, which we currently expect to occur commencing with our taxable year beginning on January 1, 2014. Our qualification as a REIT depends upon our ability to meet, on a continuing basis, through actual investment and operating results, various complex requirements under the Code, relating to, among other things, the sources of our gross income, the composition and value of our assets, our distribution levels and the diversity of ownership of our shares. We believe that, at the time of the Spin-Off, we will be organized in conformity with the requirements for qualification and taxation as a REIT under the Code and that our intended manner of operation will enable us to meet the requirements for qualification and taxation as a REIT.

Penn has received a private letter ruling from the Internal Revenue Service (the "IRS"), subject to the terms and conditions contained therein, with respect to certain issues relevant to our qualification as a REIT. Although we may generally rely upon the ruling, subject to the completeness and accuracy

of the representations made to the IRS, no assurance can be given that the IRS will not challenge our qualification as a REIT on the basis of other issues or facts outside the scope of the ruling.

So long as we qualify to be taxed as a REIT, we generally will not be subject to U.S. federal income tax on our net REIT taxable income that we distribute currently to our shareholders. If we fail to qualify to be taxed as a REIT in any taxable year and do not qualify for certain statutory relief provisions, we would be subject to U.S. federal income tax at regular corporate rates and would be precluded from re-electing to be taxed as a REIT for the subsequent four taxable years following the year during which we lost our REIT qualification. Even if we qualify to be taxed as a REIT, we may be subject to certain U.S. federal, state and local taxes on our income or property, and the income of our TRSs will be subject to taxation at regular corporate rates. See "U.S. Federal Income Tax Considerations."

JOBS Acts

As a company with less than $1.0 billion in revenue during our last fiscal year, we qualify as an "emerging growth company," as defined in the Jumpstart Our Business Startups Act (the "JOBS Act"). Section 107 of the JOBS Act provides that an emerging growth company can take advantage of the extended transition perio provided in Section 7(a)(2)(B) of the Securities Act for complying with new or revised accounting standards. Thus, an emerging growth company can delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. However, we are choosing to "opt out" of such extended transition period, and, as a result, we will comply with new or revised accounting standards on the relevant dates on which adoption of such standards is required for non-emerging growth companies. Section 107 of the JOBS Act provides that our decision to opt out of the extended transition period for complying with new or revised accounting standards is irrevocable.

An emerging growth company may also take advantage of reduced reporting requirements that are otherwise applicable to public companies. These provisions include, but are not limited to:

- not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act of 2002, as amended ("Sarbanes-Oxley Act");
- reduced disclosure obligations regarding executive compensation in our periodic reports, proxy statements and registration statements; and
- exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and stockholder approval of any golden parachut payments not previously approved.

We may take advantage of these provisions until the last day of our fiscal year following the fifth anniversary of the date of the first sale of our common equity securities pursuant to an effective registration statement under the Securities Act, which such fifth anniversary is expected to occur in 2018. However, if certain event occur prior to the end of such five-year period, including if we become a "large accelerated filer," our annual gross revenues exceed $1.0 billion or we issue more thar $1.0 billion of non-convertible debt in any three-year period, we will cease to be an emerging growth company prior to the end of such five-year period. As described under the caption "Financing," in connection with the Spin-Off (i) GLPI and GLP Capital, L.P. expect to enter into senior unsecured credit facilities, comprised of a $850 million revolving credit facility and a $300 million term loan facility, to be provided by a syndicate of banks and other financial institutions, and (ii) GLP Capital, L.P. expects to issue $2.05 billion in senior unsecured notes, which senior notes will be guaranteed by GLPI, none of which debt is expected to be convertible Accordingly, we expect that GLPI will no longer be an emerging growth company at the time of the Spin-Off.

We have elected not to take advantage of any of the reduced disclosure obligations afforded to emerging growth companies by the JOBS Act.

QUESTIONS AND ANSWERS ABOUT GLPI AND THE SPIN-OFF

What are the reasons for the Spin-Off?

The operation of the gaming and property businesses within the current Penn structure presents significant obstacles to successfully achieving the desired level of growth for Penn's gaming business and property business. The Spin-Off is expected to significantly ameliorate these expansion challenges for both businesses.

Penn expects the Spin-Off to facilitate strategic expansion opportunities for the property business by providing GLPI the ability to:

(i) pursue transactions with other gaming operators that would not pursue transactions with Penn as a current competitor;

(ii) fund acquisitions with its equity on significantly more favorable terms than those that would be available to Penn;

(iii) diversify into different businesses in which Penn, as a practical matter, could not diversify, such as hotels, entertainment facilities and office space; and

(iv) pursue certain transactions that Penn otherwise would be disadvantaged by or precluded from pursuing due to regulatory constraints.

What is a REIT?

Following the Spin-Off, GLPI intends to qualify and elect to be taxed as a REIT under Sections 856 through 859 of the Code, which GLPI currently expects to occur commencing with its taxable year beginning on January 1, 2014. As a REIT GLPI generally will not be subject to U.S. federal income tax on its REIT taxable income it distributes to its shareholders A company's qualification as a REIT depends on its ability to meet, on a continuing basis, through actual investment and operating results, various complex requirements under the Code relating to, among other things, the sources of its gross income, the composition and values of its assets, its distribution levels and the diversity of ownership of its stock. GLPI believes that, immediately after the Spin-Off, it will be organized in conformity with the requirements for qualification an taxation as a REIT under the Code, and that its manner of operation enables it to meet the requirements for qualification and taxation as a REIT. GLPI anticipates that distributions it makes to its shareholders generally will be taxable to its shareholders as ordinary income, although a portion of the distributions may

be designated by GLPI as qualified dividend income or capital gain or may constitute a return of capital. For a more complete discussion of the U.S. federal income tax treatment o distributions to shareholders of GLPI, see "U.S. Federal Income Tax Considerations—Taxation of Shareholders—Taxation of Taxable U.S. Shareholders."

How will the Spin-Off occur?

Penn will effect the Spin-Off via a distribution to its shareholders of all of the outstanding shares of common stock of GLPI owned by Penn immediately prior to the Spin-Off. To complete the Separation, in addition to the Spin-Off, Penn will effect the Compliance Exchanges (pursuant to which Peter M. Carlino will exchange (i) shares of Penn common stock for shares of GLPI common stock prior to the Spin-Off and (ii) options to acquire Pen common stock for options to acquire GLPI common stock following the Spin-Off). Togethe the shares of common stock of GLPI distributed to shareholders in the Spin-Off and the shares of common stock of GLPI exchanged with Mr. Carlino will be 100% of the common stock of GLPI outstanding immediately prior to the Separation.

How many shares of GLPI will I receive?

Unless otherwise determined by the Penn board of directors prior to the distribution date, fo every share of Penn common stock and 1/1,000th of a share of Penn Series C preferred stoc held by you as of the record date, you will receive one share of common stock of GLPI. Peter M. Carlino will exchange (i) shares of Penn common stock for shares of GLPI common stock prior to the Spin-Off and (ii) options to acquire Penn common stock for options to acquire GLPI common stock following the Spin-Off. See "Certain Relationships and Related Party Transactions—Agreements with Certain Shareholders in Connection wit the Spin-Off—Peter M. Carlino."

What will I receive in connection with the Purging Distribution?

In connection with the Separation, Penn will allocate its accumulated earnings and profits (a determined for U.S. federal income tax purposes) for periods prior to the consummation of the Separation between Penn and GLPI in a manner that, in its best judgment, is in accordance with the provisions of the Code. In connection with its election to be taxed as a REIT for U.S. federal income tax purposes, GLPI will make the Purging Distribution by declaring a 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 Separation, to comply with certain REIT qualification requirements. Penn estimates that the Purging Distribution will total

approximately $1.05 billion, or approximately $11.92 per share of GLPI common stock outstanding immediately prior to the Purging Distribution. Th Purging Distribution will be paid in a combination of cash and GLPI stock, which Penn anticipates will consist of approximately 28% cash and 72% GLP stock. See "The Separation—The Purging Distribution."

Can Penn decide not to complete the Spin-Off or to modify its terms?

Yes. The Penn board of directors has reserved the right, in its sole discretion, to amend, modify or abandon the Spin-Off and related transactions at any tim prior to the distribution date. This means that Penn has the right not to complete the Spin-Off if, at any time, the Penn board of directors determines, in its sole discretion, that the Spin-Off is not in the best interests of Penn. In addition, the Spin-Off is subject to the satisfaction or waiver of a number of conditions. These conditions include the receipt of all gaming approvals required to be obtained prior to the Spin-Off. See "The Separation—Conditions to the Spin-Off."

What is the record date for the Spin-Off?

The record date for determining shareholders entitled to receive the shares of GLPI in the Spin-Off is the close of business on [•], 2013.

What is the distribution date for the Spin-Off?

The distribution date for distributing the shares of common stock of GLPI under the Spin-Off is [•], 2013. However, the Penn board of directors may determine to delay or abandon the Spin-Off.

What are the U.S. federal income tax consequences of the Spin-Off to Penn's shareholders?

Penn has received a private letter ruling from the IRS to the effect that the Spin-Off, together with the Carlino Stock Exchange and certain related transactions, will qualify as a reorganization for U.S. federal income tax purposes under Sections 355 and 368(a)(1)(D) of the Code. Penn expects to receive certain opinions from its tax advisors with respect to certain requirements for tax-free treatment under Section 355 of the Code on which the IRS will not rule, to the effect that such requirements will be satisfied. Based on the foregoing private letter ruling from the IRS, together with the ta opinions, for U.S. federal income tax purposes, you will not recognize any gain or loss, and no amount will be included in your income, upon your recei of shares of GLPI common stock pursuant to the Spin-Off.

You should consult your own tax advisor as to the particular consequences of the Spin-Off to you, including the applicability and effect of any U.S. federal, state and local tax laws, as well as foreign tax laws, which may result in the Spin-Off being taxable to you. For more information regarding the private letter ruling, the tax opinions and certain U.S. federal income tax consequences of the Spin-Off, see the summary under "The Separation—Material

	U.S. Federal Income Tax Consequences of the Spin-Off," included elsewhere in this Prospectus.
What are the U.S. federal income tax consequences of the Purging Distribution to GLPI's shareholders?	Penn has received a private letter ruling from the IRS with respect to certain issues relevant to GLPI's payment of the Purging Distribution in a combination of cash and GLPI stock. Each GLPI shareholder will be permitted to elect to receive the shareholder's entire entitlement under the Purging Distribution in either cash or GLPI common stock, subject to a limitation on the amount of cash to be distributed in the aggregate to all GLPI shareholders (the "Cash Limitation"). The Cash Limitation will in no event b less than 20% of the Purging Distribution declaration (without regard to any cash that may be paid in lieu of fractional shares), although it is currently expected to comprise approximately 28% of the Purging Distribution. If GLPI shareholders elect to receive an amount of cash in excess of the Cash Limitation, each such electing shareholder will receive a pro rata amount of cash corresponding to the shareholder's respective entitlement under the Purging Distribution declaration. In general, the ruling provides, subject to the terms and conditions contained therein, that (1) the Purging Distribution will b treated as a dividend that will first reduce GLPI's accumulated earnings and profits (as determined for U.S. federal income tax purposes) attributable to pre-REIT years in satisfaction of the REIT annual distribution requirement and (2) the amount of any GLPI stock received by any GLPI shareholder as part of the Purging Distribution will be considered to equal the amount of cash that could have been received instead. In the Purging Distribution, a shareholder of GLPI common stock will be required to report dividend income as a result of the Purging Distribution even if GLPI distributes no cash or only nominal amounts of cash to such shareholder. You should consult your own tax advisor as to the particular consequences of the Purging Distribution to you, including the applicability and effect of any U.S. federal, state and local tax laws, as well as foreign tax laws. For more information regarding the Purging Distribution, see "The Separation—The Purging Distribution."
Will I receive physical certificates representing shares of common stock of GLPI following the Separation?	No. Following the Separation, neither Penn nor GLPI will be issuing physical certificates representing shares of the common stock of GLPI. Instead, Penn, with the assistance of Continental Stock Transfer & Trust, the distribution agent, will electronically issue shares of GLPI common stock to you or to you bank or brokerage firm on your behalf by way of direct registration in book-entry form. Continental Stock Transfer & Trust will mail you a book-entry account statement that reflects your shares of GLPI common stock,

or your bank or brokerage firm will credit your account for the shares.

What if I want to sell my Penn stock or my common stock in GLPI?

You should consult with your financial advisors, such as your stockbroker or bank. Neithe Penn nor GLPI makes any recommendations on the purchase, retention or sale of shares o Penn common stock or Penn Series C preferred stock, or the GLPI common stock to be distributed in the Spin-Off.

If you decide to sell any shares before the Spin-Off, you should make sure your stockbroker, bank or other nominee understands whether you want to sell your Penn share the GLPI shares you will receive in the Spin-Off or both.

Where will I be able to trade shares of the common stock of GLPI?

There is not currently a public market for the common stock of GLPI. We intend to list ou common stock on the NASDAQ Stock Market, or "NASDAQ," under the symbol "GLPI.' We anticipate that trading in shares of our common stock will begin on a "when-issued" basis prior to the distribution date and will continue up to and including the distribution date and that "regular-way" trading in shares of our common stock will begin on the first trading day following the distribution date. If trading begins on a "when-issued" basis, you may purchase or sell shares of GLPI common stock up to and including the distribution date, but any such transaction will not settle until after the distribution date. You will not b required to make any payment, surrender or exchange your shares of Penn common stock or Penn Series C preferred stock or take any other action to receive your shares of GLPI common stock.

Will the number of Penn shares I own change as a result of the Separation?

The number of shares of Penn common or preferred stock you own will not change as a result of the Separation, unless you are Fortress, Centerbridge or Peter M. Carlino. See "Certain Relationships and Related Party Transactions—Agreements with Certain Shareholders in Connection with the Spin-Off."

What will be the business of Penn following the Spin-Off?

Penn will operate and manage gaming facilities, including most of the gaming facilities owned directly or indirectly by GLPI pursuant to the Master Lease. Penn will also hold the gaming licenses associated with these leased properties and own and operate other assets, including the Casino Rama casino management contract, the Jamul Indian Village management and development agreements, a 50% interest in three joint ventures including the Hollywood Casino at Kansas Speedway and four wholly owned non-casino racetracks and gaming equipment.

What will happen to the listing of Penn common stock?

Nothing. Penn common stock will continue to be traded on NASDAQ under the symbol "PENN."

Will the Spin-Off affect the trading price of my Penn common stock?

The trading price of Penn common stoc immediately following the Spin-Off is expected to b lower than immediately prior to the Spin-Off because the trading price will no longe reflect the value of the GLPI commo stock that is being distributed in the Spin-Off. Furthermore, until the market has fully analyze the value of Penn without GLPI, the price of Penn common stoc may fluctuate significantly.

What are the risks to owning GLPI common stock?

Our business subject to bot general and specific risks relating to ou business, our status as a REIT, our relationship with Penn and being a separate publicly trade company. Ou business is also subject to risks relating to the separation. These risks a described in the "Risk Factors" section of this Prospectus beginning on page 13. You are encourage to read that section carefully.

Do I have appraisal rights?

No. Holders o Penn commo stock and Pen Series C preferred stoc are not entitle to appraisal rights in connection

with the Spin-Off.

What will holders of Penn Series B preferred stock receive in the Spin-Off?

Penn has entered into agreements with the holders of its outstanding shares of Pen Series B preferred stoc to redeem for cash, or exchange for shares of Pen Series C preferred stock, all of the outstandin shares of Pen Series B preferred stoc prior to the record date of the Spin-Off. Additionally, prior to the record date fo the Spin-Off, Penn will hav the right to purchase fron Fortress the number of shares of Pen Series C preferred stoc required to ensure that, immediately following the consummatio of the Spin-Off, Fortress will own not more than 9.9% of GLPI's common stoc so that GLPI can qualify to be taxed as a REIT for U.S federal incom tax purposes.

Prior to the Spin-Off, GLPI and Fortress will enter into an investor right agreement tha grants Fortres certain registration rights and information rights and prohibits GLP from taking actions to increase Fortress's beneficial ownership of the outstandin

shares of GLI common stoc above 9.9%.

Where can Penn shareholders get more information about the Spin-Off?	Before the Spin-Off, if you have any questions relating to the Spin-Off you should contac Joseph N. Jaffoni JCIR 116 East 16th Street, 11th Floor New York, N 10003-2112 Tel: (212) 83 8500 Fax: (212) 835-8525 Email: penn@jcir.co

RISK FACTORS

Risk Factors Relating to Our Spin-Off from Penn

We may be unable to achieve some or all the benefits that we expect to achieve from the Spin-Off.

We believe that, as a publicly traded company independent from Penn, GLPI will have the ability to pursue transactions with other gaming operators that would not pursue transactions with Penn as a current competitor, to fund acquisitions with its equity on significantly more favorable terms than those that would be available to Penn, to diversify into different businesses in which Penn, as a practical matter, could not diversify, such as hotels, entertainment facilities and office space, and to pursue certain transactions that Penn otherwise would be disadvantaged by or precluded from pursuing due to regulatory constraints. However, we may not be able to achieve some or all of the benefits that we expect to achieve as a company independent from Penn in the time we expect, if at all.

After the Spin-Off, we may be unable to make, on a timely or cost-effective basis, the changes necessary to operate as a separate publicly traded company primarily focused on owning a portfolio of gaming properties.

GLPI has no significant historical operations as an independent company and may not, at the time of the Spin-Off, have the infrastructure and personnel necessary to operate as a separate publicly traded company without relying on Penn to provide certain services on a transitional basis. Upon the completion of the Spin-Off, Penn will be obligated to provide such transition services pursuant to the terms of the Transition Services Agreement that GLPI will enter into with Penn, to allow GLPI time, if necessary, to build the infrastructure and retain the personnel necessary to operate as a separate publicly traded company without relying on such services. Following the expiration of the Transition Services Agreement, Penn will be under no obligation to provide further assistance to GLPI. As a separate public entity, we will be subject to, and responsible for, regulatory compliance, including periodic public filings with the Securities and Exchange Commission (the "SEC") and compliance with NASDAQ's continued listing requirements and with applicable state gaming rules and regulations, as well as compliance with generally applicable tax and accounting rules. Because GLPI's business has not been operated as a separate publicly traded company, GLPI cannot assure you that it will be able to successfully implement the infrastructure or retain the personnel necessary to operate as a separate publicly traded company or that GLPI will not incur costs in excess of anticipated costs to establish such infrastructure and retain such personnel.

If the Spin-Off, together with certain related transactions, does not qualify as a transaction that is generally tax-free for U.S. federal income tax purposes, Penn, GLPI and Penn shareholders could be subject to significant tax liabilities and, in certain circumstances, GLPI could be required to indemnify Penn for material taxes pursuant to indemnification obligations under the Tax Matters Agreement.

Penn has received a private letter ruling from the IRS substantially to the effect that, among other things, the Spin-Off, together with the Compliance Exchanges and certain related transactions, will qualify as a transaction that is generally tax-free for U.S. federal income tax purposes under Sections 355 and/or 368(a)(1)(D) of the Code (the "IRS Ruling"). The IRS Ruling does not address certain requirements for tax-free treatment of the Spin-Off under Section 355, and Penn expects to receive from its tax advisors a tax opinion substantially to the effect that, with respect to such requirements on which the IRS will not rule, such requirements will be satisfied. The IRS Ruling, and the tax opinions that Penn expects to receive from its tax advisors, relied on and will rely on, among other things, certain representations, assumptions and undertakings, including those relating to the past and future conduct of GLPI's business, and the IRS Ruling and the opinions would not be valid if such representations, assumptions and undertakings were incorrect in any material respect.

Notwithstanding the IRS Ruling and the tax opinions, the IRS could determine the Spin-Off should be treated as a taxable transaction for U.S. federal income tax purposes if it determines any of the representations, assumptions or undertakings that were included in the request for the IRS Ruling

are false or have been violated or if it disagrees with the conclusions in the opinions that are not covered by the IRS Ruling. For more information regarding the IRS Ruling and the opinions, see "The Separation—Material U.S. Federal Income Tax Consequences of the Spin-Off."

If the Spin-Off fails to qualify for tax-free treatment, in general, Penn would be subject to tax as if it had sold the GLPI common stock in a taxable sale for its fair market value, and Penn shareholders who receive shares of GLPI common stock in the Spin-Off would be subject to tax as if they had received a taxable distribution equal to the fair market value of such shares.

Under the Tax Matters Agreement that GLPI will enter into with Penn, GLPI generally will be required to indemnify Penn against any tax resulting from the Spin-Off to the extent that such tax resulted from (i) an acquisition of all or a portion of the equity securities or assets of GLPI, whether by merger or otherwise, (ii) other actions or failures to act by GLPI, or (iii) any of GLPI's representations or undertakings being incorrect or violated. For a more detailed discussion, see "Relationship between GLPI and Penn after the Spin-Off—The Tax Matters Agreement." GLPI's indemnification obligations to Penn and its subsidiaries, officers and directors will not be limited by any maximum amount. If GLPI is required to indemnify Penn or such other persons under the circumstance set forth in the Tax Matters Agreement, GLPI may be subject to substantial liabilities.

GLPI may not be able to engage in desirable strategic or capital-raising transactions following the Spin-Off. In addition, GLPI could be liable for adverse tax consequences resulting from engaging in significant strategic or capital-raising transactions.

To preserve the tax-free treatment to Penn of the Spin-Off, for the two-year period following the Spin-Off, GLPI may be prohibited, except in specific circumstances, from: (1) entering into any transaction pursuant to which all or a portion of GLPI's stock would be acquired, whether by merger or otherwise, (2) issuing equity securities beyond certain thresholds, (3) repurchasing GLPI common stock, (4) ceasing to actively conduct the business of operating the Hollywood Casino Baton Rouge or Hollywood Casino Perryville, or (5) taking or failing to take any other action that prevents the Spin-Off and related transactions from being tax-free.

These restrictions may limit GLPI's ability to pursue strategic transactions or engage in new business or other transactions that may maximize the value of GLPI's business. For more information, see "The Separation—Material U.S. Federal Income Tax Consequences of the Spin-Off" and "Relationship between GLPI and Penn after the Spin-Off—The Tax Matters Agreement."

The market price and trading volume of GLPI securities may be volatile and may face negative pressure.

There is currently no trading market for any GLPI securities. Investors may decide to dispose of some or all of the GLPI securities that they receive in the Spin-Off. GLPI securities issued in the Spin-Off will be trading publicly for the first time. Until, and possibly even after, orderly trading markets develop for these securities, there may be significant fluctuations in price. It is not possible to accurately predict how investors in GLPI's securities will behave after the Spin-Off. For many reasons, including the risks identified in this Prospectus, the market price of GLPI's securities following the Spin-Off may be more volatile than the market price of Penn's securities before the Spin-Off. These factors may result in short- or long-term negative pressure on the value of the GLPI securities.

In addition, some of the holders of Penn securities are index funds tied to stock or investment indices, or are institutional investors bound by various investment guidelines. Companies are generally selected for investment indices, and in some cases selected by institutional investors, based on factors such as market capitalization, industry, trading liquidity and financial condition. As an independent company, we expect to initially have a lower market capitalization than Penn has today, and our business will differ from the business of Penn prior to the Spin-Off. As a result, our securities may not qualify for those investment indices. In addition, the securities that are received in the Spin-Off may not meet the investment guidelines of some institutional investors. Consequently, these index funds and

institutional investors may have to sell some or all of the securities they receive in the Spin-Off, and the price of our securities may fall as a result. Any such decline could impair our ability to raise capital through future sales of securities. Further, GLPI securities may not qualify for other investment indices, including indices specific to REITs, and any such failure may discourage new investors from investing in our securities.

The Spin-Off agreements will not be the result of negotiations between unrelated third parties.

The agreements that we will enter into with Penn in connection with the Spin-Off, including the Separation and Distribution Agreement, Master Lease, Tax Matters Agreement, Employee Matters Agreement and Transition Services Agreement, have been negotiated in the context of the Separation while we are still a wholly owned subsidiary of Penn. Accordingly, during the period in which the terms of those agreements were negotiated, we did not have an independent board of directors or a management team independent of Penn. As a result, although those agreements are generally intended to reflect arm's-length terms, the terms of those agreements may not reflect terms that would have resulted from arm's-length negotiations between unaffiliated third parties. Accordingly, there can be no assurance that the terms of these agreements will be as favorable for GLPI as would have resulted from negotiations with one or more unrelated third parties.

The Penn board of directors has reserved the right, in its sole discretion, to amend, modify or abandon the Spin-Off and the related transactions at any time prior to the distribution date. In addition, the Spin-Off and related transactions are subject to the satisfaction or waiver (by Penn's board of directors in its sole discretion) of a number of conditions. GLPI and Penn cannot assure that any or all of these conditions will be met.

The Penn board of directors has reserved the right, in its sole discretion, to amend, modify or abandon the Spin-Off and the related transactions at any time prior to the distribution date. This means Penn may cancel or delay the planned distribution of common stock of GLPI if at any time the board of directors of Penn determines that the distribution of such common stock is not in the best interests of Penn. If Penn's board of directors determines to cancel the Spin-Off, shareholders of Penn will not receive any distribution of GLPI common stock and Penn will be under no obligation whatsoever to its shareholders to distribute such shares. In addition, the Spin-Off and related transactions are subject to the satisfaction or waiver (by Penn's board of directors in its sole discretion) of a number of conditions. See "The Separation—Conditions to the Spin-Off." GLPI and Penn cannot assure that any or all of these conditions will be met. The fulfillment of the conditions to the Spin-Off will not create any obligation on Penn's part to effect the Internal Reorganization (as defined in section "The Separation—General"), the Spin-Off and the REIT Conversion.

The historical and pro forma financial information included in this Prospectus may not be a reliable indicator of future results.

The historical financial statements included herein are (1) combined historical financial data of Louisiana Casino Cruises, Inc. and Penn Cecil Maryland, Inc., which will be acquired by a subsidiary of GLPI that we anticipate will be called GLP Holdings, Inc., and which will operate the TRS Properties after the Spin-Off, which combined financial statements only reflect the historical operation of these two facilities, (2) a schedule of real estate assets to be acquired by GLPI prior to the Spin-Off and (3) consolidated balance sheets of GLPI. In addition, this Prospectus includes pro forma financial information regarding GLPI.

The historical financial statements and the pro forma financial information included herein may not reflect what the business, financial position or results of operations of GLPI will be in the future when it is a separate, publicly traded company. Prior to the Spin-Off, the business of GLPI will have been operated by Penn as part of one corporate organization and not operated as a stand-alone company. Because GLPI has no significant historical operations and will not acquire the real estate

ownership and development business of Penn until immediately prior to the Spin-Off, there are no historical financial statements for GLPI as it will exist following the Spin-Off. Significant changes will occur in the cost structure, financing and business operations of GLPI as a result of its operation as a stand-alone company and the entry into transactions with Penn (and its subsidiaries) that have not existed historically, including the Master Lease. The pro forma financial information included in this Prospectus was prepared on the basis of assumptions derived from available information that we believed to be reasonable. However, these assumptions may change or may be incorrect, and actual results may differ, perhaps significantly. For additional information about the basis of presentation of the financial information included in this Prospectus, see "Financing," "Capitalization," "Selected Historical Consolidated Financial Data," "GLPI Unaudited Pro Forma and Forecasted Consolidated Financial Statements" and the financial statements.

The ownership by our executive officers and directors of common shares, options or other equity awards of Penn may create, or may create the appearance of, conflicts of interest.

Because of their current or former positions with Penn, substantially all of our executive officers, including our chief executive officer and chief financial officer, and certain director nominees own common shares of Penn, options to purchase common shares of Penn or other Penn equity awards. Following the distribution of GLPI common shares to its shareholders, these officers and directors will own common shares, options to purchase common shares and/or other equity awards in both Penn and GLPI. The individual holdings of common shares, options to purchase common shares or other equity awards of Penn and GLPI may be significant for some of these persons compared to their total assets. These equity interests may create, or appear to create, conflicts of interest when these directors and officers are faced with decisions that could benefit or affect the equity holders of Penn in ways that do not benefit or affect us in the same manner.

After the Spin-Off, Peter M. Carlino, our Chairman and Chief Executive Officer, and David A. Handler, one of our directors, may have actual or potential conflicts of interest because of their position at Penn.

After the Spin-Off, Peter M. Carlino will serve as Chairman of Penn and the Chairman and Chief Executive Officer of GLPI. In addition, David A. Handler, one of our director nominees, will continue to serve as a director at Penn. These overlapping positions could create, or appear to create, potential conflicts of interest when our or Penn's management and directors pursue the same corporate opportunities, such as greenfield development opportunities, or face decisions that could have different implications for us and Penn. For example, potential conflicts of interest could arise in connection with the negotiation or the resolution of any dispute between us and Penn (or its subsidiaries) regarding the terms of the agreements governing the separation and the relationship (e.g. Master Lease) thereafter between us and Penn. Potential conflicts of interest could also arise if we and Penn enter into any commercial arrangements with each other in the future.

Penn's inability to obtain all material authorizations, consents, approvals and clearances of third parties including U.S. federal, state and local governmental agencies ("Third-Party Approvals") in connection with the Spin-Off may have a material adverse effect on Penn's ability to consummate the Spin-Off.

There are numerous Third-Party Approvals that Penn must obtain to consummate the Spin-Off and the restructuring of Penn's business in connection therewith, including approvals by gaming and racing authorities in various jurisdictions. In some cases, these approvals must be obtained before the Spin-Off can be completed. Although Penn has commenced the process of seeking the necessary Third-Party Approvals required in connection with the Spin-Off, it currently does not have all the necessary Third-Party Approvals. There is no assurance that Penn will be able to obtain these Third-Party Approvals. Penn does not intend to consummate the Spin-Off if it does not receive all required Third-Party Approvals, unless it believes that the inability to obtain one or more Third-Party Approvals would

not reasonably be expected to have a material adverse effect on Penn or GLPI. However, there can be no assurance that such a material adverse effect will not occur.

The Spin-Off could give rise to disputes or other unfavorable effects, which could have a material adverse effect on the business, financial position or results of operations of GLPI.

Disputes with third parties could arise out of the Spin-Off, and GLPI could experience unfavorable reactions to the Spin-Off from employees, ratings agencies, regulators or other interested parties. These disputes and reactions of third parties could have a material adverse effect on the business, financial position or results of operations of GLPI. In addition, following the Spin-Off, disputes between Penn and GLPI (and their subsidiaries) could arise in connection with any of the Separation and Distribution Agreement, the Master Lease, the Tax Matters Agreement, the Transition Services Agreement or other agreements.

Potential indemnification liabilities of GLPI pursuant to the Separation and Distribution Agreement could materially adversely affect GLPI.

The Separation and Distribution Agreement between GLPI and Penn will provide for, among other things, the principal corporate transactions required to effect the separation, certain conditions to the separation and provisions governing the relationship between GLPI and Penn with respect to and resulting from the separation. For a description of the Separation and Distribution Agreement, see "Relationship between GLPI and Penn after the Spin-Off—The Separation and Distribution Agreement."

Among other things, the Separation and Distribution Agreement will provide for indemnification obligations designed to make GLPI financially responsible for substantially all liabilities that may exist relating to or arising out of its business. If GLPI is required to indemnify Penn under the circumstances set forth in the Separation and Distribution Agreement, GLPI may be subject to substantial liabilities.

In connection with our separation from Penn, Penn will indemnify us for certain liabilities. However, there can be no assurance that these indemnities will be sufficient to insure us against the full amount of such liabilities, or that Penn's ability to satisfy its indemnification obligation will not be impaired in the future.

Pursuant to the Separation and Distribution Agreement, Penn will agree to indemnify us for certain liabilities. However, third parties could seek to hold us responsible for any of the liabilities that Penn will agree to retain, and there can be no assurance that Penn will be able to fully satisfy its indemnification obligations. Moreover, even if we ultimately succeed in recovering from Penn any amounts for which we are held liable, we may be temporarily required to bear these losses while seeking recovery from Penn.

A court could deem the distribution to be a fraudulent conveyance and void the transaction or impose substantial liabilities upon us.

A court could deem the distribution of GLPI common shares or certain internal restructuring transactions undertaken by Penn in connection with the Spin-Off, or the Purging Distribution by GLPI, to be a fraudulent conveyance or transfer. Fraudulent conveyances or transfers are defined to include transfers made or obligations incurred with the actual intent to hinder, delay or defraud current or future creditors or transfers made or obligations incurred for less than reasonably equivalent value when the debtor was insolvent, or that rendered the debtor insolvent, inadequately capitalized or unable to pay its debts as they become due. In such circumstances, a court could void the transactions or impose substantial liabilities upon us, which could adversely affect our financial condition and our results of operations. Among other things, the court could require our shareholders to return to Penn some or all of the shares of our common stock issued in the distribution, to return some of the Purging Distribution to GLPI, or require us to fund liabilities of other companies involved in the restructuring

transactions for the benefit of creditors. Whether a transaction is a fraudulent conveyance or transfer will vary depending upon the jurisdiction whose law is being applied.

Risk Factors Relating to the Status of GLPI as a REIT

If GLPI does not qualify to be taxed as a REIT, or fails to remain qualified as a REIT, GLPI will be subject to U.S. federal income tax as a regular corporation and could face a substantial tax liability, which would reduce the amount of cash available for distribution to shareholders of GLPI.

GLPI intends to operate in a manner that will allow GLPI to qualify to be taxed as a REIT for U.S. federal income tax purposes, which GLPI currently expects to occur commencing with its taxable year beginning on January 1, 2014. References throughout this document to the "first taxable year" for which GLPI has elected to be taxed as a REIT refer to the taxable year beginning on January 1, 2014. GLPI expects to receive opinions of its special REIT tax advisors, Wachtell, Lipton, Rosen & Katz and KPMG LLP ("Special Tax Advisors"), with respect to its qualification as a REIT in connection with this transaction. Investors should be aware, however, that opinions of advisors are not binding on the IRS or any court. The opinions of Special Tax Advisors represent only the view of Special Tax Advisors based on their review and analysis of existing law and on certain representations as to factual matters and covenants made by GLPI, including representations relating to the values of GLPI's assets and the sources of GLPI's income. The opinions are expressed as of the date issued. Special Tax Advisors will have no obligation to advise GLPI or the holders of GLPI common stock of any subsequent change in the matters stated, represented or assumed or of any subsequent change in applicable law. Furthermore, both the validity of the opinions of Special Tax Advisors and GLPI's qualification as a REIT will depend on GLPI's satisfaction of certain asset, income, organizational, distribution, shareholder ownership and other requirements on a continuing basis, the results of which will not be monitored by Special Tax Advisors. GLPI's ability to satisfy the asset tests depends upon GLPI's analysis of the characterization and fair market values of its assets, some of which are not susceptible to a precise determination, and for which GLPI will not obtain independent appraisals.

Penn has received a private letter ruling from the IRS with respect to certain issues relevant to GLPI's qualification as a REIT. In general, the ruling provides, subject to the terms and conditions contained therein, that (1) certain of the assets to be held by GLPI after the Spin-Off and (2) the methodology for calculating a certain portion of rent received by GLPI pursuant to the Master Lease will not adversely affect GLPI's qualification as a REIT. Although GLPI may generally rely upon the ruling, no assurance can be given that the IRS will not challenge GLPI's qualification as a REIT on the basis of other issues or facts outside the scope of the ruling.

If GLPI were to fail to qualify to be taxed as a REIT in any taxable year, it would be subject to U.S. federal income tax, including any applicable alternative minimum tax, on its taxable income at regular corporate rates, and dividends paid to GLPI shareholders would not be deductible by GLPI in computing its taxable income. Any resulting corporate liability could be substantial and would reduce the amount of cash available for distribution to its shareholders, which in turn could have an adverse impact on the value of GLPI common stock. Unless GLPI were entitled to relief under certain Code provisions, GLPI also would be disqualified from re-electing to be taxed as a REIT for the four taxable years following the year in which GLPI failed to qualify to be taxed as a REIT.

Qualifying as a REIT involves highly technical and complex provisions of the Code.

Qualification as a REIT involves the application of highly technical and complex Code provisions for which only limited judicial and administrative authorities exist. Even a technical or inadvertent violation could jeopardize GLPI's REIT qualification. GLPI's qualification as a REIT will depend on its satisfaction of certain asset, income, organizational, distribution, shareholder ownership and other requirements on a continuing basis. In addition, GLPI's ability to satisfy the requirements to qualify to be taxed as a REIT may depend in part on the actions of third parties over which it has no control or only limited influence.

Legislative or other actions affecting REITs could have a negative effect on GLPI.

The rules dealing with U.S. federal income taxation are constantly under review by persons involved in the legislative process and by the IRS and the U.S. Department of the Treasury (the "Treasury"). In particular, in June 2013 several companies pursuing REIT conversions disclosed that they have been informed by the IRS that it has formed a new internal working group to study the current legal standards the IRS uses to define "real estate" for purposes of the REIT provisions of the Code. While GLPI has no reason to believe that its private letter ruling will be adversely affected by the IRS internal working group, changes to the tax laws or interpretations thereof by the IRS and the Treasury, with or without retroactive application, could materially and adversely affect GLPI investors or GLPI. GLPI cannot predict how changes in the tax laws might affect its investors or GLPI. New legislation, Treasury regulations, administrative interpretations or court decisions could significantly and negatively affect GLPI's ability to qualify to be taxed as a REIT or the U.S. federal income tax consequences to GLPI investors and GLPI of such qualification.

GLPI could fail to qualify to be taxed as a REIT if income it receives from Penn or its subsidiaries is not treated as qualifying income.

Under applicable provisions of the Code, GLPI will not be treated as a REIT unless it satisfies various requirements, including requirements relating to the sources of its gross income. See "U.S. Federal Income Tax Considerations." Rents received or accrued by GLPI from Penn or its subsidiaries will not be treated as qualifying rent for purposes of these requirements if the Master Lease is not respected as a true lease for U.S. federal income tax purposes and is instead treated as a service contract, joint venture or some other type of arrangement. If the Master Lease is not respected as a true lease for U.S. federal income tax purposes, GLPI may fail to qualify to be taxed as a REIT. Furthermore, GLPI's qualification as a REIT will depend on GLPI's satisfaction of certain asset, income, organizational, distribution, shareholder ownership and other requirements on a continuing basis. GLPI's ability to satisfy the asset tests depends upon GLPI's analysis of the characterization and fair market values of its assets, some of which are not susceptible to a precise determination, and for which GLPI will not obtain independent appraisals.

In addition, subject to certain exceptions, rents received or accrued by GLPI from Penn or its subsidiaries will not be treated as qualifying rent for purposes of these requirements if GLPI or an actual or constructive owner of 10% or more of GLPI stock actually or constructively owns 10% or more of the total combined voting power of all classes of Penn stock entitled to vote or 10% or more of the total value of all classes of Penn stock. GLPI's charter will provide for restrictions on ownership and transfer of its shares of stock, including restrictions on such ownership or transfer that would cause the rents received or accrued by GLPI from Penn or its subsidiaries to be treated as non-qualifying rent for purposes of the REIT gross income requirements. The provisions of GLPI's charter that will restrict the ownership and transfer of its stock are described in "Description of Capital Stock of GLPI—Restrictions on Ownership and Transfer." Nevertheless, there can be no assurance that such restrictions will be effective in ensuring that rents received or accrued by GLPI from Penn or its subsidiaries will not be treated as qualifying rent for purposes of REIT qualification requirements.

Dividends payable by REITs do not qualify for the reduced tax rates available for some dividends.

The maximum U.S. federal income tax rate applicable to income from "qualified dividends" payable by U.S. corporations to U.S. shareholders that are individuals, trusts and estates is currently 20%. Dividends payable by REITs, however, generally are not eligible for the reduced rates. Although these rules do not adversely affect the taxation of REITs, the more favorable rates applicable to regular corporate qualified dividends could cause investors who are individuals, trusts and estates to perceive investments in REITs to be relatively less attractive than investments in the stocks of non-REIT corporations that pay dividends, which could adversely affect the value of the stock of REITs, including GLPI's stock.

REIT distribution requirements could adversely affect GLPI's ability to execute its business plan.

GLPI generally must distribute annually at least 90% of its REIT taxable income, determined without regard to the dividends paid deduction and excluding any net capital gains, in order for GLPI 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 GLPI distributes. To the extent that GLPI satisfies this distribution requirement and qualifies for taxation as a REIT but distributes less than 100% of its REIT taxable income, determined without regard to the dividends paid deduction and including any net capital gains, GLPI will be subject to U.S. federal corporate income tax on its undistributed net taxable income. In addition, GLPI will be subject to a 4% nondeductible excise tax if the actual amount that GLPI distributes to its shareholders in a calendar year is less than a minimum amount specified under U.S. federal income tax laws. GLPI intends to make distributions to its shareholders to comply with the REIT requirements of the Code.

From time to time, GLPI may generate taxable income greater than its cash flow as a result of differences in timing between the recognition of taxable income and the actual receipt of cash or the effect of nondeductible capital expenditures, the creation of reserves or required debt or amortization payments. If GLPI does not have other funds available in these situations, GLPI could be required to borrow funds on unfavorable terms, sell assets at disadvantageous prices or distribute amounts that would otherwise be invested in future acquisitions to make distributions sufficient to enable GLPI to pay out enough of its taxable income to satisfy the REIT distribution requirement and to avoid corporate income tax and the 4% excise tax in a particular year. These alternatives could increase GLPI's costs or reduce its equity. Thus, compliance with the REIT requirements may hinder GLPI's ability to grow, which could adversely affect the value of GLPI stock. Restrictions in GLPI's indebtedness following the Spin-Off, including restrictions on GLPI's ability to incur additional indebtedness or make certain distributions, could preclude it from meeting the 90% distribution requirement. Decreases in funds from operations due to unfinanced expenditures for acquisitions of properties or increases in the number of shares of GLPI common stock outstanding without commensurate increases in funds from operations each would adversely affect the ability of GLPI to maintain distributions to its shareholders. Moreover, the failure of Penn to make rental payments under the Master Lease would materially impair the ability of GLPI to make distributions. Consequently, there can be no assurance that GLPI will be able to make distributions at the anticipated distribution rate or any other rate. See "Dividend Policy."

Even if GLPI remains qualified as a REIT, GLPI may face other tax liabilities that reduce its cash flow.

Even if GLPI remains qualified for taxation as a REIT, GLPI may be subject to certain U.S. federal, state, and local taxes on its income and assets, including taxes on any undistributed income and state or local income, property and transfer taxes. See "U.S. Federal Income Tax Considerations—Taxation of GLPI." For example, GLPI will hold some of its assets or conduct certain of its activities through one or more TRS or other subsidiary corporations that will be subject to federal, state, and local corporate-level income taxes as regular C corporations as well as state and local gaming taxes. In addition, GLPI may incur a 100% excise tax on transactions with a TRS if they are not conducted on an arm's-length basis. Any of these taxes would decrease cash available for distribution to GLPI shareholders.

Complying with REIT requirements may cause GLPI to forego otherwise attractive acquisition opportunities or liquidate otherwise attractive investments.

To qualify to be taxed as a REIT for U.S. federal income tax purposes, GLPI must ensure that, at the end of each calendar quarter, at least 75% of the value of its assets consists of cash, cash items, government securities and "real estate assets" (as defined in the Code), including certain mortgage loans and securities. The remainder of GLPI's investments (other than government securities, qualified

real estate assets and securities issued by a TRS) generally cannot include more than 10% of the outstanding voting securities of any one issuer or more than 10% of the total value of the outstanding securities of any one issuer. In addition, in general, no more than 5% of the value of GLPI's total assets (other than government securities, qualified real estate assets and securities issued by a TRS) can consist of the securities of any one issuer, and no more than 25% of the value of GLPI's total assets can be represented by securities of one or more TRSs. See "U.S. Federal Income Tax Considerations—Taxation of GLPI." If GLPI fails to comply with these requirements at the end of any calendar quarter, it must correct the failure within 30 days after the end of the calendar quarter or qualify for certain statutory relief provisions to avoid losing its REIT qualification and suffering adverse tax consequences. As a result, GLPI may be required to liquidate or forego otherwise attractive investments. These actions could have the effect of reducing GLPI's income and amounts available for distribution to GLPI shareholders.

In addition to the asset tests set forth above, to qualify to be taxed as a REIT GLPI must continually satisfy tests concerning, among other things, the sources of its income, the amounts it distributes to GLPI shareholders and the ownership of GLPI stock. GLPI may be unable to pursue investments that would be otherwise advantageous to GLPI in order to satisfy the source-of-income or asset-diversification requirements for qualifying as a REIT. Thus, compliance with the REIT requirements may hinder GLPI's ability to make certain attractive investments.

Complying with REIT requirements may limit GLPI's ability to hedge effectively and may cause GLPI to incur tax liabilities.

The REIT provisions of the Code substantially limit GLPI's ability to hedge its assets and liabilities. Income from certain hedging transactions that GLPI may enter into to manage risk of interest rate changes with respect to borrowings made or to be made to acquire or carry real estate assets or from transactions to manage risk of currency fluctuations with respect to any item of income or gain that satisfy the REIT gross income tests (including gain from the termination of such a transaction) does not constitute "gross income" for purposes of the 75% or 95% gross income tests that apply to REITs, provided that certain identification requirements are met. To the extent that GLPI enters into other types of hedging transactions or fails to properly identify such transaction as a hedge, the income is likely to be treated as non-qualifying income for purposes of both of the gross income tests. See "U.S. Federal Income Tax Considerations—Taxation of GLPI." As a result of these rules, GLPI may be required to limit its use of advantageous hedging techniques or implement those hedges through a TRS. This could increase the cost of GLPI's hedging activities because the TRS may be subject to tax on gains or expose GLPI to greater risks associated with changes in interest rates that GLPI would otherwise want to bear. In addition, losses in the TRS will generally not provide any tax benefit, except that such losses could theoretically be carried back or forward against past or future taxable income in the TRS.

GLPI will pay the Purging Distribution in common stock and cash and may pay taxable dividends on GLPI common stock in common stock and cash. GLPI's shareholders may sell shares of GLPI common stock to pay tax on such dividends, placing downward pressure on the market price of GLPI common stock.

GLPI will pay the Purging Distribution in a combination of cash and GLPI stock, which Penn expects will consist of approximately 28% cash and 72% GLPI stock. Each GLPI shareholder will be permitted to elect to receive the shareholder's entire entitlement under the Purging Distribution in either cash or GLPI common stock, subject to the Cash Limitation. The Cash Limitation will in no event be less than 20% of the Purging Distribution declaration (without regard to any cash that may be paid in lieu of fractional shares), although it is currently expected to comprise approximately 28% of the Purging Distribution. If GLPI shareholders elect to receive an amount of cash in excess of the Cash Limitation, each such electing shareholder will receive a pro rata amount of cash corresponding to the

shareholder's respective entitlement under the Purging Distribution declaration. Penn has received a private letter ruling from the IRS with respect to certain issues relevant to GLPI's payment of the Purging Distribution in a combination of cash and GLPI stock. In general, the ruling provides, subject to the terms and conditions contained therein, that (1) the Purging Distribution will be treated as a dividend that will first reduce GLPI's accumulated earnings and profits (as determined for U.S. federal income tax purposes) attributable to pre-REIT years in satisfaction of the REIT annual distribution requirement and (2) the amount of any GLPI stock received by any GLPI shareholder as part of the Purging Distribution will be considered to equal the amount of cash that could have been received instead. In the Purging Distribution, a shareholder of GLPI common stock will be required to report dividend income as a result of the Purging Distribution even though GLPI distributed no cash or only nominal amounts of cash to such shareholder.

GLPI currently intends to pay dividends (other than the Purging Distribution) in cash only, and not in-kind. However, if for any taxable year, GLPI has significant amounts of taxable income in excess of available cash flow, GLPI may declare dividends in-kind in order to satisfy the REIT annual distribution requirements. GLPI may distribute a portion of its dividends in the form of its stock or its debt instruments. In either event, a shareholder of GLPI common stock will be required to report dividend income as a result of such distributions even though GLPI distributed no cash or only nominal amounts of cash to such shareholder.

The IRS has issued private letter rulings to other REITs (and, with respect to the Purging Distribution and as described above, to Penn) treating certain distributions that are paid partly in cash and partly in stock as taxable dividends that would satisfy the REIT annual distribution requirement and qualify for the dividends paid deduction for U.S. federal income tax purposes. Those rulings may be relied upon only by taxpayers to whom they were issued, but GLPI could request a similar ruling from the IRS. GLPI cannot rely on the private letter ruling Penn received from the IRS, as described above, with respect to the payment of dividends other than the Purging Distribution. In addition, the IRS previously issued a revenue procedure authorizing publicly traded REITs to make elective cash/stock dividends, but that revenue procedure does not apply to GLPI's taxable year beginning on January 1, 2014 and future taxable years. Accordingly, it is unclear whether and to what extent GLPI will be able to make taxable dividends (other than the Purging Distribution) payable in-kind.

If GLPI made any taxable dividend payable in cash and common stock, taxable shareholders receiving such dividends will be required to include the full amount of the dividend as ordinary income to the extent of GLPI's current and accumulated earnings and profits, as determined for U.S. federal income tax purposes. As a result, shareholders may be required to pay income tax with respect to such dividends in excess of the cash dividends received. If a U.S. shareholder sells the GLPI stock that it receives as a dividend in order to pay this tax, the sales proceeds may be less than the amount included in income with respect to the dividend, depending on the market price of the stock at the time of the sale. Furthermore, with respect to certain non-U.S. shareholders, GLPI may be required to withhold federal income tax with respect to such dividends, including in respect of all or a portion of such dividend that is payable in GLPI stock. If, in any taxable dividend payable in cash and GLPI stock, a significant number of GLPI shareholders determine to sell shares of GLPI stock in order to pay taxes owed on dividends, it may be viewed as economically equivalent to a dividend reduction and put downward pressure on the market price of GLPI stock.

If the total cash payable to shareholders in the Purging Distribution is limited, the amount of cash received by each shareholder is dependent on the election of other shareholders.

GLPI expects to limit the total amount of cash payable in the Purging Distribution to a maximum of 28% of the total value of the Purging Distribution. The balance of the Purging Distribution will be in the form of shares of GLPI common stock. Each GLPI shareholder will be permitted to elect to receive the shareholder's entire entitlement under the Purging Distribution in either cash or GLPI

common stock, subject to the Cash Limitation. The Cash Limitation will in no event be less than 20% of the Purging Distribution declaration (without regard to any cash that may be paid in lieu of fractional shares), although it is currently expected to comprise approximately 28% of the Purging Distribution. If GLPI shareholders elect to receive an amount of cash in excess of the Cash Limitation, each such electing shareholder will receive a pro rata amount of cash corresponding to the shareholder's respective entitlement under the Purging Distribution declaration. Therefore, shareholders may not receive exactly the dividend that they elect and may receive a pro rata amount of the Cash Limitation and shares of GLPI common stock.

Even if GLPI qualifies to be taxed as a REIT, GLPI could be subject to tax on any unrealized net built-in gains in the assets held before electing to be treated as a REIT.

GLPI will own appreciated assets that were held by a C corporation before GLPI elected to be treated as a REIT and were acquired by GLPI in a transaction in which the adjusted tax basis of the assets in GLPI's hands is determined by reference to the adjusted tax basis of the assets in the hands of the C corporation. If GLPI disposes of any such appreciated assets during the ten-year period following GLPI's acquisition of the assets from the C corporation (i.e., during the ten-year period following GLPI's qualification as a REIT), GLPI will be subject to tax at the highest corporate tax rates on any gain from such assets to the extent of the excess of the fair market value of the assets on the date that they were acquired by GLPI (i.e., at the time that GLPI became a REIT) over the adjusted tax basis of such assets on such date, which are referred to as built-in gains. GLPI would be subject to this tax liability even if it qualifies and maintains its status as a REIT. Any recognized built-in gain will retain its character as ordinary income or capital gain and will be taken into account in determining REIT taxable income and GLPI's distribution requirement. Any tax on the recognized built-in gain will reduce REIT taxable income. GLPI may choose not to sell in a taxable transaction appreciated assets it might otherwise sell during the ten-year period in which the built-in gain tax applies in order to avoid the built-in gain tax. However, there can be no assurances that such a taxable transaction will not occur. If GLPI sells such assets in a taxable transaction, the amount of corporate tax that GLPI will pay will vary depending on the actual amount of net built-in gain or loss present in those assets as of the time GLPI became a REIT. The amount of tax could be significant.

Risk Factors Relating to Our Business following the Spin-Off

We will be dependent on Penn (including its subsidiaries) until we substantially diversify our portfolio, and an event that has a material adverse effect on Penn's business, financial position or results of operations could have a material adverse effect on our business, financial position or results of operations.

Immediately following the Spin-Off, a subsidiary of Penn will be the lessee of substantially all of our properties pursuant to the Master Lease and account for a significant portion of our revenues. Additionally, because the Master Lease is a triple-net lease, we will depend on Penn to pay all insurance, taxes, utilities and maintenance and repair expenses in connection with these leased properties and to indemnify, defend and hold us harmless from and against various claims, litigation and liabilities arising in connection with its business. There can be no assurance that Penn will have sufficient assets, income and access to financing to enable it to satisfy its payment obligations under the Master Lease. The inability or unwillingness of Penn to meet its subsidiary's rent obligations and other obligations under the Master Lease could materially adversely affect our business, financial position or results of operations, including our ability to pay dividends to our shareholders as required to maintain our status as a REIT. For these reasons, if Penn were to experience a material adverse effect on its gaming business, financial position or results of operations, our business, financial position or results of operations could also be materially adversely affected.

Due to our dependence on rental payments from Penn and its tenant subsidiary as our main source of revenues, we may be limited in our ability to enforce our rights under the Master Lease or to

terminate the lease with respect to a particular property. Failure by Penn's tenant subsidiary to comply with the terms of the Master Lease or to comply with the gaming regulations to which the leased properties are subject could require us to find another lessee for such leased property and there could be a decrease or cessation of rental payments by Penn. In such event, we may be unable to locate a suitable lessee at similar rental rates or at all, which would have the effect of reducing our rental revenues.

Our management team, including chairman and chief executive officer (Peter M. Carlino) and chief financial officer (William J. Clifford), has limited experience operating a REIT.

The requirements for qualifying as a REIT are highly technical and complex. Penn has never operated as a REIT, and our management team, including chairman and chief executive officer (Peter M. Carlino) and chief financial officer (William J. Clifford), has limited experience in complying with the income, asset and other limitations imposed by the REIT provisions of the Code. Any failure to comply with those provisions in a timely manner could prevent GLPI from qualifying as a REIT or could force GLPI to pay unexpected taxes and penalties. In such event, GLPI's net income would be reduced and GLPI could incur a loss, which could materially harm its business, financial position or results of operations. In addition, there is no assurance that their past experience with the acquisition, development and disposition of gaming facilities will be sufficient to enable them to successfully manage GLPI's portfolio of properties as required by its business plan or the REIT provisions of the Code.

We may have future capital needs and may not be able to obtain additional financing on acceptable terms.

In connection with our Spin-Off from Penn, we expect to incur indebtedness of approximately $2.5 billion, with an additional $700 million available for borrowing under our senior unsecured credit facilities. We expect that we will transfer most of the proceeds from this indebtedness to Penn or one of its affiliates in connection with the Internal Reorganization. We may incur additional indebtedness in the future to refinance our existing indebtedness or to finance newly-acquired properties. Any significant additional indebtedness could require a substantial portion of our cash flow to make interest and principal payments due on our indebtedness. Greater demands on our cash resources may reduce funds available to us to pay dividends, make capital expenditures and acquisitions, or carry out other aspects of our business strategy. Increased indebtedness can also limit our ability to adjust rapidly to changing market conditions, make us more vulnerable to general adverse economic and industry conditions and create competitive disadvantages for us compared to other companies with relatively lower debt levels. Increased future debt service obligations may limit our operational flexibility, including our ability to acquire properties, finance or refinance our properties, contribute properties to joint ventures or sell properties as needed.

Moreover, our ability to obtain additional financing and satisfy our financial obligations under indebtedness outstanding from time to time will depend upon our future operating performance, which is subject to then prevailing general economic and credit market conditions, including interest rate levels and the availability of credit generally, and financial, business and other factors, many of which are beyond our control. The prolonged continuation or worsening of current credit market conditions would have a material adverse effect on our ability to obtain financing on favorable terms, if at all.

We may be unable to obtain additional financing or financing on favorable terms or our operating cash flow may be insufficient to satisfy our financial obligations under indebtedness outstanding from time to time (if any). Among other things, the absence of an investment grade credit rating or any credit rating downgrade could increase our financing costs and could limit our access to financing sources. If financing is not available when needed, or is available on unfavorable terms, we may be unable to develop new or enhance our existing properties, complete acquisitions or otherwise take

advantage of business opportunities or respond to competitive pressures, any of which could have a material adverse effect on our business, financial condition and results of operations.

Our ability to engage in significant equity issuances will be limited or restricted after our Spin-Off from Penn in order to preserve the tax-free nature of the Spin-Off. If and when additional funds are raised through the issuance of equity securities, our shareholders may experience significant dilution. Additionally, sales of substantial amounts of our common stock in the public market following the Spin-Off, or the perception that such sales could occur, could adversely affect the market price of our common stock, may make it more difficult for our shareholders to sell their GLPI common stock at a time and price that they deem appropriate and could impair our future ability to raise capital through an offering of our equity securities.

Covenants in our debt agreements may limit our operational flexibility, and a covenant breach or default could materially adversely affect our business, financial position or results of operations.

The agreements governing our indebtedness are expected to contain customary covenants, including restrictions on our ability to grant liens on our assets, incur indebtedness, sell assets, make investments, engage in acquisitions, mergers or consolidations and pay certain dividends and other restricted payments. We also anticipate having to comply with the following financial covenants: a maximum total debt to total asset value ratio of 60% (subject to increase to 65% for specified periods in connection with certain acquisitions), a minimum fixed charge coverage ratio of 2 to 1, a maximum senior secured debt to total asset value ratio of 40% and a maximum unsecured debt to unencumbered asset value ratio of 60%. These restrictions may limit our operational flexibility. Covenants that limit our operational flexibility as well as defaults under our debt instruments could have a material adverse effect on our business, financial position or results of operations.

An increase in market interest rates could increase our interest costs on existing and future debt and could adversely affect our stock price.

If interest rates increase, so could our interest costs for any new debt and our variable rate debt obligations. This increased cost could make the financing of any acquisition more costly, as well as lower our current period earnings. Rising interest rates could limit our ability to refinance existing debt when it matures or cause us to pay higher interest rates upon refinancing. In addition, an increase in interest rates could decrease the access third parties have to credit, thereby decreasing the amount they are willing to pay for our assets and consequently limiting our ability to reposition our portfolio promptly in response to changes in economic or other conditions.

Further, the dividend yield on our common stock, as a percentage of the price of such common stock, will influence the price of such common stock. Thus, an increase in market interest rates may lead prospective purchasers of our common stock to expect a higher dividend yield, which would adversely affect the market price of our common stock.

We are dependent on the gaming industry and may be susceptible to the risks associated with it, which could materially adversely affect our business, financial position or results of operations.

As the owner of gaming facilities, we will be impacted by the risks associated with the gaming industry. Therefore, our success is to some degree dependent on the gaming industry, which could be adversely affected by economic conditions in general, changes in consumer trends and preferences and other factors over which we and our tenants have no control. As we are subject to risks inherent in substantial investments in a single industry, a decrease in the gaming business would likely have a greater adverse effect on our revenues than if we owned a more diversified real estate portfolio, particularly because a component of the rent under the Master Lease is based, over time, on the performance of the gaming facilities operated by Penn on our properties.

The gaming industry is characterized by a high degree of competition among a large number of participants, including riverboat casinos, dockside casinos, land-based casinos, video lottery, sweepstakes and poker machines not located in casinos, Native American gaming, internet lotteries and other internet wagering gaming services and, in a broader sense, gaming operators face competition from all manner of leisure and entertainment activities. Gaming competition is intense in most of the markets where our facilities are located. Recently, there has been additional significant competition in the gaming industry as a result of the upgrading or expansion of facilities by existing market participants, the entrance of new gaming participants into a market or legislative changes. As competing properties and new markets are opened our business results may be negatively impacted. Additionally, increases in discretionary consumer spending brought about by weakened general economic conditions such as, but not limited to, high unemployment levels, higher income taxes, low levels of consumer confidence, weakness in the housing market and increased stock market volatility may negatively impact our revenues. Inclement weather and other casualty events could seriously disrupt our business and have a material adverse effect on our financial condition and results of operations.

The operations of our facilities are subject to disruptions or reduced patronage as a result of severe weather conditions, natural disasters and other casualty events. Because many of our facilities are located on or adjacent to bodies of water, they are subject to risks in addition to those associated with land-based facilities, including loss of service due to casualty, forces of nature, mechanical failure, extended or extraordinary maintenance, flood, hurricane or other severe weather conditions. A component of the rent under the Master Lease is based, over time, on the performance of the gaming facilities operated by Penn on our properties; consequently, a casualty that leads to the loss of use of a casino facility subject to the Master Lease for an extended period may negatively impact our revenues.

We face extensive regulation from gaming and other regulatory authorities.

The ownership, operation, and management of gaming and racing facilities are subject to pervasive regulation. These regulations will impact both our ownership and operation of the TRS Properties and the operations of our gaming tenants. Our ownership and operation of the TRS Properties will subject GLPI and its officers and directors to the jurisdiction of the gaming regulatory agencies in Louisiana and Maryland. Further, many gaming and racing regulatory agencies in the jurisdictions in which Penn operates will require GLPI and its affiliates to maintain a license as a key business entity or supplier of Penn because of GLPI's status as landlord.

In many jurisdictions, gaming laws can require certain of our shareholders to file an application, be investigated, and qualify or have his, her or its suitability determined by gaming authorities. Gaming authorities have very broad discretion in determining whether an applicant should be deemed suitable. Subject to certain administrative proceeding requirements, the gaming regulators have the authority to deny any application or limit, condition, restrict, revoke or suspend any license, registration, finding of suitability or approval, or fine any person licensed, registered or found suitable or approved, for any cause deemed reasonable by the gaming authorities.

Many jurisdictions also require any person who acquires beneficial ownership of more than a certain percentage of voting securities of a gaming company and, in some jurisdictions, non-voting securities, typically 5%, to report the acquisition to gaming authorities, and gaming authorities may require such holders to apply for qualification or a finding of suitability, subject to limited exceptions for "institutional investors" that hold a company's voting securities for investment purposes only. Some jurisdictions may also limit the number of gaming licenses in which a person may hold an ownership or a controlling interest.

Additionally, substantially all material loans, leases, sales of securities and similar financing transactions by GLPI and its subsidiaries must be reported to and in some cases approved by gaming authorities. Neither GLPI nor any of its subsidiaries may make a public offering of securities without

the prior approval of certain gaming authorities. Changes in control through merger, consolidation, stock or asset acquisitions, management or consulting agreements, or otherwise are subject to receipt of prior approval of gaming authorities. Entities seeking to acquire control of GLPI or one of its subsidiaries must satisfy gaming authorities with respect to a variety of stringent standards prior to assuming control.

Required regulatory approvals can delay or prohibit transfers of our gaming properties, which could result in periods in which we are unable to receive rent for such properties.

The tenants of our gaming properties will be operators of gaming facilities, which operators must be licensed under applicable state law. Prior to the transfer of gaming facilities, the new operator generally must become licensed under state law. In the event that the Master Lease or any future lease agreement we will enter into is terminated or expires and a new tenant is found, then any delays in the new tenant receiving regulatory approvals from the applicable state government agencies, or the inability to receive such approvals, may prolong the period during which we are unable to collect the applicable rent.

Our pursuit of investments in, and acquisitions or development of, additional properties may be unsuccessful or fail to meet our expectations.

We will operate in a highly competitive industry and face competition from other REITs, investment companies, private equity and hedge fund investors, sovereign funds, lenders, gaming companies and other investors, some of whom are significantly larger and have greater resources and lower costs of capital. Increased competition will make it more challenging to identify and successfully capitalize on acquisition opportunities that meet our investment objectives. If we cannot identify and purchase a sufficient quantity of gaming properties and other properties at favorable prices or if we are unable to finance acquisitions on commercially favorable terms, our business, financial position or results of operations could be materially adversely affected. Additionally, the fact that we must distribute 90% of our net taxable income in order to maintain our qualification as a REIT may limit our ability to rely upon rental payments from our leased properties or subsequently acquired properties in order to finance acquisitions. As a result, if debt or equity financing is not available on acceptable terms, further acquisitions might be limited or curtailed.

Investments in and acquisitions of gaming properties and other properties we might seek to acquire entail risks associated with real estate investments generally, including that the investment's performance will fail to meet expectations, that the cost estimates for necessary property improvements will prove inaccurate or that the tenant, operator or manager will underperform. Real estate development projects present other risks, including construction delays or cost overruns that increase expenses, the inability to obtain required zoning, occupancy and other governmental approvals and permits on a timely basis, and the incurrence of significant development costs prior to completion of the project.

Our charter will restrict the ownership and transfer of our outstanding stock, which may have the effect of delaying, deferring or preventing a transaction or change of control of our company.

In order for GLPI to qualify to be taxed as a REIT, not more than 50% in value of its outstanding shares of stock may be owned, actually or constructively, by five or fewer individuals at any time during the last half of each taxable year after the first year for which GLPI elects to qualify to be taxed as a REIT. Additionally, at least 100 persons must beneficially own GLPI stock during at least 335 days of a taxable year (other than the first taxable year for which GLPI elects to be taxed as a REIT). GLPI's charter, with certain exceptions, will authorize the board of directors to take such actions as are necessary and desirable to preserve GLPI's qualification as a REIT. GLPI's charter will also provide that, subject to certain exceptions with respect to certain members of the Carlino family and Fortress

and unless exempted by the board of directors, no person may beneficially or constructively own more than [•]% in value or in number, whichever is more restrictive, of GLPI's outstanding shares of all classes and series of stock. See "Description of Capital Stock of GLPI—Restrictions on Ownership and Transfer" and "U.S. Federal Income Tax Considerations." The constructive ownership rules are complex and may cause shares of stock owned directly or constructively by a group of related individuals or entities to be constructively owned by one individual or entity. These ownership limits could delay or prevent a transaction or a change in control of GLPI that might involve a premium price for shares of GLPI stock or otherwise be in the best interests of GLPI shareholders. The acquisition of less than [•]% of our outstanding stock by an individual or entity could cause that individual or entity to own beneficially or constructively in excess of [•]% in value of our outstanding stock, and thus violate our charter's ownership limit. Our charter will also prohibit any person from owning shares of our stock that would result in our being "closely held" under Section 856(h) of the Code. Any attempt to own or transfer shares of our stock in violation of these restrictions may result in the transfer being automatically void. GLPI's charter will also provide that shares of GLPI's capital stock acquired or held in excess of the ownership limit will be transferred to a trust for the benefit of a designated charitable beneficiary, and that any person who acquires shares of GLPI's capital stock in violation of the ownership limit will not be entitled to any dividends on the shares or be entitled to vote the shares or receive any proceeds from the subsequent sale of the shares in excess of the lesser of the market price on the day the shares were transferred to the trust or the amount realized from the sale. GLPI or its designee will have the right to purchase the shares from the trustee at this calculated price as well. A transfer of shares of GLPI's capital stock in violation of the limit may be void under certain circumstances. GLPI's [•]% ownership limitation may have the effect of delaying, deferring or preventing a change in control of GLPI, including an extraordinary transaction (such as a merger, tender offer or sale of all or substantially all of our assets) that might provide a premium price for GLPI's shareholders. To assist GLPI in complying with applicable gaming laws, our charter will also provide that capital stock of GLPI that is owned or controlled by an unsuitable person or an affiliate of an unsuitable person will be transferred to a trust for the benefit of a designated charitable beneficiary, and that any such unsuitable person or affiliate will not be entitled to any dividends on the shares or be entitled to vote the shares or receive any proceeds from the subsequent sale of the shares in excess of the lesser of the price paid by the unsuitable person or affiliate for the shares or the amount realized from the sale, in each case less a discount in a percentage (up to 100%) to be determined by our board of directors in its sole and absolute discretion. The shares shall additionally be redeemable by GLPI, out of funds legally available for that redemption, to the extent required by the gaming authorities making the determination of unsuitability or to the extent determined to be necessary or advisable by our board, at a redemption price equal to the lesser of (i) the market price on the date of the redemption notice, (ii) the market price on the redemption date, or (iii) the actual amount paid for the shares by the owner thereof, in each case less a discount in a percentage (up to 100%) to be determined by our board of directors in its sole and absolute discretion.

Pennsylvania law and provisions in our charter and bylaws may delay or prevent takeover attempts by third parties and therefore inhibit GLPI's shareholders from realizing a premium on their stock.

GLPI's charter and bylaws will contain, and Pennsylvania law contains, provisions that are intended to deter coercive takeover practices and inadequate takeover bids and to encourage prospective acquirors to negotiate with GLPI's board of directors rather than to attempt a hostile takeover. GLPI's charter and bylaws will, among other things (i) permit the board of directors, without further action of the shareholders, to issue and fix the terms of preferred stock, which may have rights senior to those of the common stock; (ii) establish certain advance notice procedures for shareholder proposals, and require all director candidates to be recommended by the nominating committee of the board of directors; (iii) classify our board of directors into three separate classes with staggered terms; (iv) provide that a director may only be removed by shareholders for cause and upon the vote of 75%

of the shares entitled to vote; (v) not permit direct nomination by shareholders of nominees for election to the board of directors, but will instead permit shareholders to recommend potential nominees to the compensation and governance committee; (vi) require shareholders to have beneficially owned at least 1% of the outstanding GLPI common stock in order to recommend a person for nomination for election to the board, or to present a shareholder proposal, for action at a shareholders meeting; and (vii) provide for supermajority approval requirements for amending or repealing certain provisions in our charter and in order to approve an amendment or repeal of any provision of our bylaws that has not been proposed by our board of directors.

In addition, specific anti-takeover provisions in Pennsylvania law could make it more difficult for a third party to attempt a hostile takeover. These provisions require (i) approval of certain transactions by a majority of the voting stock other than that held by the potential acquirer; (ii) the acquisition at "fair value" of all the outstanding shares not held by an acquirer of 20% or more; (iii) a five-year moratorium on certain "business combination" transactions with an "interested shareholder;" (iv) the loss by interested shareholders of their voting rights over "control shares;" (v) the disgorgement of profits realized by an interested shareholder from certain dispositions of GLPI shares; and (vi) severance payments for certain employees and prohibiting termination of certain labor contracts.

GLPI's believes these provisions will protect its shareholders from coercive or otherwise unfair takeover tactics by requiring potential acquirors to negotiate with GLPI's board of directors and by providing GLPI's board of directors with more time to assess any acquisition proposal. These provisions are not intended to make GLPI immune from takeovers. However, these provisions will apply even if the offer may be considered beneficial by some shareholders and could delay or prevent an acquisition that GLPI's board of directors determines is not in the best interests of GLPI. These provisions may also prevent or discourage attempts to remove and replace incumbent directors.

If we lose our key management personnel, we may not be able to successfully manage our business and achieve our objectives.

Our success depends in large part upon the leadership and performance of our executive management team, particularly Peter M. Carlino, our chief executive officer, and William J. Clifford, our chief financial officer. If we lose the services of Messrs. Carlino or Clifford, we may not be able to successfully manage our business or achieve our business objectives.

We may experience uninsured or underinsured losses, which could result in a significant loss of the capital we have invested in a property, decrease anticipated future revenues or cause us to incur unanticipated expense.

While the Master Lease will require, and new lease agreements are expected to require, that comprehensive insurance and hazard insurance be maintained by the tenants, there are certain types of losses, generally of a catastrophic nature, such as earthquakes, hurricanes and floods, that may be uninsurable or not economically insurable. Insurance coverage may not be sufficient to pay the full current market value or current replacement cost of a loss. Inflation, changes in building codes and ordinances, environmental considerations, and other factors also might make it infeasible to use insurance proceeds to replace the property after such property has been damaged or destroyed. Under such circumstances, the insurance proceeds received might not be adequate to restore the economic position with respect to such property.

If we experience a loss that is uninsured or that exceeds our policy coverage limits, we could lose the capital invested in the damaged properties as well as the anticipated future cash flows from those properties. In addition, if the damaged properties were subject to recourse indebtedness, we could continue to be liable for the indebtedness even if these properties were irreparably damaged.

In addition, even if damage to our properties is covered by insurance, a disruption of our business caused by a casualty event may result in the loss of business or tenants. The business interruption

insurance we carry may not fully compensate us for the loss of business or tenants due to an interruption caused by a casualty event. Further, if one of our tenants has insurance but is underinsured, that tenant may be unable to satisfy its payment obligations under its lease with us.

A disruption in the financial markets may make it more difficult to evaluate the stability, net assets and capitalization of insurance companies and any insurer's ability to meet its claim payment obligations. A failure of an insurance company to make payments to us upon an event of loss covered by an insurance policy could adversely affect our business, financial condition and results of operations.

Environmental compliance costs and liabilities associated with real estate properties owned by us may materially impair the value of those investments.

As an owner of real property, we will be subject to various federal, state and local environmental and health and safety laws and regulations. Although we will not operate or manage most of our property, we may be held primarily or jointly and severally liable for costs relating to the investigation and clean-up of any property from which there has been a release or threatened release of a regulated material as well as other affected properties, regardless of whether we knew of or caused the release.

In addition to these costs, which are typically not limited by law or regulation and could exceed the property's value, we could be liable for certain other costs, including governmental fines and injuries to persons, property or natural resources. Further, some environmental laws create a lien on the contaminated site in favor of the government for damages and the costs the government incurs in connection with such contamination.

Although we intend to require our operators and tenants to undertake to indemnify us for certain environmental liabilities, including environmental liabilities they cause, the amount of such liabilities could exceed the financial ability of the tenant or operator to indemnify us. The presence of contamination or the failure to remediate contamination may adversely affect our ability to sell or lease the real estate or to borrow using the real estate as collateral.

FORWARD-LOOKING STATEMENTS

Forward-looking statements in this Prospectus, the public filings or other public statements of the Company are subject to known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other public statements. Forward-looking statements include information concerning the Company's future financial performance, business strategy, plans, goals and objectives and information concerning the completion of the Spin-Off and the realization of related anticipated benefits.

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:

- the effects of local and national economic, credit, capital market, housing, and energy conditions on the economy in general and on the gaming and lodging industries in particular;
- 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, 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 obligations under their existing credit facilities and other indebtedness;
- 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 ability and willingness of our tenants to renew their leases with us upon expiration of the leases, our ability to reposition our properties on the same or better terms in the event of nonrenewal or in the event we exercise our right to replace an existing tenant, and obligations, including indemnification obligations, we may incur in connection with the replacement of an existing tenant;
- the availability 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 willingness of gaming operators other than Penn to enter into leasing transactions or other arrangements with us;
- the ability to diversify into different businesses in which Penn, as a practical matter, could not diversify, such as hotels, entertainment facilities and office space;
- the ability to receive, or delays in obtaining, the regulatory approvals required to own, develop and/or operate our properties, or other delays or impediments to completing our planned acquisitions or projects;
- the degree and nature of our competition;
- the ability to generate sufficient cash flows to service our outstanding indebtedness;
- the access to debt and equity capital markets;

- fluctuating interest rates;
- the availability of qualified personnel and our ability to retain our key management personnel;
- the outcome of any legal proceedings to which we are a party;
- the ability to maintain our status as a REIT;
- changes in the U.S. tax law and other state, federal or local laws, whether or not specific to REITs or to the gaming or lodging industries;
- changes in accounting standards;
- the impact of weather 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 discussed in the sections entitled "Business and Properties of GLPI," "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations of GLPI" in this Prospectus.

Certain of these factors and other factors, risks and uncertainties are discussed in the "Risk Factors" section of this Prospectus. 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 Penn and the Company.

You should consider the areas of risk described above, as well as those set forth under the heading "Risk Factors," 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.

THE SEPARATION

General

The board of directors of Penn has announced a plan to separate its operating assets and real property assets, along with their associated liabilities, into two separate, publicly traded companies: an operating entity and a REIT. Penn will accomplish the separation by contributing 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 the TRS Properties that will be operated by its TRSs, to GLPI through a series of internal corporate restructurings, which we refer to herein as the "Internal Reorganization," and then distributing all of the outstanding shares of GLPI common stock owned by Penn immediately prior to the Spin-Off to holders of Penn common stock and Penn Series C preferred stock on the record date. Immediately following the distributions, Penn shareholders will own 100% of the outstanding common stock of Penn and 100% of the outstanding common stock of GLPI.

In connection with the Separation, Penn will allocate its accumulated earnings and profits (as determined for U.S. federal income tax purposes) for periods prior to the consummation of the Separation between Penn and GLPI in a manner that, in its best judgment, is in accordance with the provisions of the Code. In connection with its election to be taxed as a REIT for U.S. federal income tax purposes, GLPI will make the Purging Distribution by declaring a 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 Separation, to comply with certain REIT qualification requirements. Penn estimates that the Purging Distribution will total approximately $1.05 billion, or approximately $11.92 per share of GLPI common stock outstanding immediately prior to the Purging Distribution. The Purging Distribution will be paid in a combination of cash and GLPI stock, which Penn anticipates will consist of approximately 28% cash and 72% GLPI stock. See "—The Purging Distribution."

The Penn board of directors has reserved the right, in its sole discretion, to amend, modify or abandon the Spin-Off and related transactions at any time prior to the distribution date. In addition, the Spin-Off is subject to the satisfaction or waiver of a number of conditions. These conditions include the receipt of all gaming approvals required to be obtained prior to the Spin-Off. See "—Conditions to the Spin-Off."

Reasons for the Separation

As part of its long term business strategy to increase shareholder value, Penn's board of directors has long sought to significantly expand Penn's gaming business and its property business through (i) strategic acquisitions of existing gaming properties and (ii) development of new gaming facilities. However, the operation of the gaming and property businesses within the current Penn structure presents significant obstacles to successfully achieving the desired level of growth for this business strategy. The Spin-Off is expected to significantly ameliorate these expansion challenges.

Penn expects the Spin-Off to facilitate strategic expansion opportunities for the property business by providing GLPI the ability to:

(i) pursue transactions with other gaming operators that would not pursue transactions with Penn as a current competitor,

(ii) fund acquisitions with its equity on significantly more favorable terms than those that would be available to Penn,

(iii) diversify into different businesses in which Penn, as a practical matter, could not diversify, such as hotels, entertainment facilities and office space, and

(iv) pursue certain transactions that Penn otherwise would be disadvantaged by or precluded from pursuing due to regulatory constraints.

The Number of Shares You Will Receive in the Spin-Off

For every share of Penn common stock and every 1/1,000th of a share of Penn Series C preferred stock that you owned at the close of business on [•], 2013, the record date, you will receive one share of common stock of GLPI on the distribution date. Pursuant to the Compliance Exchanges, Peter M. Carlino will exchange (i) shares of Penn common stock for shares of GLPI common stock prior to the Spin-Off and (ii) options to acquire Penn common stock for options to acquire GLPI common stock following the Spin-Off, as described below under "Certain Relationships and Related Party Transactions—Agreements with Certain Shareholders in Connection with the Spin-Off—Peter M. Carlino."

When and How You Will Receive the Distribution

Penn will distribute the shares of GLPI common stock on [•], 2013, the distribution date. However, the Penn board of directors may determine to delay or abandon the Spin-Off. Continental Stock Transfer & Trust will serve as transfer agent and registrar for the GLPI common stock and as distribution agent in connection with the Spin-Off.

If you own Penn common stock and/or Penn Series C preferred stock as of the close of business on the record date, the shares of GLPI common stock that you are entitled to receive in the Spin-Off will be issued electronically, as of the distribution date, to you or to your bank or brokerage firm on your behalf by way of direct registration in book-entry form. Registration in book-entry form refers to a method of recording stock ownership when no physical share certificates are issued to shareholders, as is the case in the Spin-Off.

Commencing on or shortly after the distribution date, if you hold physical stock certificates that represent your shares of Penn common stock and/or Penn Series C preferred stock and you are the registered holder of the Penn shares represented by those certificates, the distribution agent will mail to you an account statement that indicates the number of shares of GLPI common stock that have been registered in book-entry form in your name. If you have any questions concerning the mechanics of having shares of GLPI common stock registered in book-entry form, you are encouraged to contact Continental Stock Transfer & Trust by mail at 17 Battery Place, 8th Floor, New York NY 10004, by phone at (800) 509-5586 or (212) 509-4000 or by email at cstmail@continentalstock.com.

Most Penn shareholders hold their shares of Penn common stock through a bank or brokerage firm. In such cases, the bank or brokerage firm would be said to hold the stock in "street name" and ownership would be recorded on the bank or brokerage firm's books. If you hold your Penn common stock through a bank or brokerage firm, your bank or brokerage firm will credit your account for the shares of common stock of GLPI that you are entitled to receive in the Spin-Off. If you have any questions concerning the mechanics of having shares of GLPI common stock held in "street name," you are encouraged to contact your bank or brokerage firm.

Results of the Separation

After the Spin-Off, we will be a separate publicly traded company. Immediately following the Spin-Off, based on the number of registered shareholders of Penn common stock and preferred stock on [•], 2013, and without giving effect to "when-issued" trading, we expect to have approximately [•] shareholders of record.

The actual number of shares to be distributed will be determined based on the number of shares of Penn common stock and preferred stock outstanding on the record date and will reflect the issuance

of Penn common stock in connection with any exercise of Penn options, vesting of restricted stock or conversion of other convertible Penn securities between the date the Penn board of directors declares the dividend for the distribution and the record date for the Spin-Off and the issuance of Penn shares under vested Penn equity-based awards between the record date for the Spin-Off and the distribution date.

The Spin-Off will not affect the rights of Penn shareholders. The number of outstanding shares of Penn common stock and Penn preferred stock will only change as a result of, or in connection with, the Spin-Off to the extent resulting from (1) the exchange of (i) shares of Penn common stock beneficially owned by Peter M. Carlino for shares of GLPI common stock prior to the distribution, and (ii) options to acquire Penn common stock, beneficially owned by Mr. Carlino for options to acquire GLPI common stock following the Spin-Off, (2) the Exchange Agreement with Fortress, and (3) the agreement with Centerbridge, as defined and described below. See "Certain Relationships and Related Party Transactions—Agreements with Certain Shareholders in Connection with the Spin-Off."

The Purging Distribution

In connection with the Separation, Penn will allocate its accumulated earnings and profits (as determined for U.S. federal income tax purposes) for periods prior to the consummation of the Separation between Penn and GLPI in a manner that, in its best judgment, is in accordance with the provisions of the Code. In connection with its election to be taxed as a REIT for U.S. federal income tax purposes, GLPI will make the Purging Distribution by declaring a dividend to its shareholders to distribute any accumulated earnings and profits relating to real property assets and attributable to any pre-REIT years, including any earnings and profits allocated to GLPI in connection with the Separation, to comply with certain REIT qualification requirements. The Purging Distribution will be paid in a combination of cash and GLPI stock, which Penn anticipates will consist of approximately 28% cash and 72% GLPI stock. Penn estimates that the Purging Distribution will total approximately $1.05 billion, or approximately $11.92 per share of GLPI common stock outstanding immediately prior to the Purging Distribution. For purposes of this calculation, the number of shares of GLPI common stock outstanding immediately prior to the Purging Distribution was determined assuming that approximately 900,000 shares of GLPI common stock, and options to acquire approximately 875,000 shares of GLPI common stock, will be issued and/or awarded to Peter M. Carlino in exchange for shares of Penn common stock and/or options to acquire Penn common stock in the Compliance Exchanges.

Penn has received a private letter ruling from the IRS with respect to certain issues relevant to GLPI's payment of the Purging Distribution in a combination of cash and GLPI stock. Each GLPI shareholder will be permitted to elect to receive the shareholder's entire entitlement under the Purging Distribution in either cash or GLPI common stock, subject to the Cash Limitation. The Cash Limitation will in no event be less than 20% of the Purging Distribution declaration (without regard to any cash that may be paid in lieu of fractional shares), although it is currently expected to comprise approximately 28% of the Purging Distribution. If GLPI shareholders elect to receive an amount of cash in excess of the Cash Limitation, each such electing shareholder will receive a pro rata amount of cash corresponding to the shareholder's respective entitlement under the Purging Distribution declaration. In general, the ruling provides, subject to the terms and conditions contained therein, that (1) the Purging Distribution will be treated as a dividend that will first reduce GLPI's accumulated earnings and profits (as determined for U.S. federal income tax purposes) attributable to pre-REIT years in satisfaction of the REIT annual distribution requirement and (2) the amount of any GLPI stock received by any GLPI shareholder as part of the Purging Distribution will be considered to equal the amount of cash that could have been received instead. In the Purging Distribution, a shareholder of GLPI common stock will be required to report dividend income as a result of the Purging Distribution even though GLPI distributed no cash or only nominal amounts of cash to such shareholder.

GLPI's shareholders should consult your own tax advisor as to the particular consequences of the Purging Distribution to you, including the applicability and effect of any U.S. federal, state and local tax laws, as well as foreign tax laws.

Material U.S. Federal Income Tax Consequences of the Spin-Off

Subject to the limitations and qualifications described herein and in Exhibit 8.1, the discussion entitled "Certain U.S. Federal Income Tax Consequences: The Spin-Off Qualifies as a Transaction That Is Generally Tax Free under Sections 355 and 368(a)(1)(D) of the Code" constitutes the opinion of Wachtell, Lipton, Rosen & Katz as to the material U.S. federal income tax consequences of the Spin-Off to U.S. holders (as defined below) of Penn common stock that receive shares of GLPI common stock in the distribution. This summary is based on the Code, the U.S. Treasury regulations promulgated thereunder, and interpretations of the Code and the U.S. Treasury regulations by the courts and the IRS, in effect as of the date hereof, and all of which are subject to change, possibly with retroactive effect. This summary does not discuss all the tax considerations that may be relevant to Penn shareholders in light of their particular circumstances, nor does it address the consequences to Penn shareholders subject to special treatment under the U.S. federal income tax laws (such as holders other than U.S. Holders (as defined below), insurance companies, dealers or brokers in securities or currencies, tax-exempt organizations, financial institutions, mutual funds, pass-through entities and investors in such entities, holders who hold their shares as a hedge or as part of a hedging, straddle, conversion, synthetic security, integrated investment or other risk-reduction transaction or who are subject to alternative minimum tax or holders who acquired their shares upon the exercise of employee stock options or otherwise as compensation). In addition, this summary does not address the U.S. federal income tax consequences to those Penn shareholders who do not hold their Penn common stock as a capital asset. Finally, this summary does not address any state, local or foreign tax consequences.

PENN SHAREHOLDERS ARE URGED TO CONSULT THEIR OWN TAX ADVISORS CONCERNING THE U.S. FEDERAL, STATE AND LOCAL AND NON-U.S. TAX CONSEQUENCES OF THE SPIN-OFF TO THEM.

For purposes of this discussion, a U.S. holder is a beneficial owner of Penn common stock that is, for U.S. federal income tax purposes:

- an individual who is a citizen or resident of the United States;
- a corporation, or other entity taxable as a corporation for U.S. federal income tax purposes, created or organized under the laws of the United States, any state thereof, or the District of Columbia;
- an estate, the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust if (1) a court within the United States is able to exercise primary supervision over its administration and one or more U.S. persons have the authority to control all substantial decisions of such trust or (2) in the case of a trust that was treated as a domestic trust under the law in effect before 1997, a valid election is in place under applicable U.S. Treasury regulations.

If a partnership, including any entity treated as a partnership for U.S. federal income tax purposes, holds Penn common stock, the tax treatment of a partner generally will depend on the status of the partner and on the activities of the partnership. Partners in a partnership holding Penn common stock should consult their own tax advisors regarding the tax consequences of the Spin-Off.

Spin-Off

Penn has received the IRS Ruling substantially to the effect that the Spin-Off, together with the Carlino Stock Exchange and certain related transactions, will qualify as a reorganization for U.S. federal income tax purposes under Sections 355 and 368(a)(1)(D) of the Code.

Certain U.S. Federal Income Tax Consequences: The Spin-Off Qualifies as a Transaction That Is Generally Tax Free under Sections 355 and 368(a)(1)(D) of the Code

The U.S. federal income tax consequences of the Spin-Off are as follows: (i) the Spin-Off will not result in any taxable income, gain or loss to Penn, except for taxable income or gain possibly arising as a result of certain intercompany transactions; (ii) no gain or loss will be recognized by (and no amount will be included in the income of) U.S. Holders of Penn common stock upon their receipt of shares of GLPI common stock in the Spin-Off; (iii) the aggregate tax basis of the Penn common stock and the GLPI common stock in the hands of each U.S. Holder of Penn common stock after the Spin-Off will equal the aggregate basis of Penn common stock held by the U.S. Holder immediately before the Spin-Off, allocated between the Penn common stock and the common stock of GLPI in proportion to the relative fair market value of each on the date of the Spin-Off; and (iv) the holding period of the GLPI common stock received by each U.S. Holder of Penn common stock will include the holding period at the time of the Spin-Off for the Penn common stock on which the distribution is made, provided that Penn common stock is held as a capital asset on the date of the distribution. U.S. Treasury regulations also generally provide that if a U.S. Holder of Penn common stock holds different blocks of Penn common stock (generally shares of Penn common stock purchased or acquired on different dates or at different prices), the aggregate basis for each block of Penn common stock purchased or acquired on the same date and at the same price will be allocated, to the greatest extent possible, between the shares of GLPI common stock received in the Spin-Off in respect of such block of Penn common stock and such block of Penn common stock, in proportion to their respective fair market values, and the holding period of the shares of GLPI common stock received in the Spin-Off in respect of such block of Penn common stock will include the holding period of such block of Penn common stock, provided that such block of Penn common stock was held as a capital asset on the distribution date. If a U.S. Holder of Penn common stock is not able to identify which particular shares of GLPI common stock are received in the Spin-Off with respect to a particular block of Penn common stock, for purposes of applying the rules described above, the U.S. Holder may designate which shares of GLPI common stock are received in the Spin-Off in respect of a particular block of Penn common stock, provided that such designation is consistent with the terms of the Spin-Off. Holders of Penn common stock are urged to consult their own tax advisors regarding the application of these rules to their particular circumstances.

Certain U.S. Federal Income Tax Consequences if the Spin-Off Were Taxable

Although a private letter ruling from the IRS generally is binding on the IRS, if the factual representations or assumptions made in the letter ruling request are untrue or incomplete in any material respect, GLPI will not be able to rely on the ruling. Furthermore, the IRS will not rule on whether a distribution satisfies certain requirements necessary to obtain tax-free treatment under Section 355 of the Code. Rather, the IRS Ruling is based upon representations by Penn that these conditions have been or will be satisfied, and any material inaccuracy in such representations could invalidate the rulings. In addition to obtaining the IRS Ruling, Penn expects to obtain opinions of Wachtell, Lipton, Rosen & Katz and KPMG LLP substantially to the effect that, with respect to certain requirements for tax-free treatment under Section 355 of the Code on which the IRS will not rule, such requirements will be satisfied. The opinions will rely on the ruling as to matters covered by the ruling. In addition, the opinions will be based on, among other things, certain assumptions and representations

made by Penn and GLPI, which if incorrect or inaccurate in any material respect would jeopardize the conclusions reached in the opinions. The opinions will not be binding on the IRS or the courts.

Notwithstanding receipt by Penn of the IRS Ruling and the opinions, the IRS could assert that the Spin-Off does not qualify for tax-free treatment for U.S. federal income tax purposes. If the IRS were successful in taking this position, Penn shareholders and Penn could be subject to significant U.S. federal income tax liability. In general, Penn would be subject to tax as if it had sold the GLPI common stock in a taxable sale for its fair market value and Penn shareholders who receive shares of GLPI common stock in the distribution would be subject to tax as if they had received a taxable distribution equal to the fair market value of such shares. In addition, even if the Spin-Off was otherwise to qualify under Section 355 of the Code, it may be taxable to Penn (but not to Penn shareholders) under Section 355(e) of the Code, if the Spin-Off were later deemed to be part of a plan (or series of related transactions) pursuant to which one or more persons acquire, directly or indirectly, stock representing a 50 percent or greater interest (by vote or value) in Penn or GLPI. For this purpose, any acquisitions of Penn stock or of GLPI stock within the period beginning two years before the Separation and ending two years after the Separation are presumed to be part of such a plan, although GLPI or Penn may be able to rebut that presumption.

Tax Matters Agreement

In connection with the Spin-Off, Penn and GLPI will enter into a Tax Matters Agreement pursuant to which GLPI will agree to be responsible for certain liabilities and obligations following the Spin-Off. In general, under the terms of the Tax Matters Agreement, in the event the Spin-Off were to fail to qualify for U.S. federal income tax purposes under Sections 355 and 368(a)(1)(D) of the Code (including as a result of Section 355(e) of the Code) and if such failure were the result of actions taken after the Spin-Off by Penn or GLPI, the party responsible for such failure will be responsible for all taxes imposed on Penn to the extent such taxes result from such actions. However, if such failure was the result of any acquisition of GLPI shares or assets or any of GLPI's representations or undertakings being incorrect or breached, GLPI will be responsible for all taxes imposed on Penn as a result of such acquisition or breach. For a more detailed discussion, see "Relationship between GLPI and Penn after the Spin-Off—The Tax Matters Agreement." GLPI's indemnification obligations to Penn and its subsidiaries, officers and directors will not be limited in amount or subject to any cap. If GLPI is required to indemnify Penn and its subsidiaries and their respective officers and directors under the circumstances set forth in the Tax Matters Agreement, GLPI may be subject to substantial liabilities.

Information Reporting and Backup Withholding

U.S. Treasury regulations require certain shareholders who receive stock in a distribution to attach to the shareholder's U.S. federal income tax return for the year in which the distribution occurs a detailed statement setting forth certain information relating to the tax-free nature of the distribution.

THE FOREGOING IS A SUMMARY OF CERTAIN U.S. FEDERAL INCOME TAX CONSEQUENCES OF THE SPIN-OFF UNDER CURRENT LAW AND IS FOR GENERAL INFORMATION ONLY. THE FOREGOING DOES NOT PURPORT TO ADDRESS ALL U.S. FEDERAL INCOME TAX CONSEQUENCES OR TAX CONSEQUENCES THAT MAY ARISE UNDER THE TAX LAWS OF OTHER JURISDICTIONS OR THAT MAY APPLY TO PARTICULAR CATEGORIES OF SHAREHOLDERS. EACH PENN SHAREHOLDER SHOULD CONSULT HIS, HER OR ITS TAX ADVISOR AS TO THE PARTICULAR TAX CONSEQUENCES OF THE SPIN-OFF TO SUCH SHAREHOLDER, INCLUDING THE APPLICATION OF U.S. FEDERAL, STATE, LOCAL AND FOREIGN TAX LAWS, AND THE EFFECT OF POSSIBLE CHANGES IN TAX LAWS THAT MAY AFFECT THE TAX CONSEQUENCES DESCRIBED ABOVE.

Market for Common Stock of GLPI

There is currently no public market for the GLPI common stock. We intend to list our common stock on NASDAQ under the symbol "GLPI."

Trading Before the Distribution Date

Beginning on or shortly before the record date and continuing through the distribution date, it is expected that there will be two markets in Penn common stock: a "regular-way" market and an "ex-distribution" market. Shares of Penn common stock that trade on the regular way market will trade with an entitlement to shares of the common stock of GLPI distributed pursuant to the Spin-Off. Shares that trade on the ex-distribution market will trade without an entitlement to shares of the common stock of GLPI distributed pursuant to the Spin-Off. Therefore, if you sell shares of Penn common stock in the "regular-way" market up to and including the distribution date, you will be selling your right to receive shares of the common stock of GLPI in the Spin-Off. If you own shares of Penn common stock at the close of business on the record date and sell those shares on the "ex-distribution" market, up to and including the distribution date, you will still receive the shares of the common stock of GLPI that you would be entitled to receive pursuant to your ownership of the shares of Penn common stock.

Furthermore, beginning shortly before the distribution date and continuing up to and including the distribution date, it is expected that there will be a "when-issued" market in the common stock of GLPI. "When-issued" trading refers to a sale or purchase made conditionally because the security has been authorized but not yet issued. The "when-issued" trading market will be a market for shares of GLPI common stock that will be distributed to Penn shareholders on the distribution date. If you owned shares of Penn common stock at the close of business on the record date, you would be entitled to shares of GLPI's common stock distributed pursuant to the Spin-Off. You may trade this entitlement to shares of common stock of GLPI, without the shares of Penn common stock you own, on the "when-issued" market. On the first trading day following the distribution date, "when-issued" trading with respect to GLPI common stock will end and "regular-way" trading will begin.

Conditions to the Spin-Off

The Penn board of directors has reserved the right, in its sole discretion, to amend, modify or abandon the Spin-Off and the related transactions at any time prior to the distribution date. This means Penn may cancel or delay the planned distribution of common stock of GLPI if at any time the board of directors of Penn determines that the distribution of such common stock is not in the best interests of Penn. If Penn's board of directors determines to cancel the Spin-Off, shareholders of Penn will not receive any distribution of GLPI common stock and Penn will be under no obligation whatsoever to its shareholders to distribute such shares.

Absent a determination of Penn's board of directors to the contrary, GLPI expects that the Spin-Off will be effective on [•], 2013, the distribution date. In addition, the Spin-Off and related transactions are subject to the satisfaction or waiver (by Penn's board of directors in its sole discretion) of the following conditions:

- the Separation and Distribution Agreement, the Master Lease, the Tax Matters Agreement, the Transition Services Agreement and the Employee Matters Agreement shall have been duly executed and delivered to the parties thereto and the separation, the distribution and the related transactions in accordance with the plan of reorganization set forth in the Separation and Distribution Agreement shall have been completed;

- the IRS Ruling to the effect that the Spin-Off, together with the Carlino Stock Exchange and certain related transactions, will qualify as a reorganization for U.S. federal income tax purposes

under Sections 355 and 368(a)(1)(D) of the Code shall not have been modified, revoked or withdrawn;

- Penn shall have received the respective opinions of Wachtell, Lipton, Rosen & Katz and KPMG LLP to the effect that certain requirements for tax-free treatment under Section 355 of the Code on which the IRS will not rule will be satisfied;

- Penn shall have received the respective opinions of Wachtell, Lipton, Rosen & Katz and KPMG LLP that GLPI will qualify to be taxed as a REIT under Sections 856 through 859 of the Code following the Spin-Off;

- the Form S-11 containing this Prospectus shall have been declared effective by the SEC or become effective under the Securities Act, no stop order suspending the effectiveness of the Form S-11 shall be in effect, no proceedings for such purpose shall be pending before or threatened by the SEC, and this Prospectus shall have been mailed to Penn's shareholders as of the Record Date;

- all actions and filings necessary or appropriate under applicable federal, state or foreign securities or "blue sky" Laws and the rules and regulations thereunder shall have been taken and, where applicable, become effective or been accepted;

- the GLPI common stock shall have been accepted for listing on NASDAQ, subject to compliance with applicable listing requirements;

- no order, injunction or other legal restraint or prohibition preventing the consummation of the Spin-Off or related transactions shall be threatened, pending or in effect;

- any material consents and governmental authorizations necessary to complete the Spin-Off (including all required regulatory approvals) shall have been obtained and be in full force and effect;

- GLPI shall have entered into the financing transactions described in this Prospectus and contemplated to occur on or prior to the Spin-Off and Penn shall have entered into the financing transactions in connection with the Internal Reorganizations to occur on or prior to the Spin-Off, which financing arrangements shall be in full force and effect immediately prior to the Distribution, the respective financings thereunder to occur on or prior to the Spin-Off shall have been consummated and GLPI shall have transferred to Penn, directly or indirectly, approximately $2.06 billion of proceeds from its borrowings under the senior credit facilities that it will enter into prior to the Spin-Off;

- prior to the Spin-Off, the current GLPI board of directors shall have duly elected all individuals specified in this Prospectus as members of the GLPI board of directors who have not yet been elected as members of the GLPI board of directors;

- Peter M. Carlino shall have delivered shares of Penn common stock as contemplated by the Carlino Exchange Agreement, and the Carlino Exchange Agreement shall be in full force and effect immediately prior to the Spin-Off;

- Penn and GLPI shall each have taken all necessary action to provide for the adoption and filing with the Secretary of State of the Commonwealth of Pennsylvania of the amended and restated GLPI charter and bylaws substantially as described in this Prospectus;

- at or prior to the Spin-Off, Penn and GLPI shall have taken all necessary action to approve the stock-based employee benefit plans of GLPI in order to satisfy the applicable rules and regulations of NASDAQ; and

- no event or development shall have occurred that, in the judgment of the Penn board of directors, makes it inadvisable to proceed with the transactions contemplated by the Separation and Distribution Agreement.

The fulfillment of the foregoing conditions will not create any obligation on the part of Penn to effect the Spin-Off.

Treatment of Penn Preferred Stock in the Spin-Off

Penn Series B Preferred Stock

As of June 30, 2013, there were 12,050 shares of Penn Series B preferred stock outstanding, 9,750 of which were held by Fortress and 2,300 of which were held by Centerbridge. Penn has entered into agreements with each of the holders of Penn Series B preferred stock to redeem for cash, or exchange for Penn Series C preferred stock, all of the outstanding shares of Penn Series B preferred stock prior to the record date of the Spin-Off.

Fortress

On January 16, 2013, Penn entered into an exchange agreement with Fortress (the "Exchange Agreement") The Exchange Agreement provides Fortress with the right to exchange each share of Penn Series B preferred stock for approximately 1.49 shares of Penn Series C preferred stock, an exchange ratio that treats each 1/1,000th of a share of Penn Series C preferred stock (and therefore each share of Penn common stock into which such fractional share is convertible) as having a value of $67 per share, which is the "ceiling price" at which the shares of Penn Series B preferred stock are redeemable by Penn at maturity in 2015. Pursuant to the Exchange Agreement, any shares of Penn Series B preferred stock not exchanged for shares of Penn Series C preferred stock prior to the second business day before the record date for the Spin-Off shall automatically be exchanged for shares of Penn Series C preferred stock at 12:01a.m. Eastern Time on such date. Then, prior to the record date for the Spin-Off, Penn will have the right to purchase from Fortress the number of shares of Penn Series C preferred stock required to ensure that, immediately following the consummation of the Spin-Off, Fortress will own not more than 9.9% of GLPI's common stock.

Pursuant to the Exchange Agreement, Fortress may not transfer any shares of Penn Series B preferred stock prior to their conversion into Penn Series C preferred stock unless the transferee agrees to become bound by the terms, obligations and conditions of the Exchange Agreement applicable to Fortress.

Centerbridge

On January 30, 2013, Penn entered into an agreement with Centerbridge to repurchase all 2,300 outstanding shares of the Penn Series B preferred stock held by Centerbridge for $230 million. The closing of the repurchase will occur two business days prior to the record date of the Spin-Off. Centerbridge has agreed not to transfer any shares of Penn Series B preferred stock prior to the repurchase unless such transfer is made to a party that agrees to be bound by the same obligation to sell its shares to Penn as Centerbridge and generally is made with the prior written consent of Penn, which consent shall not be unreasonably withheld or delayed.

Penn Series C Preferred Stock

As of June 30, 2013, there were no shares of Penn Series C preferred stock outstanding. As described above in "—Penn Series B Preferred Stock," it is anticipated that shares of Penn Series B preferred stock owned by Fortress will be converted into approximately 14,552 shares of Penn Series C preferred stock prior to the Spin-Off. Each 1/1,000th of a share of Penn Series C preferred stock

automatically converts into a share of Penn common stock upon its sale to a third party not affiliated with the original holder.

Each 1/1,000th of a share of Penn Series C preferred stock will receive one share of common stock of GLPI in the Spin-Off.

Accounting Treatment

At the time of the Spin-Off, the balance sheet of GLPI will include 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 TRS Properties that will be operated by its TRSs. The assets and liabilities of GLPI will be recorded at their respective historical carrying values at the time of the Separation in accordance with the provisions of FASB ASC 505-60, "Spinoffs and Reverse Spinoffs."

Financial Advisor

Wells Fargo & Company and Bank of America Merrill Lynch provided financial advice in connection with the Spin-Off. Each was retained in connection with the transaction because of the firm's familiarity with the businesses and assets of Penn and the firm's qualifications and reputation. Penn will pay Wells Fargo & Company a fee of [•], and Bank of America Merrill Lynch a fee of [•], in connection with its engagement.

In addition to providing the written opinion described in "Certain Relationships and Related Party Transactions—Agreements with Certain Shareholders in Connection with the Spin-Off," Duff & Phelps provided financial advice to the independent directors of the board of directors of Penn in connection with the Spin-Off. Penn will pay Duff & Phelps an aggregate fee of [•] in connection with its engagement by Penn and the independent directors of the board of directors of Penn.

Reason for Furnishing this Prospectus

This Prospectus is being furnished solely to provide information to Penn shareholders who will receive shares of GLPI common stock in the Spin-Off. It is not to be construed as an inducement or encouragement to buy or sell any of our securities or any securities of Penn, nor is it to be construed as a solicitation of proxies in respect of the proposed Spin-Off or any other matter. We believe that the information contained in this Prospectus is accurate as of the date set forth on the cover. Changes to the information contained in this Prospectus may occur after that date, and neither we nor Penn undertakes any obligation to update the information except in the normal course of our respective public disclosure obligations and practices.

RELATIONSHIP BETWEEN GLPI AND PENN AFTER THE SPIN-OFF

Following the Spin-Off, GLPI will be a publicly traded company independent from Penn. Although GLPI will lease all but two of its gaming and related facilities (the TRS Properties) to a subsidiary of Penn, GLPI anticipates diversifying its portfolio over time, including by acquiring properties outside the gaming industry to lease to third parties.

To govern their ongoing relationship, GLPI and Penn or their respective subsidiaries, as applicable, will enter into the various agreements on or prior to completion of the Spin-Off as described in this section. These summaries are qualified in their entirety by reference to the full text of the applicable agreements, which are included as exhibits to this Registration Statement.

The Separation and Distribution Agreement

The following discussion summarizes the material provisions of the Separation and Distribution Agreement. The Separation and Distribution Agreement will set forth, among other things, our agreements with Penn regarding the principal transactions necessary to separate us from Penn. It also will set forth other agreements that govern certain aspects of our relationship with Penn after the distribution date.

Transfer of Assets and Assumption of Liabilities

The Separation and Distribution Agreement will identify assets to be transferred, liabilities to be assumed and contracts to be assigned to us as part of the separation of Penn into two companies, and it will provide for when and how these transfers, assumptions and assignments will occur. In particular, the Separation and Distribution Agreement will provide, among other things, that, subject to the terms and conditions contained therein:

- certain assets associated with Penn's real property interests and real estate development business, as well as the TRS Properties, which we refer to as the "GLPI Assets," will be transferred to us or one of our subsidiaries;
- certain liabilities (including whether accrued, contingent or otherwise) arising out of or resulting from the GLPI Assets, and other liabilities related to the businesses and operations of Penn's real property assets and the TRS Properties, which we refer to as the "GLPI Liabilities," will be retained by or transferred to us or one of our subsidiaries; and
- all of the assets and liabilities (including whether accrued, contingent or otherwise) other than the GLPI Assets and GLPI Liabilities will be retained by Penn or one of its subsidiaries.

Except as may expressly be set forth in the Separation and Distribution Agreement or any other transaction agreements, all assets will be transferred on an "as is," "where is" basis and the respective transferees will bear the economic and legal risks that (i) any conveyance will prove to be insufficient to vest in the transferee good title, free and clear of any security interest, and (ii) any necessary consents or governmental approvals are not obtained or that any requirements of laws or judgments are not complied with.

The Separation and Distribution Agreement will provide, subject to the terms and considerations contained therein, that, in consideration for the transfer of the GLPI Assets to us, we will (i) issue (actually or constructively) to Penn shares of GLPI common stock which, along with any other shares of GLPI common stock owned by Penn, will constitute all of the outstanding stock of GLPI, and (ii) transfer to Penn, directly or indirectly, approximately $2.06 billion of proceeds from our borrowings under the senior credit facilities that we will enter into prior to the Spin-Off and of the proceeds of the senior notes that we will issue prior to the Spin-Off. The remainder of these borrowings and proceeds will be used to fund transaction fees and expenses and to fund the Purging Distribution. See "The Separation—Conditions to the Spin-Off."

Information in this Prospectus with respect to the assets and liabilities of the parties following the separation is presented based on the allocation of such assets and liabilities pursuant to the Separation and Distribution Agreement, unless the context otherwise requires. Certain of the liabilities and obligations to be assumed by one party or for which one party will have an indemnification obligation under the Separation and Distribution Agreement and the other transaction agreements relating to the separation are, and following the separation may continue to be, the legal or contractual liabilities or obligations of the other party. Each party that continues to be subject to such legal or contractual liability or obligation will rely on the applicable party that assumed the liability or obligation or the applicable party that undertook an indemnification obligation with respect to the liability or obligation, as applicable, under the Separation and Distribution Agreement to satisfy the performance and payment obligations or indemnification obligations with respect to such legal or contractual liability or obligation.

Conditions to the Separation and Distribution

The Separation and Distribution Agreement will provide that the separation and the distribution are subject to the satisfaction (or waiver by Penn's board of directors in its sole discretion) of certain conditions. These conditions are described under "The Separation—Conditions to the Spin-Off." The Penn board of directors has reserved the right, in its sole discretion, to amend, modify or abandon the Spin-Off and the related transactions at any time prior to the distribution date. This means Penn may cancel or delay the planned distribution of common stock of GLPI if at any time the board of directors of Penn determines that the distribution of such common stock is not in the best interests of Penn. If Penn's board of directors determines to cancel the Spin-Off, shareholders of Penn will not receive any distribution of GLPI common stock and Penn will be under no obligation whatsoever to its shareholders to distribute such shares.

The Distribution

As described elsewhere in this document, the Separation and Distribution Agreement will provide that each holder of Penn common shares will receive a pro rata distribution of one share of GLPI common stock per share of Penn common stock. In addition, each holder of record of Penn Series C preferred stock will receive a pro rata distribution of one share of GLPI common stock for every 1/1,000th of a share of Penn Series C preferred stock. Peter M. Carlino will exchange (i) shares of Penn common stock for shares of GLPI common stock prior to the Spin-Off and (ii) options to acquire Penn common stock for options to acquire GLPI common stock following the Spin-Off, as described under "Certain Relationships and Related Party Transactions—Agreements with Certain Shareholders in Connection with the Spin-Off—Peter M. Carlino."

Intellectual Property Matters

Under and subject to the terms and conditions set forth in the Separation and Distribution Agreement, Penn will grant GLPI a perpetual non-exclusive license to use the "Hollywood" trade name, trade dress and other intellectual property only in connection with the operation of the TRS Properties. The license will be royalty-free for two years, after which GLPI will pay Penn a royalty reflecting the fair market value of the license.

Releases

Except as otherwise provided in the Separation and Distribution Agreement or any other transaction agreements, each party will release and forever discharge the other party and its respective subsidiaries and affiliates from all liabilities existing or arising from any acts or events occurring or failing to occur or alleged to have occurred or to have failed to occur or any conditions existing or alleged to have existed on or before the separation from Penn. The releases will not extend to or

amend obligations or liabilities under any agreements between the parties that remain in effect following the separation.

Indemnification

In addition, the Separation and Distribution Agreement will provide for cross-indemnities principally designed to place financial responsibility for the obligations and liabilities of our business with us and financial responsibility for the obligations and liabilities of Penn's business with Penn. Specifically, each party will indemnify, defend and hold harmless the other party, its affiliates and subsidiaries and its officers, directors, employees and agents (each, the "Indemnified Parties") for any losses arising out of or otherwise in connection with the liabilities that each such party assumed or retained pursuant to the Separation and Distribution Agreement and the other transaction agreements. In addition, GLPI will indemnify the Indemnified Parties of Penn and each person, if any, who controls Penn, its affiliates or subsidiaries within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act from and against any and all liabilities arising out of a disclosure or an omission with respect to this Registration Statement.

Insurance

The Separation and Distribution Agreement will provide for the allocation between the parties of rights and obligations under existing insurance policies with respect to occurrences prior to the distribution and sets forth procedures for the administration of insured claims. In addition, the Separation and Distribution Agreement will allocate between the parties the right to proceeds and the obligation to incur certain deductibles and/or self-insured retentions under certain insurance policies.

Further Assurances

In addition to the actions specifically provided for in the Separation and Distribution Agreement, except as otherwise set forth therein or in any other transaction document, both GLPI and Penn will agree in the Separation and Distribution Agreement to use commercially reasonable efforts, prior to, on and after the distribution date, to take, or cause to be taken, all actions, and to do, or cause to be done, all things necessary, proper or advisable under applicable laws, regulations and agreements to consummate and to make effective the transactions contemplated by the Separation and Distribution Agreement and the other transaction documents.

Dispute Resolution

The Separation and Distribution Agreement will contain provisions that govern, except as otherwise provided in the Master Lease, the resolution of disputes, controversies or claims that may arise between GLPI and Penn related to the Spin-Off. These provisions will contemplate that either GLPI or Penn may submit the dispute, controversy or claim to binding alternative dispute resolution, subject to the provisions of the Separation and Distribution Agreement.

Termination

The Separation and Distribution Agreement will provide that it may be terminated and the separation and distribution may be modified or abandoned at any time prior to the distribution date in the sole discretion of Penn without the approval of any other person. In the event of a termination of the Separation and Distribution Agreement, no party, nor any of its directors, officers, or employees, will have any liability of any kind to the other party. After the distribution date, the Separation and Distribution Agreement may not be terminated except by an agreement in writing signed by both Penn and GLPI.

Other Matters

Other matters governed by the Separation and Distribution Agreement will include access to financial and other information and confidentiality.

The Master Lease

Penn Tenant, LLC, a subsidiary of Penn ("Tenant"), will enter into the Master Lease with GLP Capital, L.P., a subsidiary of GLPI through which GLPI will own substantially all of its assets ("Lessor"), pursuant to which Tenant will lease 19 facilities that will be owned by GLP Capital, L.P. following the Spin-Off. The obligations of the Tenant under the Master Lease will be guaranteed by Penn and by all Penn subsidiaries that will occupy and operate the facilities leased under the Master Lease, or that own a gaming license, other license or other material asset necessary to operate any portion of the facilities. A default by Penn or its subsidiaries with regard to any facility will cause a default with regard to the entire portfolio.

Penn endeavored to have the Master Lease reflect customary, arm's-length commercial terms and conditions. In particular, to determine the rent payable to GLPI under the Master Lease, Penn and its advisors conducted a valuation of the property to be acquired by GLPI and, after reviewing the rent terms under the comparable lease arrangements, and considering factors specific to the properties being leased, fixed the rental payments at amounts intended to represent fair value. However, the terms summarized below have been, and the complete Master Lease will have been, negotiated in the context of the Separation while we are still a wholly owned subsidiary of Penn. Accordingly, during the period in which the terms of the Master Lease have been and will be negotiated, we have not had and will not have had an independent board of directors or a management team independent of Penn. As a result, although the Master Lease is generally intended to reflect arms'-length terms, the terms of the Master Lease, including the terms summarized below, may not reflect terms that would have resulted from arm's-length negotiations between unaffiliated third parties. Accordingly, there can be no assurance that the terms of the Master Lease will be as favorable for GLPI as would have resulted from negotiations with one or more unrelated third parties.

The following description of the Master Lease does not purport to be complete but contains a summary of certain material provisions of the Master Lease.

Term and Renewals

The Master Lease will provide for the lease of land, buildings, structures and other improvements on the land, easements and similar appurtenances to the land and improvements relating to the operation of the leased properties.

The Master Lease will provide for an initial term of 15 years with no purchase option. At the option of the Tenant, the Master Lease may be extended for up to four five-year renewal terms beyond the initial term, on the same terms and conditions. If the Tenant elects to renew the term of the Master Lease, the renewal will be effective as to all, but not less than all, of the leased property then subject to the Master Lease, provided that each renewal option shall only be exercisable with respect to any of the barge-based facilities—i.e., facilities where barges serve as foundations upon which buildings are constructed to serve as gaming or related facilities or serve ancillary purposes such as access platforms or shear barges to protect a gaming facility from floating debris—following an independent third party expert's review of the total useful life of the applicable barged-based facility measured from the beginning of the initial term. If the exercise of any renewal term would cause the aggregate term to exceed 80% of the estimated useful life of any facility, such facility shall be included in such five-year renewal only for the period of time that is within 80% of the estimated useful life of such facility. We believe that each of the barge-based facilities that Penn will transfer to us have a sufficient amount of time remaining in its useful life that this final five-year renewal term would not cause the aggregate term to exceed 80% of the estimated useful life of any such facility, with the possible exception of the

property located at the Argosy Casino Alton. However, we believe that we could extend the useful life of the Alton property, by engaging in renovations or redevelopment, such that it would be subject to the full final five-year renewal term as well. In the event that a barge-based facility is not included in all or any portion of the final five-year renewal term, such property shall cease to be subject to the Master Lease at the end of such partial period and will no longer be occupied by Tenant absent the entry by GLPI and Tenant into a new lease (which lease could govern such property individually or apply to a group of properties, subject to the agreement of GLPI and Tenant).

Tenant will not have the ability to terminate its obligations under the Master Lease prior to its expiration without the Lessor's consent. If the Master Lease is terminated prior to its expiration other than with Lessor's consent, the Tenant may be liable for damages and incur charges such as continued payment of rent through the end of the lease term and maintenance costs for the property. See "Risk Factors—Risks Relating to Our Business following the Spin-Off."

Rental Amounts and Escalators

The Master Lease is commonly known as a triple-net lease. Accordingly, in addition to rent, the Tenant will be required to pay the following: (1) all facility maintenance, (2) all insurance required in connection with the leased properties and the business conducted on the leased properties, (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.

Under the Master Lease, it is anticipated that the initial annual aggregate rent payable by Tenant will be approximately $430 million. Penn will make the rent payment in monthly installments. The rent will be comprised of "Base Rent" and "Percentage Rent" components which are described below.

Base Rent

Fixed amount for duration of lease. This amount will be:

(i) a fixed component equal to $243.3 million during the first year of the Master Lease, and thereafter escalated annually by 2%, subject to a cap that would cause the preceding year's adjusted revenue to rent ratio (as it will be defined in the Master Lease) for the properties in the aggregate not to fall below 1.8:1 ("Building Base Rent"); plus

(ii) an additional fixed component equal to $91.2 million ("Land Base Rent").

We currently expect the revenue to rent ratio for 2014 to exceed 1.8:1. As a result, if the Spin-Off occurs prior to January 1, 2014, the Building Base Rent would increase by 2% in 2015.

Percentage Rent

A variable percentage rent component that will be calculated as follows and is expected to equal $95.5 million during the first year of the Master Lease:

(iii) *Percentage Rent (other than Columbus and Toledo Facilities)*: Fixed amount for the first 5 years. An adjustment will be recorded every five years to establish a new fixed amount for the next five-year period based on the average actual net revenues of Penn from the Facilities (other than the Columbus and Toledo Facilities) during the five year period then ended (and calculated by multiplying 4% by the excess (if any) of (i) the average net revenues for the trailing five-year period over (ii) 50% of the 2013 projected net revenues).

(iv) *Percentage Rent (Columbus and Toledo Facilities)*: Variable amount, determined monthly, based on 20% of the excess of Penn's actual net revenues from the Columbus and Toledo Facilities of the month then ended over 50% of $^{1}/_{12}$ of the 2013 projected net revenues.

Maintenance and Capital Improvements

The Tenant will be required to make all expenditures reasonably necessary to maintain the premises in good appearance, repair and condition. The Tenant will own and be required to maintain all personal property located at the leased properties in good repair and condition as is necessary to operate all the premises in compliance with applicable legal, insurance and licensing requirements. Without limiting the foregoing, the Tenant will be required to spend an amount equal to at least 1% of its actual net revenue each calendar year on installation or maintenance, restoration and repair of items that are capitalized in accordance with accounting principles generally accepted in the United States of America ("GAAP") with a life of not less than three years.

"Capital Improvements" (defined as any improvements, alterations or modifications other than ordinary maintenance of existing improvements, including, without limitation, capital improvements and structural alterations, modifications or improvements, one or more additional structures annexed to any facility or the expansion of existing improvements) by the Tenant will be permitted without Lessor's consent only if such Capital Improvements (i) are of equal or better quality than the existing improvements they are improving, altering or modifying, (ii) do not consist of adding new structures or enlarging existing structures and (iii) do not have an adverse effect on the structure of any existing improvements. All other Capital Improvements will require the Lessor's review and approval, which approval shall not be unreasonably withheld. The Tenant will be required to provide copies of the plans and specifications in respect of all Capital Improvements, which shall be prepared in a high-grade professional manner and shall adequately demonstrate compliance with the foregoing with respect to permitted projects not requiring approval and shall be in such form as Lessor may reasonably require for any other projects.

The Tenant will be required to pay for all maintenance expenditures and Capital Improvements, provided that the Lessor will have a right of first offer to finance certain Capital Improvement projects. The Tenant shall be permitted to seek outside financing for such Capital Improvements during the six month period following Lessor's offer of financing only on terms that are economically more advantageous to the Tenant than those offered by the Lessor. Whether or not Capital Improvements are financed by the Lessor, the Lessor will be entitled to receive Percentage Rent based on the net revenues generated by the new improvements as described above and such Capital Improvements will be subject to the terms of the Master Lease, provided that in no event shall Tenant be obligated to obtain financing from Lessor to the extent such financing from Lessor would violate or cause a default or breach under any material indebtedness of Penn or Tenant.

Use of the Leased Property

The Master Lease will require that the Tenant utilize the leased property solely for gaming and/or pari-mutuel use and related uses as specified in the Master Lease and such other uses as the Lessor of the leased property may otherwise approve in its sole discretion. The Tenant will be responsible for maintaining or causing to be maintained all licenses, certificates and permits necessary for the leased properties to comply with various gaming and other regulations.

Events of Default

Under the Master Lease, an "Event of Default" will be deemed to occur upon certain events, including: (1) the failure by a Tenant to pay rent or other amounts when due or within certain grace or cure periods of the due date, (2) the failure by a Tenant to comply with the covenants set forth in the Master Lease when due or within any applicable cure period, (3) certain events of bankruptcy or insolvency with respect to Tenant or a guarantor, (4) the occurrence of an event that causes, or permits the holders thereof to cause, any material indebtedness of Tenant and its subsidiaries or any guarantor of the Master Lease (including Penn), (5) the occurrence of a default under any guaranty of the Master Lease that is not cured within a certain grace period, (6) Tenant breaches a representation or warranty

in the Master Lease in a material manner which materially and adversely affects Lessor, (7) the occurrence of a cross default under another agreement executed by Penn or its affiliates in favor of Lessor or its affiliates or their subsidiaries, and is not cured within any applicable grace period, (8) the occurrence of a default in respect of a loan secured by a leased property, which default is the responsibility of Tenant or (9) the occurrence of certain events of regulatory non-compliance which would reasonably be expected to have a material adverse effect on the operations at the leased property or the financial condition of the Tenant.

Remedies for an Event of Default

Upon an Event of Default under the Master Lease, the Lessor of the leased property may, at its option, exercise the following remedies:

(i) terminate the Master Lease, repossess any leased property, relet any leased property to a third party and require that the Tenant pay to the Lessor, as liquidated damages, the net present value of the rent for the balance of the term, discounted at the discount rate of the Federal Reserve Bank of New York at the time of award plus one percent (1%) and reducing such amount by the portion of the unpaid rent that Tenant proves could be reasonably avoided, plus any other amount necessary to compensate Landlord for Tenant's failure to perform (or likely to result therefrom) in the ordinary course,

(ii) with or without terminating the Master Lease, decline to terminate Tenant's right to possession of the leased property and require that Tenant pay to Lessor rent and other sums payable pursuant to the Master Lease with interest calculated at the overdue rate provided for in the Master Lease with Lessor permitted to enforce any other provision of the Master Lease or terminate Tenant's right to possession of the leased property and seek any liquidated damages as set forth in clause (i) above, and/or

(iii) seek any and all other rights and remedies available under law or in equity.

Assignment and Subletting

Except as noted below, the Master Lease will provide that a Tenant may not assign or otherwise transfer any leased property or any portion of a leased property as a whole (or in substantial part), including by virtue of a change of control of the Tenant, without the consent of the Lessor, which may not be unreasonably withheld. Lessor's consent to an assignment of the Master Lease will not be required if (i) the proposed purchaser (1) is a creditworthy entity with sufficient financial stability to satisfy its obligations under the Master Lease, (2) agrees to assume the Master Lease without modification beyond that necessary to reflect the new party, (3) is licensed by each gaming authority with jurisdiction over one or more facilities covered by the Master Lease, (4) is solvent and (5) has, or retains a manager with, at least five years of experience operating casinos with revenues in the immediately preceding fiscal year of at least $750 million and is not in the business of leasing properties to gaming operators, or has agreement(s) in place to retain 80% of Tenant's and Penn's management team and 80% of Tenant and its subsidiaries' employees with employment contracts, (ii) the adjusted revenues to rent ratio for each of the four calendar quarters immediately prior to the consummation of the proposed transaction is at least 1.4:1 (provided that this requirement shall not be in effect with respect to (x) a secured lender that is foreclosing, as well as with respect to such leasehold mortgagee's effectuating thereafter an initial sale or (y) a change of control resulting from the acquisition by any person or group of 35% or more of the voting power of Penn), and (iii) the leverage to EBITDA ratio after giving effect to the proposed transaction and assumption of Penn's obligations will be less than 8:1 or receives a guaranty from an entity with an investment grade rating from a nationally recognized rating agency (provided that this requirement shall not be in effect with respect to Penn becoming controlled by a secured lender that is foreclosing on a permitted pledge of

interests in Penn). In connection with certain assignments, the ultimate parent company of such assignee shall also execute a guaranty and shall be required to be solvent.

The Master Lease will also provide that Tenant may assign or otherwise transfer any leased property or a portion thereof to an affiliate subject to the Lessor's reasonable approval of the transfer documents. Upon any such assignment or transfer to an affiliate of the Tenant, such affiliate shall guaranty Tenant's obligations under the Master Lease and the Tenant will not be released from obligations under the applicable Master Lease.

In addition, the Master Lease will allow Penn to sublease any space at any of the properties, subject in certain instances to Lessor's consent not to be unreasonably withheld as set forth in the Master Lease. Lessor shall be entitled to receive the same base and percentage rent that would have been received had Penn continued to operate the subleased space.

New Opportunities

Penn and the Lessor generally will not be prohibited from developing, redeveloping, expanding, purchasing, building or operating facilities. However, certain limitations will apply within a sixty (60) mile radius of a facility (or, in the case of facilities in Nevada, within a 7 mile radius) that will be subject to the Master Lease (the "Restricted Area"). Within the Restricted Area, Penn and the Lessor will be subject to the following restrictions.

(i) Developing or building a new facility within the Restricted Area:

- Penn may develop or build a new facility only if it first offers Lessor the opportunity to participate (by including the newly developed property in the Master Lease portfolio) on terms to be negotiated by the parties. If Lessor declines, or if the parties cannot reach agreement on the terms, the annual Percentage Rent due from the affected existing facility subject to the Master Lease will thereafter (y) be subject to a floor which will be calculated based on the Percentage Rent that would have been paid for such facility if such Percentage Rent were adjusted based on net revenues for the calendar year immediately prior to the year in which the new facility is first opened to the public (the "Floor") and (z) Percentage Rent will be subject to normal periodic adjustments provided that it may not be reduced below the Floor.

- Lessor may not build or develop a new facility without Penn's prior consent, which may be withheld in Penn's sole discretion (but post-development sale-leasebacks or financings with third parties will be permitted without restriction as provided in paragraph (iii) (Acquisition/Refinance existing facilities within the Restricted Area) below).

(ii) Expanding existing facilities within the Restricted Area:

- Penn shall provide the Lessor with a right of first offer to finance any proposed expansion. Tenant shall be permitted to seek outside financing for such Capital Improvements during the six month period following Lessor's offer of financing only on terms that are economically more advantageous to the Tenant than offered by the Lessor.

- Lessor shall have the right to finance expansions by competitors but the Percentage Rent from the affected facilities will thereafter be calculated monthly, based on the percentage applicable to such facility (and thereafter no longer based on the trailing five-year period that would have been the case for Facilities other than Columbus and Toledo Facilities).

(iii) Acquisition/refinance existing facilities within the Restricted Area:

Either Penn or Lessor may avail itself on the following terms of opportunities to, in the case of Penn, purchase or operate (and, in the case of Lessor, purchase or refinance) an existing

facility (whether built prior to or after the date of the Master Lease) within the Restricted Area:

- Penn: The annual Percentage Rent due from the affected existing facility in the territory will thereafter (i) be subject to the Floor and (ii) be subject to normal periodic adjustments provided that it may not be reduced below the Floor.
- Lessor: No restriction on the purchase or refinance of an existing gaming facility.

Gaming Licenses/Successor Lessee Provisions

Gaming licenses and all other assets ("Gaming Assets") necessary to operate the facilities that will be subject to the Master Lease will be held and maintained by Penn pursuant to the terms of the Master Lease. The Master Lease will require Penn to transfer the Gaming Assets at the end of the term of the Master Lease to a successor lessee at their fair market value.

The Tax Matters Agreement

The Tax Matters Agreement will govern Penn's and GLPI's respective rights, responsibilities and obligations with respect to taxes (including taxes arising in the ordinary course of business and taxes, if any, incurred as a result of any failure of the Spin-Off and certain related transactions to qualify as tax-free for U.S. federal income tax purposes), tax attributes, tax returns, tax contests and certain other tax matters.

In addition, the Tax Matters Agreement will impose certain restrictions on GLPI and its subsidiaries (including restrictions on share issuances, business combinations, sales of assets and similar transactions) that will be designed to preserve the tax-free status of the Spin-Off and certain related transactions. The Tax Matters Agreement will provide special rules allocating tax liabilities in the event the Spin-Off, together with certain related transactions, was not tax-free. In general, under the Tax Matters Agreement, each party is expected to be responsible for any taxes imposed on Penn that arise from the failure of the Spin-Off and certain related transactions to qualify as a tax-free transaction for U.S. federal income tax purposes within the meaning of Sections 355 and 368(a)(1)(D) and certain other relevant provisions of the Code to the extent that the failure to qualify is attributable to actions, events, or transactions relating to such party's respective stock, assets or business, or a breach of the relevant representations or covenants made by that party in the Tax Matters Agreement.

The Tax Matters Agreement will also set forth Penn's and GLPI's obligations as to the filing of tax returns, the administration of tax contests and assistance and cooperation on tax matters.

The Employee Matters Agreement

The Employee Matters Agreement will govern Penn's and GLPI's respective compensation and employee benefit obligations with respect to the current and former employees of each company, and generally will allocate liabilities and responsibilities relating to employee compensation and benefit plans and programs. The Employee Matters Agreement will provide for the treatment of outstanding Penn equity awards in connection with the Spin-Off, as described in more detail under "Treatment of Outstanding Compensatory Equity-Based Awards." In addition, the Employee Matters Agreement will set forth the general principles relating to employee matters, including with respect to the assignment of employees and the transfer of employees from Penn to GLPI, the assumption and retention of liabilities and related assets, workers' compensation, labor relations, the provision of benefits following the Spin-Off, employee service credit, the sharing of employee information and related matters.

The Transition Services Agreement

Penn will agree to provide GLPI with administrative and support services on a transitional basis pursuant to the Transition Services Agreement, including accounting and finance support, human

resources support, legal and regulatory compliance support, insurance advisory services, internal audit services, governmental affairs monitoring and reporting services, information technology support, construction services, and various other support services (the "Transition Services") for a period of up to two years. We expect that the fees charged to GLPI for Transition Services furnished pursuant to the Transition Services Agreement will approximate the actual cost incurred by Penn in providing the Transition Services to GLPI for the relevant period.

The Transition Services Agreement will provide that GLPI has the right to terminate a Transition Service after an agreed notice period, generally thirty days. The Transition Services Agreement also will contain provisions whereby GLPI will generally agree to indemnify Penn for all claims, losses, damages, liabilities and other costs incurred by Penn to a third party which arise in connection with the provision of a Transition Service, other than those costs resulting from Penn's gross negligence, willful misconduct or bad faith.

Overlapping Directors

In serving on the board of directors of both GLPI and Penn following the Spin-Off, Peter M. Carlino and David A. Handler could have a conflict of interest with respect to matters at GLPI involving Penn and matters at Penn involving GLPI. In order to mitigate this conflict of interest, each of GLPI and Penn expects to adopt governance guidelines prior to the Spin-Off that will require Messrs. Carlino and Handler to report any matter that may create, or may create the appearance of, a conflict of interest to a designated independent director for evaluation and appropriate resolution. Each board may, in the future, also form committees of independent directors to discuss and act upon matters involving both GLPI and Penn. No other person will be a director, executive officer or other employee of both GLPI and Penn.

TREATMENT OF OUTSTANDING COMPENSATORY EQUITY-BASED AWARDS

The Employee Matters Agreement will provide for the conversion, following the Spin-Off, of all outstanding awards granted under Penn's long term incentive compensation plans (whether held by Penn or GLPI employees or other participants) into adjusted Penn awards and GLPI awards. The material terms of the conversion are described in the following.

Options and Cash Settled Stock Appreciation Rights

Options and Stock Appreciation Rights

Generally, each outstanding option and cash settled stock appreciation right ("SAR") with respect to Penn common stock which is outstanding on the distribution date will be converted, following the Spin-Off, into two awards, an adjusted Penn option and a GLPI option, or, in the case of the SARs, an adjusted Penn SAR and a GLPI SAR. The adjustment would preserve the aggregate intrinsic value of the options and SARs. However, Peter M. Carlino will transfer some of his Penn options to Penn in exchange for options to acquire GLPI common stock in the Compliance Exchanges, which are designed to ensure that each member of the Carlino family will beneficially own less than 10% of the outstanding shares of Penn common stock for certain federal tax purposes following the Separation. See "Certain Relationships and Related Party Transactions—Agreements with Certain Shareholders in Connection with the Spin-Off—Peter M. Carlino."

Option and SAR Adjustment

The per share exercise price of each GLPI option or GLPI SAR shall be equal to the product of (i) the per share exercise price of the Penn option or Penn SAR immediately prior to the distribution date (the "Pre-Distribution Exercise Price") multiplied by (ii) a fraction, the numerator of which shall be the post-distribution GLPI stock price and the denominator of which shall be the pre-distribution Penn stock price, rounded up to the nearest cent. The per share exercise price of each adjusted Penn option or Penn SAR shall be equal to the product of (i) the Pre-Distribution Exercise Price multiplied by (ii) a fraction, the numerator of which shall be the post-distribution Penn stock price and the denominator of which shall be the pre-distribution Penn stock price, rounded up to the nearest cent.

Service

The adjusted options and SARs will otherwise remain subject to their original terms, except that for purposes of the adjusted Penn options and Penn SARs (including in determining exercisability and the post-termination exercise period), continued service with GLPI following the distribution date shall be deemed continued service with Penn; and for purposes of the GLPI options and GLPI SARs (including in determining exercisability and the post-termination exercise period), continued service with Penn following the distribution date shall be deemed continued service with GLPI.

Dividends—Unvested Options and SARs

In respect of any GLPI options and GLPI SARs which are unvested as of the distribution date, holders of such options or SARs will be granted a right to receive a payment equal to the value of any ordinary dividend declared with respect to GLPI common stock subject to such options or SARs, which payment will accrue and be paid, if applicable, on the vesting date of the related option or SAR.

Dividends—Vested Options and SARs

Notwithstanding the Spin-Off, Penn will retain approximately $45 million of funding, intended to reflect the aggregate dividend that would be expected to be paid within a three year period following the Spin-Off in respect of shares subject to vested GLPI options and GLPI SARs held by Penn

employees. Penn shall consider using this amount for the purpose of paying bonuses to its employees who are GLPI option holders or GLPI SARs holders. No employee will have any right to be paid any amount from the special incentive bonus pool.

Purging Distribution—Vested and Unvested Options and SARs

Upon the declaration of the Purging Distribution, GLPI options and GLPI SARs shall be adjusted in a manner that preserves both the pre-distribution intrinsic value of the options and SARs and the pre-distribution ratio of the stock price to exercise price that existed immediately before the Purging Distribution. Specifically, each option or SAR will become an option or SAR with respect to the number of GLPI shares equal to the product of (i) the number of GLPI shares originally subject to the option or SAR multiplied by (ii) a fraction, the numerator of which shall be the pre-dividend GLPI stock price and the denominator of which shall be the post-dividend GLPI stock price (such ratio, the "Exchange Ratio"), rounded down to the nearest whole share. The exercise price per share following the adjustment will be equal to the per share exercise price before the adjustment divided by the Exchange Ratio, rounded up to the nearest cent.

Restricted Stock Awards and Phantom Stock Units

Restricted Stock and Phantom Stock Units

Holders of outstanding restricted stock and phantom stock units ("PSUs") with respect to Penn common stock would become entitled following the distribution to an additional share of restricted stock or PSU with respect to GLPI common stock for each share of Penn restricted stock or PSU held.

Service

The restricted stock and PSUs will otherwise remain subject to their original terms, except that for purposes of the adjusted Penn awards (including vesting and treatment on termination) continued service with GLPI following the distribution date shall be deemed continued service with Penn; and for purposes of the GLPI awards (including vesting and treatment on termination), continued service with Penn following the distribution date shall be deemed continued service with GLPI.

Dividends

In respect of any GLPI PSUs, holders of such PSUs will be granted a right to receive a payment equal to the value of a dividend with respect to such PSUs that would be expected to be accrued and paid, if applicable, on the payment date of the related PSU. Holders of GLPI restricted stock will be entitled to receive any dividends paid with respect to such restricted shares on the same date or dates that dividends are payable on GLPI common stock to shareholders of GLPI generally.

Purging Distribution

Upon declaration of the Purging Distribution, holders of GLPI PSUs will be credited with the special dividend, which will accrue and be paid, if applicable, on the payment date of the related PSU. Holders of GLPI restricted stock will be entitled to receive the special dividend with respect to such restricted stock on the same date or dates that the special dividend is payable on GLPI common stock to shareholders of GLPI generally.

DIVIDEND POLICY

GLPI intends to elect and qualify to be taxed as a REIT for U.S. federal income tax purposes. Commencing with GLPI's taxable year beginning on January 1, 2014, consistent with industry standards, GLPI expects to pay distributions in cash in an amount equal to approximately 80% of GLPI's adjusted funds from operations ("Adjusted FFO") for each quarterly period but in no event will the annual dividend be less than 90% of GLPI's REIT taxable income on an annual basis, determined without regard to the dividends paid deduction and excluding any net capital gains. U.S. federal income tax law generally requires that a REIT distribute annually at least 90% of its REIT taxable income, without regard to the deduction for dividends paid and excluding net capital gains, and that it pay regular corporate rates to the extent that it annually distributes less than 100% of its taxable income. For purposes of determining its cash distributions, GLPI's Adjusted FFO will be calculated by starting with The National Association of Real Estate Investment Trusts' ("NAREIT") definition of funds from operations ("FFO"), which is net income (computed in accordance with generally accepted accounting principles), excluding gains (or losses) from sales of property, plus real estate depreciation. The NAREIT definition will then be adjusted to exclude the effect of stock-based and other non-cash compensation expense and subtract maintenance capital expenditures, resulting in Adjusted FFO for GLPI.

Initially, cash available for distribution to GLPI shareholders will be derived solely from the rental payments under the Master Lease and the income of our TRSs. All distributions will be made by GLPI at the discretion of its board of directors and will depend on the financial position, results of operations, cash flows, capital requirements, debt covenants (which are expected to include limits on distributions by GLPI), applicable law and other factors as the board of directors of GLPI deems relevant. The board of directors of GLPI has not yet determined when any distributions will be declared or paid.

GLPI currently intends to pay quarterly distributions in cash. For purposes of satisfying the minimum distribution requirement to qualify for and maintain REIT status, GLPI's taxable income will be calculated without reference to its cash flow. Consequently, under certain circumstances, GLPI may not have available cash to pay its required distributions and may distribute a portion of its dividends in the form of its stock or its debt instruments. In either event, a shareholder of GLPI will be required to report dividend income as a result of such distributions even though GLPI distributed no cash or only nominal amounts of cash to such shareholder. The IRS has issued private letter rulings to other REITs (and, with respect to the Purging Distribution and as described above in "Risk Factors—Risk Factors Relating to the Status of GLPI as a REIT," to Penn) treating certain distributions that are paid partly in cash and partly in stock as taxable dividends that would satisfy that REIT annual distribution requirement and qualify for the dividends paid deduction for U.S. federal income tax purposes. Those rulings may be relied upon only by taxpayers to whom they were issued, but GLPI could request a similar ruling from the IRS. GLPI cannot rely on the private letter ruling Penn received from the IRS, as described above, with respect to the payment of dividends other than the Purging Distribution. In addition, the IRS previously issued a revenue procedure authorizing publicly traded REITs to make elective cash/stock dividends, but that revenue procedure does not apply to GLPI's taxable year beginning on January 1, 2014 and future taxable years. Accordingly, it is unclear whether and to what extent GLPI will be able to make taxable dividends (other than the Purging Distribution) payable in-kind. For more information, see "U.S. Federal Income Tax Considerations—Taxation of GLPI—Annual Distribution Requirements." GLPI currently believes that it will have sufficient available cash to pay its required distribution for 2014 in cash but there can be no assurance that this will be the case.

It presently is anticipated that acquisitions will be financed through borrowings under the debt agreements to be entered into by GLPI and GLP Capital, L.P. in connection with the Spin-Off, other debt financing or the issuance of equity securities. To the extent that those sources of funds are insufficient to meet all such cash needs, or the cost of such financing exceeds the cash flow generated

by the acquired properties for any period, cash available for distribution could be reduced. In that event, GLPI may also borrow funds, liquidate or sell a portion of its properties or find another source of funds, such as the issuance of equity securities, in order to pay its required distributions. However, the sale of any properties within a ten year period following the Spin-Off may subject GLPI to adverse tax consequences. See "Risk Factors—Risk Factors Relating to the Status of GLPI as a REIT" for further discussion.

GLPI anticipates that its distributions generally will be taxable as ordinary income to its shareholders, although a portion of the distributions may be designated by GLPI as qualified dividend income or capital gain or may constitute a return of capital. GLPI will furnish annually to each GLPI shareholder a statement setting forth distributions paid during the preceding year and their characterization as ordinary income, return of capital, qualified dividend income or capital gain. For a more complete discussion of the U.S. federal income tax treatment of distributions to shareholders of GLPI, see "U.S. Federal Income Tax Considerations—Taxation of Shareholders—Taxation of Taxable U.S. Shareholders."

The following table describes our forecasted net income available to our equity owners for the twelve months ended October 31, 2014 and the adjustments we have made thereto in order to estimate our initial cash available for distribution for the twelve months ending October 31, 2014 (amounts in thousands except per share data and percentages). These calculations do not assume any changes to our operations or any acquisitions or dispositions which could affect our operating results and cash flows, or changes in our outstanding common shares. We cannot assure you that our actual results will be the same as or comparable to the calculations below.

Forecasted net income for the twelve month period ended October 31, 2014	$ 145,087
Add: Forecasted real estate depreciation expense	119,341
Add: Non-cash stock based compensation expense	8,039
Add: Amortization of debt issuance costs included within interest expense	6,811
Estimated cash flow from operating activities for the twelve months ended October 31, 2014	279,278
Estimated cash flows used in investing activities for the twelve months ended October 31, 2014	
Less: Estimated expenditures for maintenance capital expenditures	(3,322)
Estimated cash flow used in investing activities for the twelve months ended October 31, 2014	(3,322)
Estimated cash flow used in financing activities for the twelve months ended October 31, 2014	—
Estimated cash available for distribution for the twelve months ended October 31, 2014	$ 275,956
Estimated annual dividends	$ 210,948
Estimated annual distributions per common share	$ 1.75
Payout ratio based on estimated cash available for distribution	76.4%

FINANCING

In connection with the Spin-Off, (i) GLPI and its subsidiary, GLP Capital, L.P., expect to enter into senior unsecured credit facilities, comprised of a $850 million revolving credit facility (which is expected to be reduced to $700 million at or about the time of the Spin-Off) and a $300 million term loan facility (the "Credit Facilities"), and (ii) GLP Capital, L.P. expects to issue $2.05 billion in senior unsecured notes (the "Senior Notes"), which Senior Notes will be guaranteed by GLPI. GLPI and GLP Capital, L.P. expect to have $150 million of indebtedness outstanding under the revolving credit facility immediately following the Spin-Off.

Senior Unsecured Credit Facilities

The Credit Facilities will be provided by a syndicate of banks and other financial institutions. The borrower under the Credit Facilities will be GLP Capital, L.P., a subsidiary of GLPI, and the Credit Facilities will be guaranteed by GLPI.

Subject to customary conditions, including pro forma compliance with financial covenants, the Credit Facilities will permit GLP Capital, L.P. to obtain additional revolving commitments and incur additional term loans, so long as the aggregate principal amount of the loans and unused commitments under the Credit Facilities does not exceed $1.5 billion. There is currently no commitment in respect of these incremental loans, nor is one currently anticipated to be in place upon the consummation of the Spin-Off.

The proceeds of these loans, together with the proceeds of the senior notes issued prior to the Spin-Off, will be used to finance payments to Penn, directly or indirectly, in connection with the transfer of property and assets to GLPI, to pay transaction fees and expenses and to fund the cash portion of the Purging Distribution. The revolving loans under the Credit Facilities may be repaid and reborrowed from time to time. The proceeds of additional revolving loans will be used for working capital, to fund permitted dividends, distributions and acquisitions, for general corporate purposes and for any other purpose not prohibited by the documentation governing the Credit Facilities.

Interest Rate and Fees

The interest rates per annum applicable to loans under the Credit Facilities are, at GLP Capital, L.P.'s option, equal to either a base rate or a LIBOR rate plus an applicable margin, which will range from [•]% to [•]% per annum for LIBOR loans and [•]% to [•]% per annum for base rate loans, in each case, depending on the ratings assigned to the Credit Facilities. In addition, GLP Capital, L.P. will pay a commitment fee on the unused portion of the commitments under the revolving facility at a rate that will range from [•]% to [•]% per annum, depending on the ratings assigned to the Credit Facilities.

Amortization and Prepayments

The Credit Facilities will not be subject to interim amortization. GLP Capital, L.P. will not be required to repay any loans under the Credit Facilities prior to maturity (provided that the revolving credit facility is required to be reduced to $700 million within 45 days of the initial funding thereunder). GLP Capital, L.P. may prepay all or any portion of the loans under the Credit Facilities prior to maturity without premium or penalty, subject to reimbursement of any LIBOR breakage costs of the lenders.

Certain Covenants and Events of Default

The Credit Facilities contain customary covenants that, among other things, restrict, subject to certain exceptions, the ability of GLPI and its subsidiaries, including GLP Capital, L.P., to grant liens

on their assets, incur indebtedness, sell assets, make investments, engage in acquisitions, mergers or consolidations and pay certain dividends and other restricted payments. It is expected that the Credit Facilities will contain the following financial covenants: a maximum total debt to total asset value ratio of 60% (subject to increase to 65% for specified periods in connection with certain acquisitions), a maximum senior secured debt to total asset value ratio of 40%, a maximum unsecured debt to unencumbered asset value ratio of 60% and a minimum fixed charge coverage ratio of 2 to 1. In addition, GLPI will be required to maintain a minimum tangible net worth. The Credit Facilities will also contain certain customary affirmative covenants and events of default, including the occurrence of a change of control and termination of the Master Lease (subject to certain replacement rights). GLPI will be required to maintain its status as a REIT on and after the effective date of its election to be treated as a REIT, which election will be made in connection with GLPI's U.S. federal income tax return for its first full fiscal year following the Spin-Off.

The foregoing summarizes some of the expected terms of the Credit Facilities; however, the foregoing summary does not purport to be complete, and the terms of the Credit Facilities have not yet been finalized. There may be changes to the expected principal amount and terms of the Credit Facilities, some of which may be material.

Senior Notes

The Senior Notes are expected to be issued by GLP Capital, L.P. and guaranteed by GLPI. The Senior Notes are expected to have terms customary for senior notes of this type, including: customary "make whole" redemption provisions; customary covenants relating to debt incurrence; maintenance of unencumbered assets and mergers or sales of all or substantially all of GLPI's assets; and customary events of default.

The foregoing summarizes some of the expected terms of the Senior Notes; however, the foregoing summary does not purport to be complete, and the terms of the Senior Notes have not yet been finalized. There may be changes to the expected principal amount and terms of the Senior Notes, some of which may be material. Nothing herein shall constitute or be deemed to constitute an offer to sell or the solicitation of an offer to buy the Senior Notes.

BUSINESS AND PROPERTIES OF GLPI

Our Business

GLPI will be a publicly-traded, self-administered, self-managed REIT primarily engaged in the property business, which will consist of owning, acquiring, developing, expanding, managing, and leasing gaming and related facilities. GLPI will be the first gaming-focused REIT, and expects to grow its portfolio by aggressively pursuing opportunities to acquire additional gaming facilities to lease to gaming operators, which may include Penn. GLPI also anticipates diversifying its portfolio over time, including by acquiring properties outside the gaming industry to lease to third parties.

GLPI expects to generate its revenues in the property business primarily by leasing gaming facilities to gaming operators in "triple-net" lease arrangements, a business model common to a number of publicly-traded REITs in other industries and which GLPI expects to exist with respect to any transactions that would be entered into by future REIT competitors of GLPI. Initially, GLPI's portfolio will consist of 21 gaming and related facilities, including the TRS Properties and the real property associated with 19 gaming and related facilities (including two properties under development in Dayton, OH and Mahoning Valley, OH). GLP Capital, L.P., a subsidiary of GLPI through which GLPI will own substantially all of its assets, will lease all but two of its gaming and related facilities (the TRS Properties, both of which will be operated by GLPI through its TRSs) to Penn Tenant, LLC, a subsidiary of Penn, under the Master Lease. Our portfolio of 21 properties (including two properties under development in Dayton, OH and Mahoning Valley, OH), comprising approximately 6.6 million square feet of building space and approximately 3,220 acres of owned and leased land, is diversified by location across 13 states. We believe our geographic diversification will limit the effect of changes in any one market on our overall performance.

GLPI intends to make an election on its first federal income tax return to be treated as a REIT and, GLPI, together with GLP Holdings, Inc., will jointly elect to treat each of GLP Holdings, Inc., Louisiana Casino Cruises, Inc. and Penn Cecil Maryland, Inc. as a TRS effective on the first day of the first taxable year of GLPI as a REIT. Immediately following the distribution of GLPI shares by Penn to Penn's shareholders, GLPI will be a publicly-traded, self-administered, self-managed REIT primarily engaged in the property business, which will consist of owning, acquiring, developing, expanding, managing, and leasing gaming and related facilities. To maintain REIT status, we must meet a number of organizational and operational requirements, including a requirement that we annually distribute to our shareholders at least 90% of our REIT taxable income, determined without regard to the dividends paid deduction and excluding any net capital gains. See "U.S. Federal Income Tax Considerations."

Our History

GLPI is a newly formed company that was incorporated in Pennsylvania on February 13, 2013. GLPI will not have operated prior to the Spin-Off. Prior to the Separation, Penn will contribute 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 the TRS Properties that will be operated by its TRSs, to GLPI and its subsidiaries. Penn is a Pennsylvania corporation headquartered in Wyomissing, Pennsylvania that became a public company in 1994. Penn, directly and indirectly through its affiliates, is a leading, geographically diversified, multi-jurisdictional owner and manager of gaming and pari-mutuel properties. GLPI has provided historical financial statements for the TRS Properties in this Prospectus as these two properties were fully operational prior to the Spin-Off and will be acquired entirely by GLPI.

Industry Background / Market Opportunity

Strategic Expansion Opportunities

GLPI expects the Spin-Off to facilitate strategic expansion opportunities for its property business that did not exist prior to the Spin-Off by providing GLPI the ability to (i) pursue transactions with other gaming operators that would not pursue transactions with Penn as a current competitor, (ii) fund acquisitions with its equity on significantly more favorable terms than those that would be available to Penn, (iii) diversify into different businesses in which Penn, as a practical matter, could not diversify, such as hotels, entertainment facilities and other real estate asset classes, and (iv) pursue certain transactions that Penn otherwise would be disadvantaged by or precluded from pursuing due to regulatory constraints. With respect to acquisitions of additional gaming facilities, GLPI either would enter into long-term lease agreements with gaming operators for the operation of such facilities or operate such facilities through its TRSs, depending on a number of factors, including (i) any limitations under the REIT provisions as to the percentage of GLPI's value to be represented by TRSs, (ii) the impact of the decision on other growth opportunities, and (iii) profit expectations.

Competitor Opportunities

GLPI believes that a number of gaming operators would de-lever or are seeking liquidity while continuing to generate the benefits of continued operations, which may present significant expansion opportunities for GLPI to pursue. Of particular significance, GLPI believes that a number of gaming operators would be willing to enter into transactions designed to monetize their real estate assets (i.e., gaming facilities) through sale-leaseback transactions with an unrelated party not perceived to be a competitor. These gaming operators could use the proceeds from the sale of those assets to repay debt and rebalance their capital structures, while maintaining the use of the sold gaming facilities through long term leases. GLPI also hopes to provide such gaming operators with expansion opportunities that these may not otherwise be in a position to pursue by providing them with secured capital at more attractive rates. Certain of these opportunities involve jurisdictions that do not currently permit gaming. GLPI's strategy involves acquiring and developing additional gaming properties to lease to gaming operators or building out related amenities, such as movie theaters, hotels and bowling alleys, with respect to existing structures.

Currently, GLPI believes there are numerous opportunities, some of which involve gaming operators, for GLPI to evaluate and potentially pursue following the Spin-Off.

Diversification Opportunities

GLPI believes it has the ability to leverage the expertise its management team has developed over the years to secure additional avenues for growth beyond the gaming industry. The Spin-Off will facilitate GLPI expanding into significant new business activities outside of the relatively mature gaming industry. Historically, Penn has not pursued significant development opportunities unrelated to the gaming industry, in part because of the expectations and preferences of its shareholders. However, GLPI is being formed as a property acquisition, development, ownership and management company, and will be positioned to capitalize on these opportunities without similar constraints. Accordingly, following the Spin-Off, GLPI will be able to effect strategic acquisitions unrelated to the gaming industry as well as other acquisitions that may prove complementary to GLPI's gaming facilities.

Regulatory Opportunities

State Regulatory Constraints

Certain jurisdictions impose restrictions on the number of licensed gaming facilities (or interests in licensed gaming facilities) that any one entity (in certain cases, including its affiliates and other related

parties) can own (the "Regulatory Constraints") in such jurisdiction (a "Constrained Jurisdiction"). For example, Regulatory Constraints in Pennsylvania prohibit a slot machine licensee (as well as its affiliate, intermediary, subsidiary, or holding company) from possessing an ownership or financial interest that is greater than 33.3% of another slot machine licensee, effectively limiting Penn to owning one facility and a 33.3% interest in other licensed gaming facilities in Pennsylvania. Similarly, Regulatory Constraints in Ohio, Indiana, Maryland, and Illinois limit the number of licensed gaming facilities that Penn can own in such jurisdictions. In addition to mechanical limitations, certain jurisdictions impose other limitations such as economic concentration. Thus, although Penn has expressed an interest in acquiring other gaming facilities in each of the above states, it is precluded from doing so by virtue of its existing ownership of gaming licenses. These Regulatory Constraints have caused Penn to engage in divestitures, to forgo acquisition and development opportunities, to incur incremental expenses, and to engage in complex joint venture and other complex structures in order to consummate acquisitions.

GLPI expects to have significant expansion opportunities in Constrained Jurisdictions that would be prohibited or restrained absent the Spin-Off. In particular, GLPI may seek to acquire additional Pennsylvania or Illinois gaming facilities that Penn otherwise could not acquire due to state-specific Regulatory Constraints. GLPI could either operate one of such facilities through its TRSs or lease multiple acquired facilities either to the sellers or operators other than Penn.

Federal Regulatory Constraints

The Spin-Off also is expected to alleviate the federal antitrust constraints (the "Federal Regulatory Constraints") that have created challenges for Penn in capitalizing on certain expansion opportunities under the current combined structure. GLPI's anticipated acquisitions and leasing arrangements of gaming facilities are not expected to be limited by Federal Regulatory Constraints to any degree near that to which Penn is currently limited. GLPI expects to be able to expand through acquisition and accompanying leases to the seller or an operator other than Penn in a manner that has not been possible for Penn because the consolidation of land ownership, which will constitute the substantial majority of GLPI's activities following the Spin-Off, generally is not subject to the same restrictions under federal antitrust law and other Federal Regulatory Constraints as the operation of gaming facilities. Therefore, following the Spin-Off, GLPI's anticipated acquisitions and leasing arrangements of gaming facilities are not expected to be limited by Federal Regulatory Constraints to the degree that Penn is currently limited.

Cost of Capital Considerations

The Spin-Off is expected to cause the aggregate market value of the stock of Penn and the stock of GLPI to exceed the market value of Penn's stock before the announcement of the Spin-Off, thereby reducing the equity cost of capital relative to that of Penn prior to the Spin-Off. Penn has not previously used its stock as acquisition currency, because acquisitions in the gaming industry have historically been debt financed for a variety of reasons. However, as a real estate company for which the financing of significant acquisition activity customarily involves the issuance of both equity capital and debt, GLPI is anticipated to issue a meaningful amount of equity in connection with acquisitions.

Our Competitive Strengths

We believe the following competitive strengths will contribute significantly to our success:

Geographically Diverse Property Portfolio

Initially, GLPI's portfolio will consist 21 gaming and related facilities (including two properties under development in Dayton, OH and Mahoning Valley, OH). Our portfolio of 21 properties, comprising approximately 6.6 million square feet at building space and approximately 3,220 acres of

owned and leased land, is diversified by location across 13 states. We believe our geographic diversification will limit the effect of changes in any one market on our overall performance.

Financially Secure Tenants

Immediately following the Spin-Off, a subsidiary of Penn will be our only tenant. Penn is a leading, diversified, multi-jurisdictional owner and manager of gaming and pari-mutuel properties, and an established gaming provider with strong financial performance. Penn will operate the leased gaming facilities, hold the associated gaming licenses and own and operate other assets, including the Casino Rama casino management contract, the Jamul Indian Village management and development agreements, a 50% interest in three joint ventures including the Hollywood Casino at Kansas Speedway, four wholly owned non-casino racetracks, and gaming equipment. Penn's reported net revenues and income from operations were $2,899.5 million and $442.6 million, respectively, for the year ended December 31, 2012. As of December 31, 2012, Penn had available cash and cash equivalents of $260.5 million, $2,893.5 million in long-term liabilities and $609.7 million available under its revolving credit facility. Penn's management team has a proven track record of public company performance. Penn currently has a credit rating of BB/Stable from Standard & Poor's and Ba1 from Moody's Corporation, and we do not anticipate that the ratings of Penn will change substantially as a result of the Separation. Additionally, Penn is publicly traded and is subject to SEC reporting requirements, which provide ongoing transparency regarding its operating and financial performance.

Long-Term, Triple-Net Lease Structure

Immediately following the Spin-Off, 19 of our 21 real estate properties (including two properties under development in Dayton, OH and Mahoning Valley, OH) will be leased to a subsidiary of Penn under the Master Lease, a "triple-net" operating lease guaranteed by Penn with a term of 15 years (in addition to four 5 year renewals at Penn's option), pursuant to which the tenant is responsible for all facility maintenance, insurance required in connection with the leased properties and the business conducted on the leased properties, taxes levied on or with respect to the leased properties and all utilities and other services necessary or appropriate for the leased properties and the business conducted on the leased properties.

Strong Relationships with Operators

The members of our management team have developed an extensive network of relationships with qualified local, regional and national operators of gaming facilities across the United States. This extensive network has been built by our management team through over 30 years of operating experience, involvement in industry trade organizations and the development of banking relationships and investor relations within the gaming industry. We believe these strong relationships with operators will allow us to effectively source investment opportunities from operators other than Penn. We intend to work collaboratively with our operators to help them achieve their growth and business objectives.

Experienced and Committed Management Team

Although our management team has limited experience in operating a REIT, it has extensive gaming and real estate experience. Peter M. Carlino, Chief Executive Officer of GLPI, has more than 30 years of experience in the acquisition and development of gaming facilities and other real estate projects. William J. Clifford, Chief Financial Officer of GLPI, is a finance professional with more than 30 years of experience in the gaming industry including four years of gaming regulatory experience, sixteen years of casino property operations, and twelve years of corporate experience. Through years of public company experience, our management team also has extensive experience accessing both debt and equity capital markets to fund growth and maintain a flexible capital structure.

Ability to Identify Talented Operators

As a result of our management team's operating experience, network of relationships and industry insight, we expect to be able to identify qualified local, regional and national operators. We will seek operators who possess local market knowledge, demonstrate hands-on management and have proven track records. We believe our management team's experience gives us a key competitive advantage in objectively evaluating an operator's financial position and operating efficiency.

Flexible UPREIT Structure

We will have the flexibility to operate through an umbrella partnership, commonly referred to as an UPREIT structure, in which substantially all of our properties and assets are held by GLP Capital, L.P. or by subsidiaries of GLP Capital, L.P. Conducting business through GLP Capital, L.P. allows us flexibility in the manner in which we structure and acquire properties. In particular, an UPREIT structure enables us to acquire additional properties from sellers in exchange for limited partnership units, which provides property owners the opportunity to defer the tax consequences that would otherwise arise from a sale of their real properties and other assets to us. As a result, this structure potentially may facilitate our acquisition of assets in a more efficient manner and may allow us to acquire assets that the owner would otherwise be unwilling to sell because of tax considerations. Although we have no current plan or intention, and at the time of the Spin-Off will have no plan or intention to use limited partnership units in GLP Capital, L.P. as consideration for properties we acquire or to issue any limited partnership units in connection with the Spin-Off, we believe that the flexibility to do so provides us an advantage in seeking future acquisitions.

Business Strategies

We plan to pursue business strategies focused on opportunistic acquisitions and property diversification. We do not currently have a fixed schedule of the number of acquisitions we intend to make over a particular time period, but instead we intend to pursue those acquisitions that meet our investing and financing strategy and that are attractively priced. We also intend to further develop our relationships with tenants and gaming providers with a goal to progressively expand the mixture of tenants managing and operating our properties.

The key components of our business strategies include:

Diversify Asset Portfolio

We expect to diversify through the acquisition of new properties. We will employ what we believe to be a disciplined, opportunistic acquisition strategy. Initially following the Spin-Off, we expect to grow our portfolio by aggressively pursuing opportunities to acquire additional gaming facilities to lease to gaming operators, which may include Penn. We also anticipate diversifying our portfolio over time, including by acquiring properties outside the gaming industry to lease to third parties.

Maintain Balance Sheet Strength and Liquidity

We will seek to maintain a capital structure that provides the resources and flexibility to support the growth of our business. We intend to maintain a mix of credit facility debt, mortgage debt and unsecured term debt which, together with our anticipated ability to complete future equity financings, we expect will fund the growth of our operations.

Develop New Tenant Relationships

We will seek to cultivate our relationships with tenants and gaming providers in order to expand the mixture of tenants operating our properties and, in doing so, to reduce our dependence on any

single tenant or operator. We expect that this objective will be achieved over time as part of our overall strategy to acquire new properties and further diversify our overall portfolio of gaming properties.

Capital Source to Underserved Operators

We believe that there is a significant opportunity to be a capital source to gaming operators through the acquisition and leasing of gaming properties that are consistent with our investment and financing strategy. We will utilize our management team's operating experience, network of relationships and industry insight to identify financially strong and growing operators in need of capital funding for future growth. In appropriate circumstances, we may negotiate with operators to acquire individual gaming properties from those operators and then lease those properties back to the operators pursuant to long-term triple-net leases.

Strategic Capital Improvements

We intend to support operators by providing capital to them for a variety of purposes, including for capital expenditures and facility modernization. We expect to structure these investments as either lease amendments that produce additional rents or as loans that are repaid by operators during the applicable lease term.

Pursue Strategic Development Opportunities

We intend to work with our operators to identify strategic development opportunities. These opportunities may involve replacing or renovating facilities in our portfolio that may have become less competitive. We also intend to identify new development opportunities that present attractive risk-adjusted returns.

Our Portfolio / Property (including Operating Data)

The following table summarizes certain features of the properties that we will own following the Spin-Off. The properties will be used for gaming and pari-mutuel activities:

	Location	Type of Facility	Approx. Property Square Footage(1)	Owned Acreage	Leased Acreage(2)	Hotel Rooms
Midwest						
Hollywood Casino Lawrenceburg	Lawrenceburg, IN	Dockside gaming	634,000	74.1	32.1	295
Hollywood Casino Aurora	Aurora, IL	Dockside gaming	222,189	.4	2.1	—
Hollywood Casino Joliet	Joliet, IL	Dockside gaming	322,446	276.4	—	100
Argosy Casino Alton	Alton, IL	Dockside gaming	241,762	.2	3.6	—
Hollywood Casino Toledo	Toledo, OH	Land-based gaming	285,335	44.3	—	—
Hollywood Casino Columbus	Columbus, OH	Land-based gaming	354,075	116.2	—	—
Hollywood Gaming at Dayton Raceway	Dayton, OH	Land-based gaming/Harness racing	—	119.4	—	—
Hollywood Gaming at Mahoning Valley Race Course	Youngstown, OH	Land-based gaming/Thoroughbred racing	—	193.4	—	—
Subtotal			2,059,807	824.4	37.8	395
East/West						
Hollywood Casino at Charles Town Races	Charles Town, WV	Land-based gaming/Thoroughbred racing	511,249	298.6	—	153
Hollywood Casino at Penn National Race Course	Grantville, PA	Land-based gaming/Thoroughbred racing	451,758	573.7	—	—
M Resort	Henderson, NV	Land-based gaming	910,173	87.6	4.0	390
Hollywood Casino Perryville	Perryville, MD	Land-based gaming	97,961	36.4	—	—
Hollywood Casino Bangor	Bangor, ME	Land-based gaming/Harness racing	257,085	6.7	27.0	152
Zia Park Casino	Hobbs, NM	Land-based gaming/Thoroughbred racing	109,067	317.4	—	—
Subtotal			2,337,293	1,320.4	31.0	695
Southern Plains						
Hollywood Casino Bay St. Louis	Bay St. Louis, MS	Land-based gaming	425,920	579.9	—	291
Argosy Casino Riverside	Riverside, MO	Dockside gaming	450,397	41.0	6.8	258
Hollywood Casino Tunica	Tunica, MS	Dockside gaming	315,831	—	67.7	494
Boomtown Biloxi	Biloxi, MS	Dockside gaming	134,800	1.6	26.6	—
Hollywood Casino Baton Rouge	Baton Rouge, LA	Dockside gaming	120,517	28.9	—	—
Argosy Casino Sioux City	Sioux City, IA	Dockside gaming	73,046	—	4.6	—
Hollywood Casino St. Louis	Maryland Heights, MO	Dockside gaming	645,270	247.8	—	502
Subtotal			2,165,781	899.2	105.7	1,545
Total			6,562,881	3,044.0	174.5	2,635

(1) Square footage includes conditioned space. Excludes parking garages and barns.

(2) Leased acreage reflects land subject to leases with third parties and includes land on which certain of the current facilities and ancillary supporting structures are located as well as parking lots and access rights. Failure to retain such leased land could have a material adverse impact on the operations of Penn at such properties.

Description of the Properties

Midwest

Hollywood Casino Lawrenceburg

We will own and lease 53 acres in Lawrenceburg, Indiana, a portion of which serves as the dockside embarkation for the gaming vessel, and includes a Hollywood-themed casino riverboat, an entertainment pavilion, a 295-room hotel, two parking garages and an adjacent surface lot. In addition, we will own 53-acres on Route 50 used for remote parking.

The City of Lawrenceburg is currently constructing a hotel near the Hollywood Casino Lawrenceburg property. By contractual agreement reached with the City of Lawrenceburg, the project will ultimately be owned by us upon completion of construction. Currently slated to include 165 rooms and approximately 18,000 square feet of multipurpose space, the City of Lawrenceburg anticipates an opening date in the first quarter of 2014.

Hollywood Casino Aurora

We will own a dockside barge structure and land-based pavilion in Aurora, Illinois. We will own the land, which is approximately 0.4 acres, on which the pavilion is located and a pedestrian walkway bridge. The property also includes a parking lot under an operating lease agreement and two parking garages under capital lease agreements, together comprising over 2 acres.

Hollywood Casino Joliet

We will own approximately 276 acres in Joliet, Illinois, which includes a barge-based casino, land-based pavilion, a 100-room hotel, a 1,100 space parking garage, surface parking areas and a recreational vehicle park.

Argosy Casino Alton

We will lease 3.6-acres in Alton, Illinois, a portion of which serves as the dockside boarding for the Alton Belle II, a riverboat casino. The dockside facility includes an entertainment pavilion and office space, as well as surface parking areas with 1,341 spaces. In addition, we will lease a warehouse facility and will own an office building property consisting of 0.2 acres.

Hollywood Casino Toledo

We will own a 44-acre site in Toledo, Ohio, where Penn opened Hollywood Casino Toledo on May 29, 2012. The property includes the casino as well as structured and surface parking.

Hollywood Casino Columbus

We will own approximately 116 acres of land in Columbus, Ohio, where Penn opened Hollywood Casino Columbus on October 8, 2012. The property includes the casino as well as structured and surface parking.

Hollywood Gaming at Dayton Raceway

We will own approximately 119 acres in Dayton, Ohio, where we intend to develop a new integrated racing and gaming facility, a standardbred track, which we anticipate completing in 2014 before leasing that property to Penn.

Hollywood Gaming at Mahoning Valley Race Course

We will own approximately 193 acres in Youngstown, Ohio, where we intend to develop a new integrated racing and gaming facility, a thoroughbred track, which we anticipate completing in 2014 before leasing that property to Penn.

East/West

Hollywood Casino at Charles Town Races

We will own approximately 300 acres on various parcels in Charles Town and Ranson, West Virginia of which 155 acres comprise Hollywood Casino at Charles Town Races. The facility includes a 153-room hotel and a 3/4-mile all-weather lighted thoroughbred racetrack, a training track, two parking garages, an employee parking lot, an enclosed grandstand/clubhouse and housing facilities for over 1,300 horses.

Hollywood Casino at Penn National Race Course

We will own approximately 574 acres in Grantville, Pennsylvania, where Penn National Race Course is located on 181 acres. The facility includes a one-mile all-weather lighted thoroughbred racetrack and a 7/8-mile turf track, a parking garage and surface parking spaces. The property also includes approximately 393 acres surrounding the Penn National Race Course that are available for future expansion or development.

M Resort

We will own approximately 88 acres on the southeast corner of Las Vegas Boulevard and St. Rose Parkway in Henderson, Nevada, where the M Resort is located. The M Resort property includes a 390-room hotel, a 4,700 space parking facility, and other facilities. We will also lease approximately 4 acres of land which is part of the property.

Hollywood Casino Perryville

We will own approximately 36 acres of land in Perryville, Maryland, where Hollywood Casino Perryville is located.

Hollywood Casino Bangor

We will own and lease the land on which the Hollywood Casino Bangor facility is located in Bangor, Maine, which consists of just over 9 acres, and includes a 152-room hotel and four-story parking. In addition, we will lease approximately 25 acres located at historic Bass Park, which is adjacent to the facility, which includes a one-half mile standard bred racetrack and a grandstand with over 12,000 square feet and seating for 3,500 patrons.

Zia Park Casino

The casino adjoins the racetrack and is located on an approximately 317 acres that we will own in Hobbs, New Mexico. The property includes a one-mile quarter/thoroughbred racetrack. We anticipate commencing construction of a new hotel, budgeted at $26.2 million which will include 150 rooms, six suites, a board/meeting room, exercise/fitness facilities and a breakfast venue.

Southern Plains

Hollywood Casino Bay St. Louis

We will own approximately 580 acres in the city of Bay St. Louis, Mississippi, including a 20-slip marina. The property includes a land-based casino, 18-hole golf course, a 291-room hotel, and other facilities.

Argosy Casino Riverside

We will own approximately 41 acres in Riverside, Missouri, which includes a barge-based casino, a 258-room luxury hotel, an entertainment/banquet facility and a parking garage. We will also lease 6.8 acres which is primarily used for overflow parking.

Hollywood Casino Tunica

We will lease approximately 68 acres of land in Tunica, Mississippi. The property includes a single-level casino, a 494-room hotel, surface parking and other land-based facilities.

Boomtown Biloxi

We will lease approximately 18.2 acres, most of which is utilized for the gaming location, under a lease that expires in 2093. We will also lease approximately 5 acres of submerged tidelands at the casino site from the State of Mississippi, which expires in 2039 with an option for a 30 year renewal, lease 3.6 acres for parking, own 1.2 acres of land mostly used for parking and welcome center, and own 0.4 acres of undeveloped land. We will own the barge on which the casino is located and all of the land-based facilities.

Hollywood Casino Baton Rouge

Hollywood Casino Baton Rouge is a four-story dockside riverboat casino located on approximately 20 acres, which we will own, on the east bank of the Mississippi River in the East Baton Rouge Downtown Development District. The property site serves as the dockside embarkation for Hollywood Casino Baton Rouge and features a two-story building. We will also own 4.8 acres of land that are used primarily for offices, warehousing, and parking. We will own 4 acres of adjacent land which features a railroad underpass that provides unimpeded access to the casino property.

Argosy Casino Sioux City

We will lease approximately 4.1 acres, for the landing rights and parking, which includes the dockside embarkation for the Argosy IV, a riverboat casino. We will own the Argosy IV as well as adjacent barge facilities. In December 2012, the City of Sioux City and Argosy Casino Sioux City reached a proposed agreement on extending this lease, which expired in January 2013. The agreement includes an initial extension of twelve months with the option to extend the lease for an additional eighteen months. The agreement was approved by the Sioux City Council in January 2013. We will also lease 0.4 acres primarily used for employee parking.

Hollywood Casino St. Louis

We will own 248 acres along the Missouri River in Maryland Heights, Missouri, which includes a 502-room hotel and structure and surface parking.

Other

On May 31, 2013, Penn announced that it and Endeka Entertainment LP ("Endeka") had submitted a proposal to the Pennsylvania Gaming Control Board for the development of a $225 million integrated racing and gaming facility in Mahoning Township, Pennsylvania. There is no assurance that

the required regulatory and other approvals necessary to commence the project will be granted, but we anticipate that, if approved, Penn will develop and manage the property and, following construction, GLPI will purchase the property and lease it back to the Penn/Endeka joint venture.

Lease Agreement

All but two of our properties—the TRS Properties, both of which will be operated by GLPI through its TRSs—will be leased to a subsidiary of Penn under the Master Lease, a "triple-net" operating lease with an initial term of 15 years, followed by four 5 year renewal options (exercisable by Penn). The rent structure under the Master Lease will include a component that will be based on the performance of the facilities and this component will be adjusted, subject to certain floors (i) every 5 years by an amount equal to 4% of the average change to net revenues of all facilities under the Master Lease (other than the two Hollywood Casinos in Columbus, Ohio and Toledo, Ohio) during the preceding five years, and (ii) monthly by an amount equal to 20% of the change in net revenues of the two Hollywood Casinos in Columbus, Ohio and Toledo, Ohio during the preceding month. For a more detailed description of the principal provisions of the Master Lease, please see "Relationship between GLPI and Penn after the Spin-Off—The Master Lease."

Before the Spin-Off, all gaming and related facilities that will be owned by us were owned and operated by Penn (including its subsidiaries). Penn did not lease any of its owned properties to anyone and therefore, no lease agreements or tenants existed for these properties before the Spin-Off.

Maintenance of the Properties

Under the Master Lease, Tenant, a subsidiary of Penn, will be required to make all expenditures reasonably necessary to maintain the premises in good appearance, repair and condition. Tenant will own and be required to maintain all personal property located at the leased properties in good repair and condition as is necessary to operate all the premises in compliance with applicable legal, insurance and licensing requirements. Without limiting the foregoing, Tenant will be required to spend an amount equal to at least 1% of its actual net revenue each calendar year on installation or maintenance, restoration and repair of items that are capitalized in accordance with GAAP with a life of not less than three years.

Capital Improvements (defined as any improvements, alternations or modifications other than ordinary maintenance of existing improvements, including, without limitation, capital improvements and structural alternations, modifications or improvements, one or more additional structures annexed to any facility or the expansion of existing improvements) by Tenant will be permitted without the consent of Lessor, a subsidiary of GLPI, only if such Capital Improvements (i) are of equal or better quality than the existing improvements they are improving, altering or modifying, (ii) do not consist of adding new structures or enlarging existing structures and (iii) do not have an adverse effect on the structure of any existing improvements. All other Capital Improvements will require Lessor's review and approval, which approval shall not be unreasonably withheld. Tenant will be required to provide copies of the plans and specifications in respect of all Capital Improvements, which shall be prepared in a high-grade professional manner and shall adequately demonstrate compliance with the foregoing with respect to permitted projects not requiring approval and shall be in such form as Lessor may reasonably require for any other projects.

Tenant will be required to pay for all maintenance expenditures and Capital Improvements, provided that Lessor will have a right of first offer to finance certain Capital Improvement projects. Tenant shall be permitted to seek outside financing for such Capital Improvements during the six month period following Lessor's offer of financing only on terms that are economically more advantageous to Tenant than offered by Lessor. Whether or not Capital Improvements are financed by Lessor, Lessor will be entitled to receive Percentage Rent based on the net revenues generated by the new improvements as described above and such Capital Improvements will be subject to the terms of

the Master Lease, provided that in no event shall Tenant be obligated to obtain financing from Lessor to the extent such financing from Lessor would violate or cause a default or breach under any material indebtedness of Penn or Tenant.

Mortgages, Liens or Encumbrances

At the time of the Spin-Off, GLPI will not have imposed any material mortgages, or other liens or encumbrances against the properties.

Competition

We will compete for real property investments with other REITs, investment companies, private equity and hedge fund investors, sovereign funds, lenders, gaming companies and other investors. In addition, revenues from our properties will be dependent on the ability of our tenants and operators to compete with other gaming operators. The operators of our properties compete on a local and regional basis for customers. The gaming industry is characterized by a high degree of competition among a large number of participants, including riverboat casinos, dockside casinos, land-based casinos, video lottery, sweepstakes and poker machines not located in casinos, Native American gaming, emerging varieties of Internet gaming and other forms of gaming in the U.S. In a broader sense, the gaming operations at our gaming properties will face competition from all manner of leisure and entertainment activities, including: shopping; high school, collegiate and professional athletic events; television and movies; concerts and travel. Legalized gaming is currently permitted in various forms throughout the U.S., in several Canadian provinces and on various lands taken into trust for the benefit of certain Native Americans in the U.S. and Canada. Other jurisdictions, including states adjacent to states in which we will own property with facilities (such as in Ohio and Maryland), have legalized, and will expand gaming in the near future. In addition, established gaming jurisdictions could award additional gaming licenses or permit the expansion or relocation of existing gaming operations. New, relocated or expanded operations by other persons will increase competition for the gaming operations at our gaming properties and could have a material adverse impact on the operators and us as landlord and operator.

Some of our competitors are significantly larger and have greater financial resources and lower costs of capital than we have. Increased competition will make it more challenging to identify and successfully capitalize on acquisition opportunities that meet our investment objectives. Our ability to compete is also impacted by national and local economic trends, availability of investment alternatives, availability and cost of capital, construction and renovation costs, existing laws and regulations, new legislation and population trends. See "Risk Factors—Risk Factors Relating to Our Business following the Spin-Off—Our pursuit of investments in, and acquisitions or development of, additional properties may be unsuccessful or fail to meet our expectations."

As a landlord, we compete in the real estate market with numerous developers and owners of properties. Some of our competitors have greater economies of scale, have access to more resources and have greater name recognition than we do. If our competitors offer space at rental rates below the current market rates or below the rentals we currently charge, we may lose our (potential) tenants and we may be pressured to reduce our rental rates or to offer substantial rent abatements, tenant improvement allowances, early termination rights or below-market renewal options in order to win new tenants and retain tenants when our leases expire.

Employees

Approximately 900 current employees of Penn are expected to be employed by GLPI following the Spin-Off. Substantially all of these employees will be employed at Louisiana Casino Cruises, Inc. and Penn Cecil Maryland, Inc., both of which will be wholly owned subsidiaries of GLP Holdings, Inc., in connection with the operation of the TRS Properties.

Regulation

The ownership, operation, and management of gaming and racing facilities are subject to pervasive regulation. Gaming laws are generally based upon declarations of public policy designed to protect gaming consumers and the viability and integrity of the gaming industry. Gaming laws also may be designed to protect and maximize state and local revenues derived through taxes and licensing fees imposed on gaming industry participants as well as to enhance economic development and tourism. To accomplish these public policy goals, gaming laws establish procedures to ensure that participants in the gaming industry meet certain standards of character and fitness. In addition, gaming laws require gaming industry participants to:

- ensure that unsuitable individuals and organizations have no role in gaming operations;
- establish procedures designed to prevent cheating and fraudulent practices;
- establish and maintain responsible accounting practices and procedures;
- maintain effective controls over their financial practices, including establishment of minimum procedures for internal fiscal affairs and the safeguarding of assets and revenues;
- maintain systems for reliable record keeping;
- file periodic reports with gaming regulators;
- ensure that contracts and financial transactions are commercially reasonable, reflect fair market value and are arms-length transactions; and
- establish programs to promote responsible gaming.

These regulations will impact our business in two important ways: (1) our ownership and operation of the TRS Properties and (2) the operations of our gaming tenants. Our ownership and operation of the TRS Properties will subject GLPI and its officers and directors to the jurisdiction of the gaming regulatory agencies in Louisiana and Maryland. Further, many gaming and racing regulatory agencies in the jurisdictions in which our tenant operates will require GLPI and its affiliates to maintain a license as a key business entity or supplier of Penn because its status as landlord.

Licensing and Suitability Determinations

Gaming laws require us, each of our subsidiaries engaged in gaming operations, certain of our directors, officers and employees, and in some cases, certain of our shareholders and holders of our debt securities, to obtain licenses from gaming authorities. Licenses typically require a determination that the applicant qualifies or is suitable to hold the license. Gaming authorities have very broad discretion in determining whether an applicant qualifies for licensing or should be deemed suitable. In evaluating individual applicants, gaming authorities consider the individual's business experience and reputation for good character, the individual's criminal history and the character of those with whom the individual associates.

In addition to our affiliates, many jurisdictions require any person who acquires beneficial ownership of more than a certain percentage of our voting securities, typically 5%, to report the acquisition to gaming authorities, and gaming authorities may require such holders to apply for qualification or a finding of suitability. Most gaming authorities, however, allow an "institutional investor" to apply for a waiver. An "institutional investor" is generally defined as an investor acquiring and holding voting securities in the ordinary course of business as an institutional investor, and not for the purpose of causing, directly or indirectly, the election of a member of our board of directors, any change in our corporate charter, bylaws, management, policies or operations, or those of any of our gaming affiliates, or the taking of any other action which gaming authorities find to be inconsistent with holding our voting securities for investment purposes only. Even if a waiver is granted, an institutional investor generally may not take any action inconsistent with its status when the waiver was granted without once again becoming subject to the foregoing reporting and application obligations.

Generally, any person who fails or refuses to apply for a finding of suitability or a license within the prescribed period after being advised it is required by gaming authorities may be denied a license or found unsuitable, as applicable. Any shareholder found unsuitable or denied a license and who holds, directly or indirectly, any beneficial ownership of our voting securities beyond such period of time as may be prescribed by the applicable gaming authorities may be guilty of a criminal offense. Furthermore, we may be subject to disciplinary action if, after we receive notice that a person is unsuitable to be a shareholder or to have any other relationship with us or any of our subsidiaries, we: (i) pay that person any dividend or interest upon our voting securities; (ii) allow that person to exercise, directly or indirectly, any voting right conferred through securities held by that person; (iii) pay remuneration in any form to that person for services rendered or otherwise; or (iv) fail to pursue all lawful efforts to require such unsuitable person to relinquish his voting securities including, if necessary, the immediate purchase of said voting securities for cash at fair market value.

The gaming jurisdictions in which we will operate also require that suppliers of certain goods and services to gaming industry participants be licensed and require us to purchase and lease gaming equipment, and certain supplies and services only from licensed suppliers.

Violations of Gaming Laws

If we or our subsidiaries violate applicable gaming laws, our licenses could be limited, conditioned, suspended or revoked by gaming authorities, and we and any other persons involved could be subject to substantial fines. Further, a supervisor or conservator can be appointed by gaming authorities to operate our gaming properties, or in some jurisdictions, take title to our gaming assets in the jurisdiction, and under certain circumstances, earnings generated during such appointment could be forfeited to the applicable state or states. Furthermore, violations of laws in one jurisdiction could result in disciplinary action in other jurisdictions. As a result, violations by us of applicable gaming laws could have a material adverse effect on our gaming operations.

Review and Approval of Transactions

Substantially all material loans, leases, sales of securities and similar financing transactions by us and our subsidiaries must be reported to and in some cases approved by gaming authorities. Neither we nor any of our subsidiaries may make a public offering of securities without the prior approval of certain gaming authorities. Changes in control through merger, consolidation, stock or asset acquisitions, management or consulting agreements, or otherwise are subject to receipt of prior approval of gaming authorities. Entities seeking to acquire control of us or one of our subsidiaries must satisfy gaming authorities with respect to a variety of stringent standards prior to assuming control.

Hollywood Casino Baton Rouge—Riverboat Casino

We will own the site where the Hollywood Casino Baton Rouge, a riverboat casino, is located. The Hollywood Casino Baton Rouge is subject to regulations applicable to vessels operating on navigable waterways, including regulations of the U.S. Coast Guard. These requirements set limits on the operation of the vessel, mandate that it must be operated by a minimum complement of licensed personnel, establish periodic inspections, including the physical inspection of the outside hull, and establish other mechanical and operations rules.

Insurance

We will have or require our tenants to have comprehensive liability, fire, flood, extended coverage and rental loss insurance with respect to our portfolio of properties.

Legal Proceedings

Pursuant to the Separation and Distribution Agreement, any liability arising from or relating to legal proceedings involving the businesses and operations of Penn's real property holdings prior to the

Spin-Off (other than any liability arising from or relating to legal proceedings where the dispute arises from the operation or ownership of the TRS Properties) will be retained by Penn and that Penn will indemnify GLPI (and its subsidiaries, directors, officers, employees and agents and certain other related parties) against any losses it may incur arising from or relating to such legal proceedings. Penn is currently a party to various legal actions and administrative proceedings and is subject to various claims arising in the ordinary course of its business. There can be no assurance that Penn will be able to fully satisfy its indemnification obligations. Moreover, even if we ultimately succeed in recovering from Penn any amounts for which we are held liable, we may be temporarily required to bear these losses.

Environmental Matters

Our properties will be subject to environmental laws regulating, among other things, air emissions, wastewater discharges and the handling and disposal of wastes, including medical wastes. Certain of the properties we will own utilize above or underground storage tanks to store heating oil for use at the properties. Other properties were built during the time that asbestos-containing building materials were routinely installed in residential and commercial structures. The Master Lease obligates the tenant thereunder to comply with applicable environmental laws and to indemnify us if their noncompliance results in losses or claims against us, and we expect that any future leases will include the same provisions for other operators. An operator's failure to comply could result in fines and penalties or the requirement to undertake corrective actions which may result in significant costs to the operator and thus adversely affect their ability to meet their obligations to us.

Pursuant to U.S. federal, state and local environmental laws and regulations, a current or previous owner or operator of real property may be required to investigate, remove and/or remediate a release of hazardous substances or other regulated materials at, or emanating from, such property. Further, under certain circumstances, such owners or operators of real property may be held liable for property damage, personal injury and/or natural resource damage resulting from or arising in connection with such releases. Certain of these laws have been interpreted to be joint and several unless the harm is divisible and there is a reasonable basis for allocation of responsibility. We also may be liable under certain of these laws for damage that occurred prior to our ownership of a property or at a site where we sent wastes for disposal. The failure to properly remediate a property may also adversely affect our ability to lease, sell or rent the property or to borrow funds using the property as collateral.

In connection with the ownership of our current properties and any properties that we may acquire in the future, we could be legally responsible for environmental liabilities or costs relating to a release of hazardous substances or other regulated materials at or emanating from such property. In order to assess the potential for such liability, Penn has typically engaged (and we would expect in the future to typically engage) a consultant to conduct a limited environmental assessment of each property prior to acquisition and oversee our properties in accordance with environmental laws. We are not aware of any environmental issues that are expected to have a material impact on the operations of any of our properties.

Pursuant to the Master Lease and the Separation and Distribution Agreement, any liability arising from or relating to environmental liabilities arising from the businesses and operations of Penn's real property holdings prior to the Spin-Off (other than any liability arising from or relating to the operation or ownership of the TRS properties and except to the extent first discovered after the end of the term of the Master Lease) will be retained by Penn and that Penn will indemnify GLPI (and its subsidiaries, directors, officers, employees and agents and certain other related parties) against any losses arising from or relating to such environmental liabilities. There can be no assurance that Penn will be able to fully satisfy its indemnification obligations. Moreover, even if we ultimately succeed in recovering from Penn any amounts for which we are held liable, we may be temporarily required to bear these losses while seeking recovery from Penn.

CAPITALIZATION

The following table sets forth the unaudited pro forma capitalization of GLPI as of June 30, 2013, which gives effect to the Spin-Off and the transactions related to the Spin-Off, including the Internal Reorganization and the financing transactions, as if they occurred on June 30, 2013.

The assumptions used and pro forma adjustments derived from such assumptions are based on currently available information and GLPI believes such assumptions are reasonable under the circumstances.

This table should be read in conjunction with "Selected Historical Consolidated Financial Data," "Financing," "Description of Capital Stock of GLPI," "Management's Discussion and Analysis of Financial Condition and Results of Operations of GLPI," the combined financial statements of Louisiana Casino Cruises, Inc. and Penn Cecil Maryland, Inc. as well as the financial information on GLPI and "GLPI Unaudited Pro Forma and Forecasted Consolidated Financial Statements" and accompanying notes included in this Prospectus.

	As of June 30, 2013 (in thousands)			
	Louisiana Casino Cruises, Inc. and Penn Cecil Maryland, Inc.	**Real Estate Assets to be acquired by GLPI**	**Pro Forma Adjustments**	**Pro Forma**
Cash and cash equivalents	$ 18,400	$ —	$ 392,052	$ 414,452
Long term debt, including amounts due within one year				
Unsecured Term Loan A	$ —	$ —	$ 300,000	$ 300,000
Unsecured Revolver(1)	—	—	150,000	150,000
Sr. Notes—Anticipate three tranches with maturities ranging from 5 to 10 years	—	—	2,050,000	2,050,000
Total debt	—	—	2,500,000	2,500,000
Shareholder's equity	244,243	2,014,008	(2,110,695)	147,556
Total Capitalization	**$ 244,243**	**$ 2,014,008**	**$ 389,305**	**$ 2,647,556**

(1) The revolving credit facility is expected to provide up to $850 million of borrowing capacity.

SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA

The following table sets forth selected combined historical financial data of Louisiana Casino Cruises, Inc. and Penn Cecil Maryland, Inc. which will be acquired by a subsidiary of GLPI that we anticipate will be called GLP Holdings, Inc., and which will operate the TRS Properties after the Spin-Off. GLPI will also acquire certain real estate assets in connection with the Spin-Off. As such, the balance sheet of GLPI at the time of the Spin-Off will reflect both the assets and liabilities of Louisiana Casino Cruises, Inc. and Penn Cecil Maryland, Inc. as well as the real estate assets at their respective historical carrying values.

The following selected historical financial data does not reflect the financial position or results of operations of GLPI for the periods indicated. This historical financial data only reflects the historical operations of the TRS Properties to be acquired by GLP Holdings, Inc. and does not illustrate any rent for the other properties to be owned by GLPI or the related expenses of operating GLPI in these periods. The following table should be read in conjunction with: "GLPI Unaudited Pro Forma and Forecasted Consolidated Financial Statements," "Management's Discussion and Analysis of Financial Condition and Results of Operations of GLPI" and the historical combined financial statements of Louisiana Casino Cruises, Inc. and Penn Cecil Maryland, Inc. and financial information on GLPI presented elsewhere herein.

	Year Ended December 31				
	2012(1)	2011	2010(2)	2009(2)	2008
			(in thousands)		
Income statement data:					
Net revenues	$ 210,643	$ 231,884	$ 143,198	$ 122,994	$ 131,014
Total operating expenses	166,975	179,371	112,067	83,979	87,185
Income from operations	43,668	52,513	31,131	39,015	43,829
Total other expenses	(6,318)	(6,954)	(4,874)	(5,633)	(8,010)
Income from operations before income taxes	37,350	45,559	26,257	33,382	35,819
Taxes on income	14,431	18,875	10,927	13,393	13,966
Net income	$ 22,919	$ 26,684	$ 15,330	$ 19,989	$ 21,853
Other data:					
Net cash provided by operating activities	$ 26,744	$ 56,840	$ 29,083	$ 25,047	$ 27,526
Net cash used in investing activities	(4,810)	(8,171)	(58,987)	(34,489)	(5,744)
Net cash (used in) provided by financing activities	(24,518)	(50,436)	41,866	9,525	(21,790)
Depreciation	14,090	14,568	10,809	9,158	9,236
Interest expense on debt obligation to Penn National Gaming, Inc.	—	—	583	1,949	4,097
Capital expenditures	5,190	8,288	59,056	25,683	5,748
Balance sheet data:					
Cash and cash equivalents	$ 14,562	$ 17,146	$ 18,913	$ 6,951	$ 6,868
Total assets	266,286	261,342	254,208	181,956	155,348
Intercompany note with Penn National Gaming, Inc.	—	—	900	21,650	44,300
Shareholders' equity	236,330	219,911	215,388	138,857	85,475

(1) Hollywood Casino Perryville faced increased competition and its results have been and are expected to continue to be negatively impacted by the opening of a casino complex at the Arundel Mills mall in Anne Arundel, Maryland. The Anne Arundel casino opened on June 6, 2012 with approximately 3,200 slot machines and significantly increased its slot machine offerings by mid-September 2012 to approximately 4,750 slot machines. In addition, a new riverboat casino and hotel in Baton Rouge, Louisiana opened on September 1, 2012. The opening of this riverboat casino has and is anticipated to continue to have an adverse effect on the financial results of Hollywood Casino Baton Rouge.

(2) The higher level of capital expenditures in 2010 and 2009 were primarily due to the construction of Hollywood Casino Perryville which opened to the public on September 27, 2010.

GLPI UNAUDITED PRO FORMA AND FORECASTED CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the Internal Reorganization, the net equity of both Louisiana Casino Cruises, Inc. and Penn Cecil Maryland, Inc., in addition to the real estate assets and liabilities associated with Penn's real property interest and real estate development business, will be contributed to GLPI at their respective historical carrying values prior to the Spin-Off. GLPI will issue (actually or constructively) to Penn shares of GLPI common stock at the time these assets and equity are acquired. GLPI will obtain external financing and distribute the proceeds of such financing, directly or indirectly, to Penn. Subsequent to the Internal Reorganization, Penn will distribute all of the outstanding shares of GLPI common stock to holders of Penn Common Stock and Penn Series C preferred stock in a tax-free distribution, which will be accounted for in accordance with ASC topic 505-60.

The following financial statements reflect the unaudited pro forma consolidated balance sheet of GLPI as of June 30, 2013, as if the Internal Reorganization, the Separation and the REIT Conversion had occurred on June 30, 2013, and also reflect the unaudited forecasted consolidated income statement of GLPI for the twelve months ended October 31, 2014 as if the Internal Reorganization and the Separation occurred on November 1, 2013, and the REIT Conversion had occurred on January 1, 2014. The Unaudited Pro Forma Consolidated Balance Sheet has been prepared in accordance with Rule 11 of Regulation S-X. The Unaudited Forecasted Consolidated Income Statement has been prepared in conformity with guidelines established by the American Institute of Certified Public Accountants. In the view of our management, the forecasted consolidated income statement was prepared on a reasonable basis, reflects the best currently available estimates and judgments and presents, to the best of management's knowledge and belief, our expected course of action and our expected future financial performance. However, this information is not fact and should not be relied upon as being indicative of future results, and, therefore, readers of this Prospectus are cautioned not to place undue reliance on this prospective financial information.

The assumptions underlying the pro forma adjustments are described in the accompanying notes, which should be read in conjunction with the unaudited pro forma consolidated financial information. The assumptions used and pro forma adjustments derived from such assumptions are based on currently available information, and we believe such assumptions are reasonable under the circumstances.

These financial statements have been made solely for illustrative purposes. The actual results reported in periods following the Internal Reorganization, the Spin-Off and the REIT Conversion may differ significantly from those reflected in these pro forma and forecasted financial statements for a number of reasons, including inaccuracy of the assumptions used to prepare these financial statements. Please read "Risk Factors" and "Forward-Looking Statements" elsewhere in this Registration Statement for a discussion of matters that could cause our actual results to differ materially from those contained in these financial statements. In addition, no adjustments have been made to the unaudited forecasted consolidated income statement for non-recurring items related to the transactions. As a result, the pro forma and forecasted financial information does not purport to be indicative of what the financial condition or results of operations would have been had the Internal Reorganization, the Separation and the REIT Conversion been completed on the applicable dates of these financial statements.

The accompanying unaudited forecasted and pro forma consolidated financial statements should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations of GLPI."

GLPI

UNAUDITED FORECASTED CONSOLIDATED INCOME STATEMENT

For the twelve month period ended October 31, 2014 (in thousands)

	Total	
Revenues		
Rental income	$ 429,827	(A)
Gaming revenues	160,799	(B)
Food and beverage revenues, net of promotional allowances of $10,976	5,949	(B)
Total revenues	596,575	
Operating expenses		
Gaming expenses	70,832	(B)
Gaming general and administrative expenses	38,312	(B)
Food and beverage expenses	17,091	(B)
Other expenses	49,343	(C)
Real estate depreciation	119,341	(D)
Total operating expenses	294,919	
Earnings from operations	301,656	
Other expenses		
Interest expense	142,662	(E)
Income before income taxes	158,994	
Income tax expense	13,907	(F)
Net income	$ 145,087	
Weighted average number of common and common equivalent shares outstanding		
Basic	120,862	(G)
Diluted	126,822	(G)
Basic earnings per share	$ 1.20	
Diluted earnings per share	$ 1.14	

See accompanying notes to unaudited pro forma and forecasted consolidated financial statements.

GLPI

UNAUDITED PRO FORMA CONSOLIDATED BALANCE SHEET

As of June 30, 2013 (in thousands)

	Historical GLPI	Louisiana Casino Cruises, Inc. and Penn Cecil Maryland, Inc	Real Estate Assets to be acquired by GLPI	Total Pro Forma Adjustments		Pro Forma GLPI
Assets						
Current assets						
Cash and cash equivalents	$ —	$ 18,400	$ —	$ 2,500,000	(H)	$ 410,452
				(2,067,000)	(I)	
				(42,830)	(J)	
				1,882	(K)	
Prepaid expenses and other current assets	—	2,397	—	—		2,397
Deferred income taxes	—	1,766	—	—		1,766
Total current assets	—	22,563	—	392,052		414,615
Property and equipment, Gross	—	214,853	2,463,198			2,678,051
Accumulated Depreciation	—	(100,867)	(449,190)			(550,057)
Property and equipment, Net	—	113,986	2,014,008	—		2,127,994
Other assets						
Intercompany receivable	—	43,695	—	(43,695)	(N)	—
Goodwill	—	75,521	—	—		75,521
Other intangible assets	—	9,577	—	—		9,577
Debt issuance costs	—	—	—	42,830	(J)	42,830
Other assets	—	128	—	9,508	(L)	9,636
Total other assets	—	128,921	—	8,643		137,564
Total assets	$ —	$ 265,470	$ 2,014,008	$ 400,695		$2,680,173
Liabilities						
Current liabilities						
Accounts payable and accrued expenses	$ —	$ 8,964	$ —	$ —		$ 8,964
Income taxes	—	3,706	—	—		3,706
Other current liabilities	—	1,606	—	1,882	(K)	3,488
Total current liabilities	—	14,276	—	1,882		16,158
Long-term liabilities						
Long-term debt	—	—	—	2,500,000	(H)	2,500,000
Deferred income taxes	—	6,951	—	38,521	(M)	6,951
				(38,521)	(M)	
				3,350	(O)	
				(3,350)	(O)	
Other noncurrent liabilities	—		—	9,508	(L)	9,508
Total long-term liabilities	—	6,951	—	2,509,508		2,516,459
Shareholders' equity						
Net equity	—	244,243	2,014,008	(2,067,000)	(I)	122,556
				38,521	(M)	
				(38,521)	(M)	
				(43,695)	(N)	
				3,350	(O)	
				(3,350)	(O)	
Total shareholders' equity	—	244,243	2,014,008	(2,110,695)		147,556
Total liabilities and shareholders' equity	$ —	$ 265,470	$ 2,014,008	$ 400,695		$2,680,173

See accompanying notes to unaudited pro forma and forecasted consolidated financial statements.

NOTES TO GLPI UNAUDITED
PRO FORMA AND FORECASTED CONSOLIDATED FINANCIAL STATEMENTS

The forecasted consolidated income statement presents, to the best of management's knowledge and belief, the Company's expected results of operations for the forecast period as if the Internal Reorganization and the Separation occurred on November 1, 2013 and the REIT Conversion occurred on January 1, 2014. Accordingly, the forecast reflects management's judgment as of August 22, 2013, the date of this forecast of the expected conditions and its expected course of action. The assumptions disclosed herein in Note 2 are those that management believes are significant to the forecast. There will usually be differences between forecasted and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

The forecast assumes no material changes in applicable legislation, competition (as well as changes in marketing strategies of the Company's or Penn's competitors in their respective regional gaming markets), regulatory environment, world events, weather, consumer trends, economic conditions, or other circumstances beyond management's control that may adversely affect the Company's results of operations.

The forecast assumes GLPI will lease 19 gaming and related facilities to Penn. It includes 2.5 months of rental income totaling $6 million, from the two facilities in Dayton, OH and Mahoning Valley, OH that are currently being constructed by Penn in Ohio. It also includes rental income of $5.2 million for the entire period related to Penn's Sioux City casino which, based on recent events, may be forced to close as early as July 2014.

Note 1—Summary of Significant Accounting Policies

The accounting policies utilized in the preparation of our Unaudited Pro Forma Consolidated Balance Sheet and Unaudited Forecasted Consolidated Income Statement are shown below and are consistent with those utilized in the preparation of the historical financial statements.

Cash and Cash Equivalents

The Company considers all cash balances and highly liquid investments with original maturities of three months or less to be cash and cash equivalents.

Concentration of Credit Risk

Financial instruments that subject the Company to credit risk consist of cash and cash equivalents. At times, the Company has bank deposits that exceed federally insured limits.

Accounts are written off when management determines that an account is uncollectible. Recoveries of accounts previously written off are recorded when received. An allowance for doubtful accounts is determined to reduce the Company's receivables to their carrying value, which approximates fair value. The allowance is estimated based on historical collection experience, specific review of individual customer accounts, and current economic and business conditions.

Property and Equipment

Property and equipment are stated at cost, less accumulated depreciation. Maintenance and repairs that neither add materially to the value of the asset nor appreciably prolong its useful life are charged to expense as incurred. Gains or losses on the disposal of property and equipment are included in the determination of income.

NOTES TO GLPI UNAUDITED
PRO FORMA AND FORECASTED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Note 1—Summary of Significant Accounting Policies (Continued)

Depreciation of property and equipment is recorded using the straight-line method over the following estimated useful lives:

Land improvements	5 to 15 years
Building and improvements	5 to 40 years
Furniture, fixtures, and equipment	3 to 31 years

Leasehold improvements are depreciated over the shorter of the estimated useful life of the improvement or the related lease term.

The estimated useful lives are determined based on the nature of the assets as well as the Company's current operating strategy.

The Company reviews the carrying value of its property and equipment for possible impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable based on undiscounted estimated future cash flows expected to result from its use and eventual disposition. The factors considered by the Company in performing this assessment include current operating results, trends and prospects, as well as the effect of obsolescence, demand, competition and other economic factors. In assessing the recoverability of the carrying value of property and equipment, the Company must make assumptions regarding future cash flows and other factors. If these estimates or the related assumptions change in the future, the Company may be required to record an impairment loss for these assets.

Goodwill and Other Intangible Assets

At June 30, 2013, the Company had $75.5 million in goodwill and $9.6 million in other intangible assets within its consolidated balance sheet, resulting from the acquisition of Hollywood Casino Baton Rouge and payments for Hollywood Casino Perryville's gaming license.

Goodwill is tested annually, or more frequently if indicators of impairment exist, for impairment by comparing the fair value of the Hollywood Casino Baton Rouge reporting unit to its carrying amount. If the carrying amount exceeds its fair value in step 1 of the impairment test, then step 2 of the impairment test is performed to determine the implied value of goodwill. If the implied value of goodwill is less than the goodwill allocated, an impairment loss is recognized.

In accordance with Financial Accounting Standards Board Accounting Standards Codification ("ASC") 350, "Intangibles-Goodwill and Other," the Company considers its Hollywood Casino Perryville gaming license as an indefinite-life intangible asset that does not require amortization based on the Company's future expectations to operate this casino indefinitely as well as the gaming industry's historical experience in renewing these intangible assets at minimal cost with various state gaming and racing commissions. Rather, the Company's gaming license is tested annually, or more frequently if indicators of impairment exist, for impairment by comparing the fair value of the recorded asset to its carrying amount. If the carrying amount of the indefinite-life intangible asset exceeds its fair value, an impairment loss is recognized.

The evaluation of goodwill and indefinite-life intangible assets requires the use of estimates about future operating results to determine their estimated fair value. The Company uses a market approach model, which includes the use of forecasted adjusted EBITDA (earnings before interest, taxes, charges for stock compensation, depreciation and amortization, gain or loss on disposal of assets, and certain

NOTES TO GLPI UNAUDITED
PRO FORMA AND FORECASTED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Note 1—Summary of Significant Accounting Policies (Continued)

other income and expenses) and adjusted EBITDA multiples, as the Company believes that adjusted EBITDA is a widely-used measure of performance in the gaming industry and as the Company uses adjusted EBITDA as the primary measurement of the operating performance of its casino properties (including the evaluation of operating personnel). In addition, the Company believes that an adjusted EBITDA multiple is the principal basis for the valuation of gaming companies. Changes in the estimated adjusted EBITDA multiples or forecasted operations can materially affect these estimates.

Forecasted adjusted EBITDA levels (based on the Company's annual operating plan) can be significantly impacted by the local economy in which the Company's reporting units operate. For example, increases in unemployment rates can result in decreased customer visitations and/or lower customer spend per visit. In addition, the impact of new legislation which approves gaming in nearby jurisdictions or further expands gaming has the impact of increasing competition for the Company's casino properties which generally will have a negative effect on those locations' profitability once competitors become established as a certain level of cannibalization occurs absent an overall increase in customer visitations. Lastly, increases in gaming taxes approved by state regulatory bodies can negatively impact forecasted adjusted EBITDA.

Assumptions and estimates about future adjusted EBITDA levels and multiples are complex and subjective. They are sensitive to changes in underlying assumptions and can be affected by a variety of factors, including external factors, such as industry, geopolitical and economic trends, and internal factors, such as changes in the Company's business strategy. The Company's two casinos faced significant increases in competition in the second half of 2012 which has negatively impacted their operations. However, the Company has forecasted the impact of this additional competition on its two casinos' future operating results and incorporated these projections in its impairment analysis of the Company's goodwill and indefinite-life intangible assets. At December 31, 2012, no impairment charge was required as the implied fair value of both Hollywood Casino Perryville and Hollywood Casino Baton Rouge exceeded their fair values.

Income Taxes

These financial statements have been prepared based on the assumption that the Company qualified as a REIT under the Internal Revenue Code, As such, the Company generally will not be subject to federal corporate income tax to the extent it distributes its REIT taxable income to its stockholders, and so long as it distributes 90% of its REIT taxable income. REITs are subject to a number of other organizational and operational requirements. The Company may still be subject to certain state and local taxes on its income and property, and federal income and excise taxes on its undistributed income. Additionally, it will be subject to federal income taxes on earnings generated by its taxable REIT subsidiaries.

The Company accounts for income taxes in accordance with ASC 740, "Income Taxes" ("ASC 740"). Under ASC 740, deferred tax assets and liabilities are determined based on the differences between the financial statement carrying amounts and the tax bases of existing assets and liabilities and are measured at the prevailing enacted tax rates that will be in effect when these differences are settled or realized. ASC 740 also requires that deferred tax assets be reduced by a valuation allowance if it is more likely than not that some portion or all of the deferred tax assets will not be realized.

The realizability of the deferred tax assets is evaluated quarterly by assessing the valuation allowance and by adjusting the amount of the allowance, if any, as necessary. The factors used to assess

NOTES TO GLPI UNAUDITED
PRO FORMA AND FORECASTED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Note 1—Summary of Significant Accounting Policies (Continued)

the likelihood of realization are the forecast of future taxable income and available tax planning strategies that could be implemented to realize the net deferred tax assets.

Revenue Recognition

The Company recognizes rental revenue from tenants, including rental abatements, lease incentives and contractual base rents attributable to leases, on a straight-line basis over the term of the related leases when collectability is reasonably assured. Percentage rents are recognized as earned. If the lease provides for tenant improvements, the Company determines whether the tenant improvements, for accounting purposes, are owned by the tenant or the Company.

Gaming revenues are recognized net of certain sales incentives in accordance with ASC 605-50, *Revenue Recognition—Customer Payments and Incentives*. The Company records cash incentives and points earned in point-loyalty programs as a reduction of gaming revenue.

Gaming revenues include video lottery gaming revenue, which is the aggregate net difference between gaming wins and losses, with liabilities recognized for funds deposited by customers before gaming play occurs, for "ticket-in, ticket-out" coupons in the customers' possession, and for accruals related to the anticipated payout of progressive jackpots. Progressive slot machines, which contain base jackpots that increase at a progressive rate based on the number of coins played, are charged to revenue as the amount of the jackpots increases.

Gaming revenues include table game gaming revenues, which is the aggregate of table drop adjusted for the change in aggregate table chip inventory. Table drop is the total dollar amount of the currency, coins, chips, tokens, outstanding counter checks (markers), front money that are removed from the live gaming tables.

Food and beverage revenue is recognized as services are performed.

Gaming and Admission Taxes

The Company is subject to gaming and admission taxes based on gross gaming revenues in the jurisdictions in which it operates. The Company primarily recognizes gaming tax expense based on the statutorily required percentage of revenue that is required to be paid to state and local jurisdictions in the states were or in which wagering occurs. At Hollywood Casino Baton Rouge, the gaming admission tax is based on graduated tax rates. The Company records gaming and admission taxes at the Company's estimated effective gaming tax rate for the year, considering estimated taxable gaming revenue and the applicable rates. Such estimates are adjusted each interim period. If gaming tax rates change during the year, such changes are applied prospectively in the determination of gaming tax expense in future interim periods.

Note 2—Forecasted Adjustments

(A) To record rental income associated with the rent from subsidiaries of Penn in connection with the Master Lease. The rental payment will be comprised of Base Rent and Percentage Rent components, which are described below.

NOTES TO GLPI UNAUDITED
PRO FORMA AND FORECASTED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Note 2—Forecasted Adjustments (Continued)

Base Rent

Fixed amount for duration of lease. This amount will be:

(i) a fixed component equal to $243.3 million during the first year of the Master Lease, and thereafter escalated annually by 2%, subject to a cap that would cause the preceding year's adjusted revenue to rent ratio (as it will be defined in the Master Lease) for the properties in the aggregate not to fall below 1.8:1 ("Building Base Rent"); plus

(ii) an additional fixed component equal to $91.2 million ("Land Base Rent").

Percentage Rent

A variable percentage rent component that will be calculated as follows and is expected to equal $95.5 million during the first year of the Master Lease:

(iii) *Percentage Rent (other than Columbus and Toledo Facilities)*: Fixed, amount for the first 5 years. An adjustment will be recorded every five years to establish a new fixed amount for the next five-year period based on the average actual net revenues of Penn from the Facilities (other than the Columbus and Toledo Facilities) during the five year period then ended (and calculated by multiplying 4% by the excess (if any) of (i) the average net revenues for the trailing five-year period over (ii) 50% of the 2013 projected net revenues).

(iv) *Percentage Rent (Columbus and Toledo Facilities)*: Variable amount, determined monthly, based on 20% of the excess of Penn's actual net revenues from the Columbus and Toledo Facilities of the month then ended over 50% of $^{1}/_{12}$ of the 2013 projected net revenues.

The Percentage Rent (Columbus and Toledo Facilities) for the twelve months ended October 31, 2014 incorporates our current expectations for 3.4% net revenue growth at these two facilities based on our historical experience of growth in similar sized regional gaming markets upon the inception of gaming, our actual results for these properties to date and the impact of recent and anticipated competition of new racinos that have and/or are anticipated to open in Ohio during the forecast period.

(B) Gaming revenues and food and beverage revenues, net of promotional allowances from our TRSs were estimated based on the properties' historical results adjusted for the full year impact of recent competition that has negatively impacted its operations. Hollywood Casino Perryville results continued to be pressured by the opening of a significant casino complex at the Arundel Mills mall in June 2012. Similarly, Hollywood Casino Baton Rouge has been negatively impacted by the opening of a new riverboat casino on September 1, 2012. As a result, our forecasted net revenues for these two properties are significantly lower than what these properties generated prior to the openings of the additional competition. In a similar fashion, our operating expenses for the casinos are estimated to decline significantly, due to reductions in gaming taxes and a realignment of our operating costs resulting from reduced business volumes. Our forecasted results for the twelve month period ended October 31, 2014 reflect reductions to the properties net revenues and expenses of 2.9% and 2.1%, respectively, as compared to the corresponding period in the prior year. This decline was based on our historical experience and analysis of the impact of new casino openings on established

NOTES TO GLPI UNAUDITED
PRO FORMA AND FORECASTED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Note 2—Forecasted Adjustments (Continued)

facilities which has shown that the vast majority of the negative impact is experienced in the first twelve months subsequent to the introduction of new competition.

(C) The unaudited forecasted consolidated income statement includes other expenses expected to be incurred by GLPI after the Spin-Off for items such as compensation costs (including stock based compensation awards), professional services, office costs, and other costs associated with development activities. To the extent requested by GLPI, Penn will provide GLPI with administrative and support services on a transitional basis pursuant to the Transition Services Agreement. The fees charged to GLPI for Transition Services furnished pursuant to this agreement are anticipated to be determined based on fixed percentages of Penn's internal costs which percentages are intended to approximate the actual cost incurred by Penn in providing the Transition Services to GLPI for the relevant period.

Our other expense forecast for 2013 includes $8.8 million of rent on leased property received in connection with the Spin-Off based on the terms of the leases. It also includes $8.0 million of stock based compensation charges for the amortization of unrecognized compensation on Penn equity awards held by GLPI employees at the time of the Spin-Off with the vast majority of this amount relating to unvested awards held by GLPI's CEO and CFO. The forecast also includes approximately $18.5 million of corporate overhead and transitional services costs. Finally, costs of approximately $14.1 million were assumed for dividend payments on stock options (excluding vested options held by Penn employees) that will be declared by GLPI. This was based on outstanding options to acquire 8.1 million shares of GLPI common stock and an anticipated distribution of $1.75 per share of GLPI common stock during the twelve months ended October 31, 2014. Per the terms of the Employee Matters Agreement, GLPI will be responsible to accumulate and pay an amount equal to the previously declared GLPI dividends as these stock options vest. Once the awards vest option holders employed by both Penn and GLPI will not be entitled to any future payments related to GLPI dividends. However, it is anticipated that a payment equal to the value of any ordinary dividend declared with respect to GLPI common stock will be made (subject to GLPI's compensation and governance committee approval) to GLPI employees who hold vested GLPI stock options. This amount has been included in the $14.1 million dividend payments on stock options discussed above. Not included in the total above are approximately $13.9 million of estimated payments in respect of ordinary dividends declared with respect to GLPI common stock to Penn employees who hold GLPI vested stock options and Penn's board will consider the approval of such payments which, if approved, would be recorded on Penn's financial statements. The actual cash compensation cost incurred on these stock options will be based on the actual dividends declared by GLPI in the year after the Spin-Off, as well as the actual amount of GLPI stock option awards outstanding during the period.

(D) To record anticipated depreciation expense related to the property and equipment transferred to GLPI by Penn which was determined based on each individual assets estimated useful life. The forecast assumes approximately $3.3 million of additions to property and equipment during the forecast period for maintenance capital expenditures at Louisiana Casino Cruises, Inc. and Penn Cecil Maryland, Inc. Additionally, the forecast assumes no impairments of property and equipment will occur.

**NOTES TO GLPI UNAUDITED
PRO FORMA AND FORECASTED CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

Note 2—Forecasted Adjustments (Continued)

(E) To record anticipated interest expense related to GLPI's anticipated fixed and variable rate borrowings that will be incurred. Based on recent discussions with prospective lenders for GLPI's credit facility and current market interest rates we estimate that GLPI will have outstanding a ten year, $850 million senior note with a fixed interest rate of 6.2%, a seven year, $700 million senior note with a fixed interest rate of 5.9%, and a five year, $500 million senior note with a fixed interest rate of 5.7%. Additionally, we estimate that GLPI will have a $300 million unsecured Tern Loan A facility and a $850 million revolving credit facility with a bank group which initially will have $150 million outstanding. These facilities will be variable in nature, priced at LIBOR plus 225 basis points. It is estimated that a one-eighth percentage change in interest rates on GLPI's expected variable rate obligations would change annual interest expense by $0.6 million.

(F) The forecasted consolidated income statement of GLPI assumes that GLPI has met all the conditions necessary for it to be treated as a REIT subsequent to January 1, 2014. The provision for income taxes that has been made for the twelve months ended October 31, 2014 relates to earnings associated for the two months prior to GLPI electing REIT status on January 1, 2014 and the results of GLPI's TRSs based on an estimated effective income tax rate of 40.2%, consistent with GLPI's TRSs historical effective income tax rate.

(G) Based on the issuance of GLPI common stock to Penn shareholders in connection with the Spin-Off, shares anticipated to be issued to Fortress based on the terms of the Exchange Agreement (as described in the section "The Separation—Treatment of Penn Preferred Stock in the Spin-Off—Penn Series B Preferred Stock—Fortress"), adjustments for the Purging Distribution and the Compliance Exchange.

Note 3—Pro Forma Adjustments:

(H) To record anticipated amounts of GLPI indebtedness, which includes enough cash to satisfy the earnings and profits distribution requirement.

(I) To record anticipated debt proceeds from GLPI's financing transactions that will be paid to Penn, directly or indirectly, which will occur immediately before the Spin-Off, in accordance with the Internal Reorganization.

(J) To record anticipated debt issuance costs related to GLPI's indebtedness.

(K) To record stock based compensation liabilities transferred from Penn for employees of GLPI as well as cash payment from Penn for this amount.

(L) Record deferred compensation liability and related assets that were transferred to GLPI related to executives as if their employment transferred to GLPI as of June 30, 2013.

(M) To record and subsequently remove the historical deferred tax liability associated with the transferred property and equipment since the pro forma statements are prepared assuming that GLPI has met all the necessary conditions for it to be treated as a REIT.

(N) Represents intercompany receivable balance of TRSs from Penn that will be forgiven as part of the Spin-Off.

NOTES TO GLPI UNAUDITED
PRO FORMA AND FORECASTED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Note 3—Pro Forma Adjustments: (Continued)

(O) To record and subsequently remove the historical deferred tax asset associated with the deferred compensation liability described in Note L, since the pro forma statements are prepared assuming that GLPI has met all the necessary conditions for it to be treated as a REIT.

Note 4—Income Taxes

Deferred tax assets and liabilities associated with GLPI's TRSs consisted of the following at June 30, 2013 (in thousands):

Deferred tax assets:	
Accrued expenses	$ 13,829
Net deferred tax assets	13,829
Deferred tax liabilities:	
Property, plant and equipment	(18,315)
Intangibles	(699)
Net deferred tax liabilities	(19,014)
Net	$ (5,185)
Reflected on consolidated balance sheets:	
Current deferred tax assets, net	$ 1,766
Noncurrent deferred tax liabilities, net	(6,951)
Net deferred taxes	$ (5,185)

Note 5—Reconciliation of Forecasted FFO to Forecasted Net Income

Funds from operations ("FFO") is a non-GAAP financial measure that is considered a supplemental measure for the real estate industry and a supplement to GAAP measures. NAREIT defines FFO as net income (computed in accordance with generally accepted accounting principles), excluding gains (or losses) from sales of property, plus real estate depreciation. We have defined Adjusted Funds From Operations ("AFFO") as FFO plus stock based compensation expense reduced by maintenance capital expenditures.

FFO and AFFO are useful to investors in comparing operating and financial results between periods. This is especially true since both measures exclude real estate depreciation and amortization expense and GLPI believes that real estate values fluctuate based on market conditions rather than depreciating in value ratably on a straight-line basis over time. GLPI believes such a presentation also provides investors with a more meaningful measure of GLPI's operating results in comparison to the operating results of other REITs.

FFO and AFFO do not represent cash flow from operations as defined by GAAP, should not be considered as an alternative to net income as defined by GAAP and is not indicative of cash available to fund all cash flow needs. Investors are also cautioned that FFO and AFFO, as presented, may not be comparable to similarly titled measures reported by other REITs due to the fact that not all real estate companies use the same definitions.

NOTES TO GLPI UNAUDITED
PRO FORMA AND FORECASTED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Note 5—Reconciliation of Forecasted FFO to Forecasted Net Income (Continued)

Commencing in 2014, GLPI expects to pay distributions in cash in an amount equal to approximately 80% of GLPI's AFFO for each quarterly period. See "Dividend Policy."

The following reconciles forecasted FFO and AFFO to forecasted net income (in thousands):

	Twelve Months Ended October 31, 2014
Net Income	$ 145,087
Real Estate Depreciation	119,341
FFO(1)	264,428
Stock Based Compensation Expense	8,039
Maintenance Capex	(3,322)
AFFO	$ 269,145

(1) Calculated in accordance with NAREIT definition of FFO, and there were no gains or losses from sales of property or adjustments for unconsolidated partnerships and joint ventures in the forecasted consolidated income statement of GLPI.

Note 6—Significant changes in Financial Position

We anticipate that GLPI will fund construction costs of $135 million for two facilities in Dayton, OH and Mahoning Valley, OH which are scheduled to be completed in August 2014. Subsequent to the completion of the construction, these facilities will be leased to Penn. Additionally we have forecasted that GLPI will pay dividends in accordance with our dividend policy of $210.9 million during the twelve months ended October 31, 2014, which approximates 80% of AFFO and also is in excess of the required distribution amount of 90% of REIT taxable income. See "Dividend Policy" for further discussion. As a result, we anticipate that GLPI will incur additional indebtedness of approximately $85 million during the period covered under the forecast. No other significant changes in financial position are anticipated.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS OF GLPI

The following is a discussion and analysis of the anticipated financial condition of GLPI immediately following the Spin-Off, which we have assumed for purposes of this section will occur on November 1, 2013. GLPI will not have operated the vast majority of its business prior to the Spin-Off. The statement of operations and cash flows of GLPI will consist primarily of its operations after the Spin-Off. Additionally, we have included a discussion and analysis of the historical results of operations for Louisiana Casino Cruises, Inc. and Penn Cecil Maryland, Inc. (that will be operated by GLPI through its TRSs). This discussion contains forward-looking statements that involve risks and uncertainties. GLPI's actual results could differ materially from those anticipated in these forward-looking statements as a result of various factors, including those which are discussed below and elsewhere in this Registration Statement. See also "Risk Factors."

Overview

GLPI is a wholly owned subsidiary of Penn that, with the exception of two small casinos that are being placed in its TRSs, has no historical operations. GLPI will be a publicly traded, self-administered, self-managed REIT primarily engaged in the property business, which will consist of owning, acquiring, developing, expanding, managing, and leasing gaming and related facilities. GLPI intends to elect to be taxed as a REIT for U.S. federal income tax purposes commencing with its taxable year beginning on January 1, 2014. To maintain REIT status, we must meet a number of organizational and operational requirements (see "U.S. Federal Income Tax Considerations"), including a requirement that we annually distribute to our shareholders at least 90% of our REIT taxable income, determined without regards to the dividends paid deduction and excluding any net capital gains. Initially, GLPI's portfolio will consist of 21 gaming and related facilities (including two properties under development in Dayton, OH and Mahoning Valley, OH) that are diversified across 13 states. GLPI will lease all but two of its gaming and related facilities (Hollywood Casino Baton Rouge and Hollywood Casino Perryville) to a wholly owned subsidiary of Penn, under the Master Lease. Penn has been a public company since 1994 and information about Penn, including financial information and disclosures regarding Penn's capital structure and senior management, is included in Penn's SEC filings accessible for free by visiting EDGAR on the SEC website at *www.sec.gov.* Following the Spin-Off, GLPI will be the first gaming-focused REIT, and expects to grow its portfolio by aggressively pursuing opportunities to acquire additional gaming facilities to lease to gaming operators, which may include Penn. GLPI also anticipates diversifying its portfolio over time, including by acquiring properties outside the gaming industry to lease to third parties.

Components of GLPI's Revenues and Expenses from the rental of its properties to Penn

Revenues

Following the Spin-Off, GLPI's earnings will primarily be the result of the rental revenue from the lease of its properties to a subsidiary of Penn pursuant to the Master Lease. The Master Lease is a triple net lease with a wholly owned subsidiary of Penn as tenant, responsible for all maintenance, property taxes, insurance and other expenses. The rent will be comprised of Base Rent and Percentage Rent components which are described below.

Base Rent

Fixed amount for duration of lease. This amount will be:

(i) a fixed component equal to $243.3 million during the first year of the Master Lease, and thereafter escalated annually by 2%, subject to a cap that would cause the preceding year's

adjusted revenue to rent ratio (as it will be defined in the Master Lease) for the properties in the aggregate not to fall below 1.8:1 ("Building Base Rent"); plus

(ii) an additional fixed component equal to $91.2 million ("Land Base Rent").

Percentage Rent

A variable percentage rent component that will be calculated as follows and is expected to equal $95.5 million during the first year of the Master Lease:

(iii) *Percentage Rent (other than Columbus and Toledo Facilities)*: Fixed amount, for the first 5 years. An adjustment will be recorded every five years to establish a new fixed amount for the next five-year period based on the average actual net revenues of Penn from the Facilities (other than the Columbus and Toledo Facilities) during the five year period then ended (and calculated by multiplying 4% by the excess (if any) of (i) the average net revenues for the trailing five-year period over (ii) 50% of the 2013 projected net revenues).

(iv) *Percentage Rent (Columbus and Toledo Facilities)*: Variable amount, determined monthly, based on 20% of the excess of Penn's actual net revenues from the Columbus and Toledo Facilities of the month then ended over 50% of $^{1}/_{12}$ of the 2013 projected net revenues.

It is anticipated that the annual revenues from the Master Lease will initially be approximately $430 million.

General and Administrative Expenses

General and administrative costs are expected for items such as compensation costs (including stock based compensation awards), professional services, office costs, and other costs associated with development activities. To the extent requested by GLPI, Penn will provide GLPI with certain administrative and support services on a transitional basis pursuant to the Transition Services Agreement. The fees charged to GLPI for Transition Services furnished pursuant to this agreement will be determined based on fixed percentages of Penn's internal costs which percentages are intended to approximate the actual cost incurred by Penn in providing the Transition Services to GLPI for the relevant period. General and administrative expenses excluding costs associated with our TRSs operations are anticipated to be $49.3 million.

This amount includes $8.8 million of anticipated rent on leased property that we expect will be transferred to GLPI in connection with the Spin-Off. It also includes corporate overhead and transitional services costs of approximately $18.5 million. Finally it includes $8.0 million of stock based compensation charges for the amortization of unrecognized compensation costs at the time of spin that are held by GLPI employees (primarily our Chief Executive Officer and Chief Financial Officer). The details of our future anticipated equity grants and compensation has not yet been determined for our executive officers. The amount of compensation related expense, including non-cash stock compensation expense, actually incurred by GLPI in the first year after the Spin-Off will be based on determinations by GLPI's compensation and governance committee following the Spin-Off and the amortization of the unrecognized compensation costs related to the Penn equity awards held by GLPI employees at the Spin-Off. The aggregate fair value of the converted equity awards held by the GLPI employees will not change from their value immediately before the Spin-Off and therefore will not cause an incremental compensation charge.

Also included in the $49.3 million of general and administrative expenses above are cash compensation costs of approximately $14.1 million for payments on GLPI stock option awards (excluding vested options held by Penn employees) to reflect anticipated annual dividends that will be declared by GLPI. Per the terms of the Employee Matters Agreement, GLPI will be responsible to accumulate and pay an amount equal to the previously declared GLPI dividends as these stock options

vest. Once the awards vest, option holders employed by both Penn and GLPI will not be entitled to any future payments related to GLPI dividends. However, it is anticipated that a payment equal to the value of any ordinary dividend declared with respect to GLPI common stock will be made (subject to GLPI's compensation and governance committee approval) to GLPI employees who hold vested GLPI stock options and this estimated amount has been included in the $14.1 million dividend payments on stock options discussed above. Not included in the total above are approximately $13.9 million of estimated payments in respect of ordinary dividends declared with respect to GLPI common stock to Penn employees who hold GLPI vested stock options and Penn's board will consider the approval of such payments which, if approved would be recorded on Penn's financial statements. The actual cash compensation cost incurred on these stock options will be based on the actual dividends declared by GLPI in the year after the Spin-Off, as well as the actual amount of GLPI stock option awards (excluding vested shares held by Penn employees) outstanding during this period.

Real Estate Depreciation

GLPI will incur depreciation expense for the property and equipment transferred to GLPI from Penn, which is expected to be approximately $119.3 million in the first year subsequent to the Spin-Off.

Revenues and operating expenses of GLPI's TRSs

GLPI's TRSs will hold the operations of Hollywood Casino Baton Rouge and Hollywood Casino Perryville. We anticipate these two casinos will generate net revenues of $166.7 million and incur operating expenses of $126.2 million for the twelve months ended October 31, 2014. Hollywood Casino Baton Rouge has been negatively impacted by the opening of a new riverboat in Baton Rouge, LA on September 1, 2012. Similarly, Hollywood Casino Perryville results were negatively impacted by the opening of a significant casino complex at the Arundel Mill mall in June 2012. We anticipate that our results will continue to be negatively impacted by this additional competition and our forecasted levels of net revenues and operating expenses have incorporated the impact of this competition into our estimates. Additionally, we anticipate a tax rate of 40.2% for our TRSs operations.

Interest expense

GLPI will incur interest expense from its borrowing obligations plus the amortization of its anticipated debt issuance costs related to its indebtedness. Following the Spin-Off, GLPI expects to have $2.5 billion in outstanding borrowings and annual interest costs of approximately $142.7 million based on a weighted average interest rate of 5.4%. See "—Liquidity and Capital Resources" below for more information.

Liquidity and Capital Resources

GLP Capital, L.P. expects to issue $2.05 billion in Senior Notes which Senior Notes will be guaranteed by GLPI. The maturity date of the Senior Notes, which may be issued in one or more tranches, is to be determined. Additionally, GLPI and GLP Capital, L.P. anticipate having an unsecured term loan of $300 million and having an unsecured $850 million revolving credit facility with approximately $150 million outstanding following the Spin-Off. GLPI expects that the Credit Facilities will mature on the fifth anniversary of the closing date thereof. The interest rates applicable to these obligations have not yet been determined. Based on an assumed annual interest rate of 5.4%, as well as anticipated unused commitment fees and amortization of debt issuance costs, we would expect our annual interest expense to be approximately $142.7 million. A one percent increase or decrease in the annual interest rate on our anticipated variable rate borrowings of $450 million following the Spin-Off would increase or decrease our annual interest expense by $4.5 million. Our annual interest expense would also change if the aggregate anticipated borrowings differ from the assumed $2.5 billion utilized in the pro forma balance sheet. An increase or decrease of $25 million in the anticipated borrowing

levels would result in an increase or decrease of $1.35 million to our annual interest expense based on the assumed weighted average interest rate of 5.4%.

The Senior Notes are expected to be redeemable at GLP Capital, L.P.'s option, in whole or in part, at any time after a specified date and at a specified redemption price that has not yet been determined. It is expected that the Senior Notes may also be redeemable at any time based on a make whole amount.

We anticipate that our debt facilities will have various customary covenants including restrictions on our ability to grant liens on our assets, incur indebtedness, sell assets, make investments, engage in acquisitions, mergers or consolidations and pay certain dividends and other restricted payments. We also anticipate having to comply with the following financial covenants: a maximum total debt to total asset value ratio of 60% (subject to increase to 65% for specified periods in connection with certain acquisitions), a minimum fixed charge coverage ratio of 2 to 1, a maximum senior secured debt to total asset value ratio of 40% and a maximum unsecured debt to unencumbered asset value ratio of 60%.

Capital expenditures

GLPI will fund construction costs of approximately $135 million for two facilities in Dayton, OH and Mahoning Valley, OH during the period covered under the forecast.

GLPI anticipates incurring annual capital expenditures of $3.3 million in connection with the two casinos held by its TRSs. Capital expenditures for the properties leased under the Master Lease are the responsibility of the tenant.

Obligations and Commitments

In addition to the indebtedness described above, Penn will assign to GLPI various leases on the property acquired in connection with the Spin-Off. The following is a description of some of the more significant lease contracts that Penn expects to assign to GLPI.

On March 23, 2007, one of Penn's subsidiaries entered into an amended and restated ground lease with Skrmetta MS, LLC, which includes substantially all of the ground associated with the Boomtown Casino. The lease amends the prior ground lease, dated October 19, 1993. The Amended Lease requires the Penn subsidiary to maintain a minimum gaming operation on the leased premises and to pay rent equal to 5% of adjusted gaming win after gaming taxes have been deducted. The term of the lease expires on January 1, 2093.

One of Penn's subsidiaries entered into a lease agreement with the City of Riverside, Missouri. Under the terms of the agreement, Penn's subsidiary leases a portion of its site from the City of Riverside. The lease expires in December 2014, and Penn's subsidiary has the option to extend the lease six times with each extension for an additional five years. During the extension periods, there is no minimum rent, and percentage rent is payable as follows: (i) 3% on the first $50 million of revenues, (ii) 4% on revenues between $50 million and $100 million and (iii) 1.5% on revenues in excess of $100 million.

One of Penn's subsidiaries, via an acquisition of the M Resort, assumed a lease agreement for approximately 4 acres of land at the property, which includes the porte-cochere and the main entrance to the facility. The lease commenced on July 1, 2005 and is for twenty years, with two five-year renewal options. Under the lease agreement, the rent is subject to annual increases over the life of the lease based on the consumer price index but is limited to 103% of the previous year's rent.

One of Penn's subsidiaries has an operating lease with the City of Bangor which covers the permanent casino facility that opened on July 1, 2008. Under the lease agreement, there is a fixed rent provision, as well as a revenue-sharing provision, which is equal to 3% of gross slot revenue. The final

term of the lease, which commenced with the opening of the permanent facility, is for an initial term of fifteen years, with three ten-year renewal options.

The future minimum lease commitments of GLPI are shown below. Note that this table does not include commitments related to obligations that are variable in nature and as such is not illustrative of the total anticipated payments that GLPI will incur related to these leases over this time period.

	Payments Due By Period				
	Total	2013	2014 - 2015	2016 - 2017	2018 and After
	(in thousands)				
Operating Leases	$ 38,448	693	4,409	2,917	30,429

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, property and equipment, and goodwill 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 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.

Income Taxes

We anticipate that the Company will qualify to be taxed as a REIT for U.S. federal income tax purposes commencing with the taxable year beginning January 1, 2014, and we intend to continue to be organized and to operate in a manner that will permit us to qualify as a REIT. To qualify as a REIT, we must meet certain organizational and operational requirements, including a requirement to distribute at least 90% of our annual REIT taxable income to stockholders. As a REIT, we generally will not be subject to federal income tax on income that we distribute as dividends to our stockholders. If we fail to qualify as a REIT in any taxable year, we will be subject to U.S. federal income tax, including any applicable alternative minimum tax, on our taxable income at regular corporate income tax rates, and dividends paid to our shareholders would not be deductible by us in computing taxable income. Any resulting corporate liability could be substantial and could materially and adversely affect our net income and net cash available for distribution to stockholders. Unless we were entitled to relief under certain Code provisions, we also would be disqualified from re-electing to be taxed as a REIT for the four taxable years following the year in which we failed to qualify to be taxed as a REIT.

Property and Equipment

Real estate costs related to the acquisition and improvement of properties are capitalized over the expected useful life of the asset. Repair and maintenance costs are charged to expense as incurred and significant replacements and betterments are capitalized. Repair and maintenance costs include all costs that do not extend the useful life of the asset. We consider the period of future benefit of an asset to determine its appropriate useful life. Depreciation on our buildings and improvements is computed using the straight-line method over an estimated useful life of 5 to 40 years. If we use a shorter or

longer estimated useful life, it could have a material impact on our results of operations. We believe that 5 to 40 years is an appropriate estimate of useful life.

We continually monitor events and changes in circumstances that could indicate that the carrying amount of our property and equipment may not be recoverable or realized. When indicators of potential impairment suggest that the carrying value of property and equipment may not be recoverable, we assess the recoverability by estimating whether we will recover the carrying value of our property and equipment through its undiscounted future cash flows and the eventual disposition of the asset. If, based on this analysis, we do not believe that we will be able to recover the carrying value of our property and equipment, we would record an impairment loss to the extent that the carrying value exceeds the estimated fair value of our property and equipment.

Goodwill

At June 30, 2013, the Company had $75.5 million in goodwill within its consolidated balance sheet, resulting from the Company's acquisition of Hollywood Casino Baton Rouge.

Goodwill is tested annually, or more frequently if indicators of impairment exist, for impairment by comparing the fair value of the Hollywood Casino Baton Rouge reporting unit to its carrying amount. If the carrying amount exceeds its fair value in step 1 of the impairment test, then step 2 of the impairment test is performed to determine the implied value of goodwill. If the implied value of goodwill is less than the goodwill allocated, an impairment loss is recognized.

The evaluation of goodwill requires the use of estimates about future operating results to determine their estimated fair value. The Company uses a market approach model, which includes the use of forecasted adjusted EBITDA (earnings before interest, taxes, charges for stock compensation, depreciation and amortization, gain or loss on disposal of assets, and certain other income and expenses) and adjusted EBITDA multiples, as the Company believes that adjusted EBITDA is a widely-used measure of performance in the gaming industry and as the Company uses adjusted EBITDA as the primary measurement of the operating performance of its casino properties (including the evaluation of operating personnel). In addition, the Company believes that an adjusted EBITDA multiple is the principal basis for the valuation of gaming companies. Changes in the estimated adjusted EBITDA multiples or forecasted operations can materially affect these estimates.

Forecasted adjusted EBITDA levels (based on the Company's annual operating plan) can be significantly impacted by the local economy in which the Company's reporting units operate. For example, increases in unemployment rates can result in decreased customer visitations and/or lower customer spend per visit. In addition, the impact of new legislation which approves gaming in nearby jurisdictions or further expands gaming has the impact of increasing competition for the Company's casino properties which generally will have a negative effect on those locations' profitability once competitors become established as a certain level of cannibalization occurs absent an overall increase in customer visitations. Lastly, increases in gaming taxes approved by state regulatory bodies can negatively impact forecasted adjusted EBITDA.

Assumptions and estimates about future adjusted EBITDA levels and multiples are complex and subjective. They are sensitive to changes in underlying assumptions and can be affected by a variety of factors, including external factors, such as industry, geopolitical and economic trends, and internal factors, such as changes in the Company's business strategy. Hollywood Casino Baton Rouge faced a significant increase in competition in the second half of 2012 which has negatively impacted its operations. However, the Company has forecasted the impact of this additional competition on its future operating results and incorporated these projections in its impairment analysis of the Company's goodwill. At December 31, 2012, no impairment charge was required as the implied fair value of Hollywood Casino Baton Rouge exceeded its fair value.

Discussion of Historical Operations of GLPI's TRSs

The following discussion relates to the historical operations of GLPI's TRSs, namely Louisiana Casino Cruises, Inc. ("Hollywood Casino Baton Rouge") and Penn Cecil Maryland, Inc. ("Hollywood Casino Perryville"), which operate Hollywood Casino Baton Rouge and Hollywood Casino Perryville, respectively, and are currently wholly-owned subsidiaries of Penn. Hollywood Casino Baton Rouge and Hollywood Casino Perryville will be acquired by a subsidiary of GLPI that we anticipate will be called GLP Holdings, Inc., which will operate the TRS properties after the Spin-Off.

Hollywood Casino Baton Rouge was acquired by Penn in April 2001 as part of its acquisition of CRC Holdings, Inc. The facility is a dockside riverboat gaming facility which at December 31, 2012 featured approximately 28,000 square feet of gaming space with 960 gaming machines and 18 table games. The facility also includes a dockside building featuring a variety of amenities, including a steakhouse, a buffet and deli and various entertainment options.

Hollywood Casino Perryville was opened by Penn on September 27, 2010. At December 31, 2012, the facility offered approximately 34,000 square feet of gaming space with 1,500 slot machines. In November 2012, voters in the state of Maryland approved a referendum authorizing the ability to add table games to Maryland's five existing and planned casinos. Hollywood Casino Perryville opened 12 table games and an 8-table poker room on March 5, 2013 and in January 2013, the facility removed approximately 350 slot machines as a result of additional competition in the marketplace which has resulted in a reduction to business volumes.

Financial Results:

Three and six months ended June 30, 2013 compared to corresponding periods in prior year

Hollywood Casino Baton Rouge and Hollywood Casino Perryville had combined net revenues, income from operations and net income of $46.1 million, $9.1 million and $4.7 million, respectively, for the three months ended June 30, 2013, compared to $60.3 million, $14.5 million and $7.6 million, respectively, for the three months ended June 30, 2012. Hollywood Casino Baton Rouge and Hollywood Casino Perryville had combined net revenues, income from operations and net income of $88.7 million, $15.9 million and $7.9 million, respectively, for the six months ended June 30, 2013, compared to $127.2 million, $31.0 million and $16.3 million, respectively, for the six months ended June 30, 2012. The reason for the declines for the three and six months ended June 30, 2013 compared to the corresponding period in the prior year was primarily due to increased competition, namely the opening of a casino complex in Anne Arundel, Maryland in 2012 which has negatively impacted Hollywood Casino Perryville's results, as well as the opening of a new riverboat casino and hotel in Baton Rouge, Louisiana on September 1, 2012 which has had an adverse effect on the financial results of Hollywood Casino Baton Rouge. However, the decrease at Hollywood Casino Perryville was partially offset by the introduction of table games at the property in March 2013.

Combined net revenues decreased by $14.2 million, or 23.5%, and $38.5 million, or 30.2%, for the three and six months ended June 30, 2013, respectively, as compared to the three and six months ended June 30, 2012, primarily due to the previously mentioned impact of new competition in Hollywood Casino Perryville and Hollywood Casino Baton Rouge's regional gaming markets, partially offset by the introduction of table games at Hollywood Casino Perryville in March 2013. Total operating expenses decreased by $8.8 million, or 19.2%, and $23.4 million, or 24.3%, for the three and six months ended June 30, 2013, respectively, as compared to the three and six months ended June 30, 2012, primarily due to lower gaming taxes and cost management efforts to realign costs with the decreased business demand resulting from the new competition.

2012 compared to 2011

Hollywood Casino Baton Rouge and Hollywood Casino Perryville had combined net revenues, income from operations and net income of $210.6 million, $43.7 million and $22.9 million, respectively, for the year ended December 31, 2012 compared to $231.9 million, $52.5 million and $26.7 million, respectively, for the year ended December 31, 2011. The reason for the declines was increased competition. Hollywood Casino Perryville results were negatively impacted by the opening of a casino complex at the Arundel Mills shopping mall in Anne Arundel, Maryland. The Anne Arundel casino opened on June 6, 2012 with approximately 3,200 slot machines and significantly increased its slot machine offerings by mid-September 2012 to approximately 4,750 slot machines. In addition, a new riverboat casino and hotel in Baton Rouge, Louisiana opened on September 1, 2012. The opening of this riverboat casino has had and is anticipated to continue to have an adverse effect on the financial results of Hollywood Casino Baton Rouge.

Combined net revenues declined 9.2% in 2012 to $210.6 million compared to $231.9 million in 2011. This was due to the previously mentioned impact of new competition in Hollywood Casino Perryville and Hollywood Casino Baton Rouge's regional gaming markets. Total operating expenses declined 6.9% in 2012 to $167.0 million compared to $179.4 million in 2011. This was due to lower gaming taxes and cost management efforts to realign costs with the decreased business demand resulting from the new competition.

2011 compared to 2010

Hollywood Casino Baton Rouge and Hollywood Casino Perryville had combined net revenues, income from operations and net income of $231.9 million, $52.5 million and $26.7 million, respectively, for the year ended December 31, 2011 compared to $143.2 million, $31.1 million and $15.3 million, respectively, for the year ended December 31, 2010. The reason for the increase was the full year impact of Hollywood Casino Perryville, which had opened for business on September 27, 2010.

Combined net revenues increased $88.7 million in 2011 to $231.9 million compared to $143.2 million in 2010. Hollywood Casino Perryville accounted for $86 million of this increase. Total operating expenses increased $67.3 million to $179.4 million in 2011 compared to $112.1 million. The full year impact of Hollywood Casino Perryville operations resulted in operating expenses being $71.5 million higher than the prior year. Conversely, Hollywood Casino Baton Rouge operating expenses declined by $4.2 million, which was primarily attributable to lower depreciation expense primarily related to replacement assets that were purchased after Hurricane Katrina being fully depreciated in 2011.

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.

Interest Rate Risk

Our primary market risk exposure will be interest rate risk with respect to its expected indebtedness following the Spin-Off. We expect to raise $3.2 billion in financing, with approximately $2.5 billion to be outstanding initially. Furthermore, we anticipate that approximately $2.05 billion of our obligations will be Senior Notes that will have fixed interest rates with maturing dates ranging from five to ten years. An increase in interest rates could make the financing of any acquisition by us more costly as well as increase the costs of our variable rate debt obligations. Rising interest rates could also limit our ability to refinance our debt when it matures or cause us to pay higher interest rates upon refinancing and increase interest expense on refinanced indebtedness. We may manage, or hedge, interest rate risks related to its borrowings by means of interest rate swap agreements. We also expect to manage our exposure to interest rate risk by maintaining a mix of fixed and variable rates for its indebtedness. However, the REIT provisions of the Code substantially limit our ability to hedge our assets and liabilities. See "Risk Factors—Risk Factors Relating to the Status of GLPI as a REIT Factors—Complying with REIT requirements may limit GLPI's ability to hedge effectively and may cause GLPI to incur tax liabilities."

MANAGEMENT OF GLPI

GLPI Board of Directors and Executive Officers

The following table sets forth information as to persons who are currently expected to serve as GLPI directors and executive officers following the Spin-Off.

Name	Age	Position(s)
Peter M. Carlino	66	Chairman of the Board and Chief Executive Officer
William J. Clifford	55	Chief Financial Officer
Wesley R. Edens	51	Director Nominee
David A. Handler	48	Director Nominee
Joseph W. Marshall, III	67	Director Nominee
E. Scott Urdang	63	Director Nominee

Directors

Background information about those individuals who are expected to serve as directors of GLPI appears below.

Peter M. Carlino, age 66, has been the Chairman of our board of directors and our Chief Executive Officer since our inception in February 2013. Mr. Carlino has served as Penn's Chairman of the board of directors and Chief Executive Officer since April 1994. After the Spin-Off, he will only serve as Penn's Chairman of the board of directors and will cease to serve as Penn's Chief Executive Officer. Since 1976, Mr. Carlino has been President of Carlino Capital Management Corp. (formerly known as Carlino Financial Corporation), a holding company that owns and operates various Carlino family businesses, in which capacity he has been continuously active in strategic planning and monitoring the operations. Having served as the Chairman of Penn's board of directors and Chief Executive Officer since April 1994, Mr. Carlino brings to GLPI's board of directors extensive management experience, critical knowledge of our properties and knowledge and understanding of Penn and the gaming industry in general. Moreover, as the largest beneficial owner of GLPI's common stock following the Separation, his interests will be significantly aligned with GLPI's efforts to enhance long-term shareholder value.

Wesley R. Edens, age 51, has been a director of Penn since 2008 and after the Spin-Off, will only serve as a director of GLPI. Mr. Edens has been Co-Chairman of the board of Fortress since August 2009, and he has been a member of the board of Fortress since November 2006. Mr. Edens has been a member of the management committee of Fortress since co-founding the company in 1998. Mr. Edens is responsible for the Fortress' private equity and publicly traded alternative investment businesses. He is Chairman of the board of directors of each of Florida East Coast Railway Corp., GateHouse Media, Inc., Mapeley Limited, Nationstar Mortgage Holdings, Inc. and Newcastle Investment Corp. and a director of Brookdale Senior Living, Inc., GAGFAH S.A., Springleaf Finance Corporation and Springleaf Finance, Inc. Mr. Edens was Chief Executive Officer of Global Signal Inc. from February 2004 to April 2006 and Chairman of the board of directors from October 2002 to January 2007. Mr. Edens also previously served on the boards of the following publicly traded company and registered investment companies: Aircastle Limited from August 2006 to August 2012, Crown Castle Investment Corp. (merged with Global Signal Inc.) from January 2007 to July 2007; Eurocastle Investment Limited from August 2003 to November 2011; Fortress Brookdale Investment Fund LLC, from August 13, 2000 (deregistered with the SEC in March 2009); Fortress Pinnacle Investment Fund, from July 24, 2002 (deregistered with the SEC in March 2008); Fortress Investment Trust II, from July 2002 (deregistered with the SEC in January 2011); RailAmerica, Inc. from November 2006 to October 2012; and RIC Coinvestment Fund LP, from May 10, 2006 (deregistered with the SEC in June 2009). Prior to forming Fortress, Mr. Edens was a partner and managing director of BlackRock Financial Management Inc., where he headed BlackRock Asset Investors, a private equity fund. In addition,

Mr. Edens was formerly a partner and managing director of Lehman Brothers. Mr. Edens will bring to GLPI's board of directors significant experience as a chief executive officer and proven ability to manage multiple properties and businesses. He also has significant capital investment, financing and mergers and acquisitions experience and has a significant amount of experience with real estate investment trusts. As part of his role at Fortress, and as is common for principals of private equity sponsor companies, Mr. Edens serves as a director of certain public portfolio companies in which Fortress has an investment, including publicly traded real estate investment trusts. Mr. Edens' contribution to GLPI's board of directors will be enhanced both by the valuable perspectives he obtains in connection with such other board service as well as by the substantial resources available to him to support his work as a director of these portfolio companies.

David A. Handler, age 48, has been a director of Penn since 1994 and, after the Spin-Off, he will continue to serve as a director of Penn. In August 2008, Mr. Handler joined Centerview Partners as a Partner. Centerview Partners is a boutique financial advisory and private equity firm. From April 2006 to August 2008, he was a managing director at UBS Investment Bank. From April 2000 until April 2006, he was a Senior managing director at Bear Stearns & Co., Inc. From July 1995 to April 2000, Mr. Handler was employed by Jefferies & Company, Inc. where he became a managing director in March 1998. Mr. Handler will bring to GLPI's board of directors experience in investment banking and capital markets that has included a focus on mergers and acquisitions and other significant transactions. Mr. Handler's background is expected to be an invaluable asset to GLPI, particularly in connection with evaluating potential acquisition and financing opportunities.

Joseph W. Marshall, III, age 60, has served as the Vice Chairman of the law firm Stevens & Lee, LLP, PC and Griffin Holdings, LLC since February 2010. In addition to a number of other boards, Mr. Marshall has also served on the board of directors of SIGA Technologies, Inc. (NASDAQ) since 2009. From 2001 to 2008, Mr. Marshall served as the Chairman and CEO of Temple University Health System, one of the largest health care organizations in Pennsylvania. Mr. Marshall served as director of Health Partners, a provider-owned Medicaid/Medicare Health Maintenance Organization operating in Greater Philadelphia, from 2003 to 2008. Mr. Marshall was one of the original appointees to the seven-member Pennsylvania Gaming Control Board, which is responsible for all aspects of gaming regulation in Pennsylvania. Mr. Marshall also previously served on the Pennsylvania Ethics Commission and the Medicaid Commission created by Congress and established by the Honorable Michael O. Leavitt, Secretary of the U.S. Department of Health & Human Services, where he advised the Secretary on ways to modernize the Medicaid program. In addition, Mr. Marshall is a member of the Board of Trustees of Temple University and Salus University. Mr. Marshall was selected to be a member of GLPI's board of directors because of his extensive experience and knowledge of gaming regulation and his significant directorial and executive experience in both the private and public sectors.

E. Scott Urdang, age 63, who retired in 2012, was the founder, CEO, and Chairman of Urdang Capital Management (now Center Square Capital Management, Inc.), a wholly owned subsidiary of BNY Mellon. Urdang Capital Management is an investment management company that manages and participates in public, private, global, and US-only real estate investment strategies. Mr. Urdang founded the company in 1987 which at the time of his retirement had in excess of $5 billion under management. From 1984-1987 Mr. Urdang was a partner at Laventhol and Horwath a national consulting and accounting firm, where he served as regional partner in charge of real estate consulting with national responsibility for its pension consulting practice. Mr. Urdang also has experience as a Vice-President of Finance of a large regional development company that was involved in residential subdivisions, office buildings, apartments and shopping centers. Mr. Urdang has 20 years of experience teaching both undergraduate and graduate courses in economics, corporate finance, and real estate finance and investment analysis at the Wharton School of the University of Pennsylvania. Mr. Urdang was selected to be a member of GLPI's board of directors because of his extensive experience,

comprehensive knowledge and strong record of success in the real estate industry as an investor, developer, entrepreneur, and professor.

The appointments of Joseph W. Marshall, III and E. Scott Urdang are each subject to the completion of customary due diligence and licensure by certain regulatory agencies.

Executive Officers

Background about GLPI's executive officers who are not expected to serve as directors appears below.

William J. Clifford, age 55, has been our Chief Financial Officer, Secretary and Treasurer since our inception in February 2013. Mr. Clifford joined Penn in August 2001 and has served as Senior Vice President-Finance and Chief Financial Officer of Penn since October 2001. After the Spin-Off, Mr. Clifford will no longer serve as an officer of Penn. From March 1997 to July 2001, Mr. Clifford served as the Chief Financial Officer and Senior Vice President of Finance with Sun International Resorts, Inc., Paradise Island, Bahamas. From November 1993 to February 1997, Mr. Clifford was Financial, Hotel and Operations Controller for Treasure Island Hotel and Casino in Las Vegas. From May 1989 to November 1993, Mr. Clifford was Controller for Golden Nugget Hotel and Casino, Las Vegas. Prior to May 1989, Mr. Clifford held the positions of Controller for the Dunes Hotel and Casino, Las Vegas, Property Operations Analyst with Aladdin Hotel and Casino, Las Vegas, Casino Administrator with Las Vegas Hilton, Las Vegas, Senior Internal Auditor with Del Webb, Las Vegas, and Agent, Audit Division, of the Nevada Gaming Control Board, Las Vegas and Reno.

Committees of the Board of Directors

Prior to the completion of the Spin-Off, the GLPI board of directors expects to establish the following committees: the audit and compliance committee and the compensation and governance committee. The composition of each such committee will satisfy the independence requirements and current standards of the SEC and the rules of NASDAQ (as applicable).

Audit and Compliance Committee

The duties and responsibilities of the audit and compliance committee will be set forth in its charter, which will be available on our website, and will include the following:

- to oversee the quality and integrity of our financial statements and our accounting and financial reporting processes;
- to prepare the audit and compliance committee report required by the SEC in our annual proxy statements;
- to review and discuss with management and the independent registered public accounting firm our annual and quarterly financial statements;
- to review and discuss with management and the independent registered public accounting firm our earnings press releases;
- to appoint, compensate and oversee our independent registered public accounting firm, and pre-approve all auditing services and non-audit services to be provided to us by our independent registered public accounting firm;
- to review the qualifications, performance and independence of our independent registered public accounting firm; and
- to establish procedures for the receipt, retention and treatment of complaints received by us regarding accounting, internal accounting controls or auditing matters and the confidential,

anonymous submission by our employees of concerns regarding questionable accounting or auditing matters.

At the time of listing on the NASDAQ, at least one member of the audit and compliance committee will be "independent," as defined under and required by the rules and regulations of the SEC and the NASDAQ, including Rule 10A-3(b)(1) under the Securities and Exchange Act of 1934, as amended (the "Exchange Act"), and we expect that one member will be the "audit committee financial expert" as defined under and required by the rules and regulations of the SEC and the NASDAQ. A majority of the members of the committee will be "independent" within 90 days of listing on the NASDAQ and all members will be independent within one year of listing on the NASDAQ.

It is expected that the audit and compliance committee will consist of Joseph W. Marshall, III, David A. Handler and E. Scott Urdang who are all independent.

Compensation and Governance Committee

The duties and responsibilities of the compensation and governance committee will be set forth in its charter, which will be available on our website, and will include the following:

- to determine, or recommend for determination by our board of directors, the compensation of our chief executive officer and other executive officers;

- to establish, review and consider employee compensation policies and procedures;

- to review and approve, or recommend to our board of directors for approval, any employment contracts or similar arrangement between the company and any executive officer of the company;

- to review and discuss with management the Company's compensation policies and practices and management's assessment of whether any risks arising from such policies and practices are reasonably likely to have a material adverse effect on the Company;

- to review, monitor, and make recommendations concerning incentive compensation plans, including the use of stock options and other equity-based plans;

- to recommend to our board of directors proposed nominees for election to the board of directors by the shareholders at annual meetings, including an annual review as to the renominations of incumbents and proposed nominees for election by the board of directors to fill vacancies that occur between shareholder meetings;

- to make recommendations to the board of directors regarding corporate governance matters and practices;

- to recommend members for each committee of the board of directors; and

- to recommend the compensation of directors.

At the time of listing on the NASDAQ, at least one member of the committee will be "independent." A majority of the members of the committee will be "independent" within 90 days of listing on the NASDAQ and all members will be independent within one year of listing on the NASDAQ.

Compensation and Governance Committee Interlocks and Insider Participation

No director who will be a member of our compensation and governance committee serves as a member of the board of directors or compensation and governance committee of any entity that has one or more executive officers serving as a member of our board of directors or compensation and governance committee. Additional information concerning transactions between us and entities affiliated with members of the compensation and governance committee is included in this Prospectus under the heading "Certain Relationships and Related Party Transactions."

Compensation of Directors

We are currently reviewing the compensation that GLPI will pay to its non-employee directors following the separation, but we anticipate that non-employee directors will be compensated for their service under a non-employee director fee plan, which has not yet been established, and GLPI's long term incentive compensation plan. We will provide information regarding director compensation and the decision-making process for determining director compensation in our future SEC filings.

Code of Business Conduct

GLPI expects to adopt a code of business conduct that seeks to identify and mitigate conflicts of interest between our employees, directors and officers on the one hand, and us on the other hand, effective as of the time of our listing on the NASDAQ, in accordance with applicable rules and regulations of the SEC and the NASDAQ. Our code of business conduct will be available on our website. Waivers of our code of business conduct will be required to be disclosed in accordance with NASDAQ and SEC requirements.

Corporate Governance Guidelines

GLPI expects to adopt a set of corporate governance guidelines that sets forth our policies and procedures relating to corporate governance effective as of the Spin-Off. Our corporate governance guidelines will be available on our website.

Director Independence

At the time of the Spin-Off, we expect that all of our directors other than Mr. Carlino, will be independent as defined by the federal securities laws and the rules of the NASDAQ. GLPI will have a classified board, consisting of three classes of 3-year term each. There are no family relationships among any of our directors or executive officers.

EXECUTIVE COMPENSATION

For purposes of the following Compensation Discussion and Analysis and Executive Compensation disclosures, the individuals who served as the principal executive officer and chief financial officer of Penn in 2012 and the next three most highly compensated individuals who served in other senior executive positions with Penn in 2012 are collectively referred to as the "Named Executive Officers." While this group of executive officers reflects the senior executive team for our corporate parent for 2012, the selection of our future executive officers is ongoing and certain of these executives will not be our executives following the Spin-Off (see "Management of GLPI—Executive Officers").

Compensation Discussion and Analysis

This Compensation Discussion and Analysis describes and analyzes the executive compensation programs at Penn in 2012. For purposes of the following Compensation Discussion and Analysis, the term "Committee" refers to the compensation committee of the board of directors of Penn.

Prior to the Spin-Off, GLPI will continue to be part of Penn, and therefore, its compensation strategy will be determined by Penn and the Committee. In connection with the Spin-Off, the GLPI board of directors will form its own compensation committee, which will consist entirely of independent directors. Following the Spin-Off, GLPI's compensation committee will determine the executive compensation policies of GLPI.

Executive Summary

In 2012, Penn completed a number of significant accomplishments despite the ongoing challenge to its business from increasing competition and continuing political and economic uncertainty. The Committee believes these accomplishments were reflected in Penn's share price, as Penn's one year total share return was 33.5% and its three year total shareholder return was 78.5%. These returns substantially outpaced Penn's peer group as well as the overall S&P 500 index over the same periods.

Shareholder Outreach and Say on Pay Vote

During 2012, Penn continued its long-standing practice of robust communication and discussion with shareholders, including direct dialogue with most of its top 40 shareholders specifically regarding the 2012 Say on Pay proposal, which shareholders held over 79% (or 67% excluding shares held by Peter M. Carlino and his family) of the issued and outstanding common stock of Penn as of the record date for the 2012 annual meeting. By way of overview, Penn continues to hold quarterly conference calls in which management limits its prepared remarks in favor of creating an open forum to allow shareholders to ask about matters of most interest to them. Penn continues to provide financial and other disclosure beyond that required by the SEC on matters such as management's views on pending legislation and quarterly and annual earnings estimates. Further, members of Penn's senior management team participated at investor conferences throughout 2012 and regularly hosted analysts and institutional investors at its corporate headquarters. Penn also hosted facility tours and meetings across its property portfolio for analysts and institutional investors. At the Global Gaming Expo, the gaming industry's annual trade show in Las Vegas, executives conducted group meetings and participated in a number of investor events. Finally, Penn hosted events for the institutional investor community in connection with the opening of its newest gaming facilities at Hollywood Casino at Kansas Speedway, Hollywood Casino Toledo and Hollywood Casino Columbus. These outreach efforts provide numerous forums for investors and prospective investors to discuss with management a wide variety of subjects important to them, including executive compensation.

The results of the shareholder advisory vote on executive compensation at Penn's 2012 Annual Meeting of Shareholders were supportive of Penn's compensation programs. Following the 2012 Annual Meeting, the Committee reviewed the various views expressed by Penn's shareholders with respect to

Penn's compensation program and evaluated what changes may be appropriate in light of these views as well as Penn's own views on compensation matters.

Peer Group

The Committee reviews Penn's peer group at the beginning of each fiscal year to determine whether any changes are warranted from the prior year's peer group. The companies that make up Penn's peer group are its business competitors as well as its primary source of, and primary competition for, executive talent.

For 2012, the Committee confirmed that the peer group to be used for comparison purposes would consist of Ameristar Casinos, Inc., Boyd Gaming Corporation, Isle of Capri Casinos, Inc., Las Vegas Sands Corp., MGM Resorts International, Pinnacle Entertainment, Inc. and Wynn Resorts, Ltd. In addition, the Committee takes into consideration any available compensation data from Trump Entertainment Resorts, Inc., which entered into bankruptcy in 2009, as well as Station Casinos, Inc., which was taken private but continues to file periodic reports under the Exchange Act.

Overview of Compensation Program

Objectives of Compensation Program

The overall objective of Penn's executive compensation program is to compensate members of management in a manner that most effectively incentivizes them to maximize shareholder value without taking undue financial risks. At the same time, the executive compensation program is intended to enable Penn to attract and retain the executive talent needed to grow and further its strategic interests. Specifically, Penn's compensation objectives are to:

- Align executive pay opportunities with shareholder value creation;
- Create a pay for performance compensation program that will appropriately reward management for operational success; and
- Attract and retain the best possible management team for Penn to increase shareholder value and maintain Penn's credibility in the capital markets.

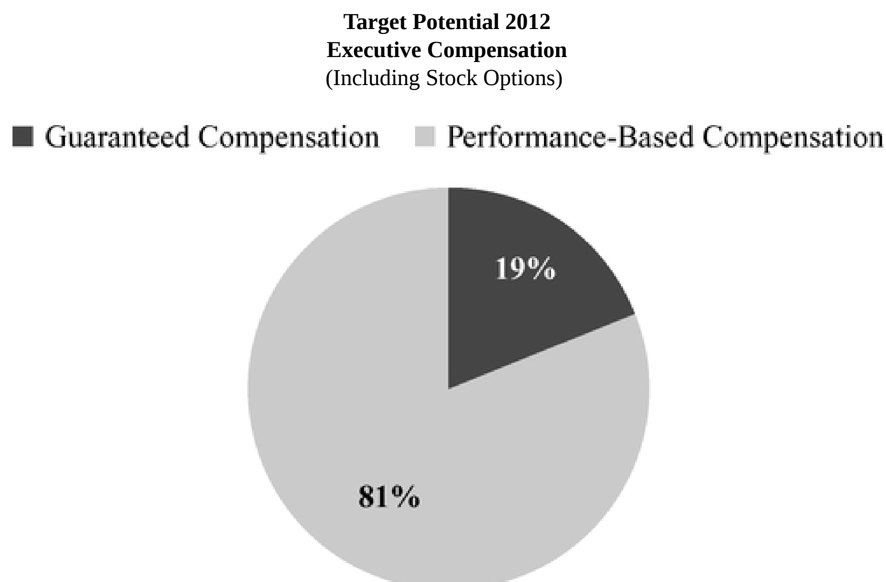
Risk Assessment

In establishing and reviewing Penn's executive compensation program, the Committee considers, among other things, whether the program properly motivates executives to focus on the creation of shareholder value without encouraging unnecessary or excessive risk taking. To this end, the Committee carefully reviews the principal components of executive compensation. Base salaries are reviewed annually and are fixed in amount. Annual incentive pay is focused on achievement of certain specific overall financial goals and is determined using multiple absolute and relative performance criteria, including announced guidance pertaining to adjusted EBITDA targets and total shareholder return. The other major component of Penn's Named Executive Officers' compensation is long-term incentives through a mix of stock options, SARs, restricted stock and PSUs that the Committee believes are important to help further align executives' interests with those of Penn's shareholders. Such grants are subject to long-term vesting schedules, and executives are subject to stock holding requirements, to help ensure that executives always have significant value tied to long-term stock price performance. The Committee believes that these cash and incentive awards, especially when combined with the compensation clawback policy described on page 110 of this Prospectus, appropriately balance risk, payment for performance and align executive compensation with shareholders without encouraging unnecessary or excessive risk taking.

Elements of Compensation

The Committee has designed a compensation program that is heavily weighted towards performance based compensation but utilizes several different performance metrics designed to ensure that management is appropriately incentivized across a number of different business and economic environments and appropriately considers each of the principal objectives of Penn's business strategy. In 2012, the total potential compensation opportunity of Penn's Named Executive Officers consisted of approximately 81% of targeted performance based compensation and approximately 19% of fixed compensation (primarily in the form of base salary).

Target Potential 2012
Executive Compensation
(Including Stock Options)



The principal elements of the compensation program are described below. Please see "—Analysis of Compensation" starting on page 108 for a discussion of the specific actions taken with respect to executive compensation in fiscal year 2012.

Base Salary

The base salary of Penn's executive officers as a group is benchmarked against the 50th percentile (median) of base salaries of comparable executives within Penn's peer group. The Committee benchmarks against the median in order to set salaries that are competitive in the gaming industry and that will attract and retain qualified executives. Base salaries are then adjusted for certain qualitative factors, including specific position duties and responsibilities, tenure with Penn, individual contribution and position value to Penn and the overall reasonableness of an executive's pay package.

Annual Incentive

Penn's annual incentive plan is designed to motivate the executive officers and other members of management to achieve the objectives that the Committee believes are most likely to increase shareholder value without undermining Penn's credibility in the capital markets, which is critical to fund capital intensive future growth opportunities at the lowest possible cost of capital. To ensure that such executives are appropriately incentivized across a variety of business and economic conditions, the Committee sets one measure referenced by an internal goal and another measure referenced by one or more external goals based on Penn's performance against its peer group and other external benchmarks. The Committee believes that the best internal measures of performance are focused on

earnings while external measures should expand and further align management and shareholder interests by focusing on shareholder value. Accordingly, in 2012, the Committee utilized an internal and an external measure to determine the annual incentive opportunity for Penn's executives.

For 2012, the internal measure for Penn's annual incentive plan provided for the payment of incentive compensation based upon Penn's achievement of its adjusted EBITDA goal for the year. Conceptually, the term adjusted EBITDA refers to earnings before interest, taxes, depreciation and amortization, adjusted for certain non-recurring or unforeseen events. In order to provide a clear reconciliation to GAAP, the Committee bases its adjusted EBITDA calculation on Penn's income from operations excluding charges for stock compensation, depreciation and amortization, gain or loss on disposal of assets and other non-recurring events, and inclusive of gain or loss from Penn's joint ventures. Each quarter, Penn publicly discloses its adjusted EBITDA in connection with its quarterly announcement of earnings, and provides a reconciliation of adjusted EBITDA to net income (GAAP) and income from operations (GAAP) to adjusted EBITDA in connection with each such announcement.

The Committee sets the ranges of bonuses payable pursuant to the internal measure for each executive as a percentage of annual base salary, consistent with the incentive programs and practices used by Penn's peer group. The following table shows the range of awards payable pursuant to the internal measure for each executive as a percentage of annual base salary for the 2012 fiscal year:

Executive	Threshold Bonus	Target Bonus	Maximum Bonus
Chairman and Chief Executive Officer	50%	100%	150%
President and Chief Operating Officer	42.5%	85%	127.5%
Senior Vice President and Chief Financial Officer	37.5%	75%	112.5%
Senior Vice President and General Counsel	25%	50%	75%
Senior Vice President of Corporate Development	25%	50%	75%

The target bonus is payable when Penn meets or exceeds its adjusted EBITDA goal for a given year, subject to any required adjustments under Penn's 2008 long-term incentive compensation plan, as amended (the "2008 Plan") for certain extraordinary or unforeseen events. For any portion of executives' annual incentive bonuses to be paid with respect to the internal measure, Penn must achieve a threshold amount of adjusted EBITDA. This threshold was set at 10% less than the adjusted EBITDA goal in 2012. In order to help manage potential payouts, annual incentive opportunities are capped at the maximum bonus levels set forth in the table above, regardless of the extent to which performance exceeds targeted levels. The Committee has discretion to pay this award in cash, equity or any combination of cash and equity.

In 2012, the external measure for Penn's annual incentive plan provided for payment of incentive compensation based on how Penn's total shareholder return compared to the total shareholder return of companies included in three different indices: (a) Penn's industry peer group; (b) the S&P Leisure Time Select Industries Index; and (c) the S&P 500. The Committee refers to this external measure for the annual incentive compensation plan as the total shareholder return plan (the "TSR Plan"). Total shareholder return ("TSR") is an indicator of a company's overall performance and, as used in connection with the TSR Plan, means the total return measured by share price movements on an investment in the stock of a public company over a specified period, taking into account the reinvestment of dividends, if any.

Under the TSR Plan, the payment of incentive bonuses is based on Penn's share performance over a one, three and five year period as compared against the TSR of the companies listed in each index. Accordingly, as shown in the table below, TSR is measured against nine benchmarks: the median of the

one, three and five year TSR for Penn's peer group and for the S&P Leisure Time Select Industries Index, and the one, three and five year TSR for the S&P 500:

Index	1 Year TSR	3 Year TSR	5 Year TSR
Industry	Exceed Median	Exceed Median	Exceed Median
S&P Leisure Time Select Industries Index	Exceed Median	Exceed Median	Exceed Median
S&P 500	Exceed Index	Exceed Index	Exceed Index

Penn's share performance is required to exceed the applicable target for any portion of the external measure bonus to be paid. For each target exceeded, the executive will receive an amount equal to the bonus per target noted below, with a maximum bonus only paid if all nine targets are achieved. The Committee has discretion to pay the external measure bonus in cash, equity or any combination of cash and equity. The bonus per target and maximum bonus payable under the TSR Plan for 2012 for each Named Executive Officer as a percentage of annual base salary is as follows:

Executive	Bonus Per Target	Maximum Bonus
Chairman and Chief Executive Officer	16.7%	150%
President and Chief Operating Officer	14.2%	127.50%
Senior Vice President and Chief Financial Officer	12.5%	112.50%
Senior Vice President and General Counsel	8.3%	75%
Senior Vice President of Corporate Development	8.3%	75%

Equity Compensation

The Committee believes that the award of equity compensation is a critical component of Penn's executive compensation program because equity compensation directly ties executive compensation to management's ability to increase shareholder value. The Committee's experience shows it that equity compensation fosters an atmosphere where employees "think like owners" and are motivated to increase the long-term value of Penn by aligning their interests with those of Penn's shareholders. Accordingly, the Committee believes that equity compensation is an excellent tool to reflect Penn's principles of "pay for performance" so that a portion of each executive's compensation package will grow in value as shareholder value is increased. The Committee also believes that this culture of employee ownership has been a significant contributing factor to Penn's success and will continue to play a vital role in future success. More specifically, the Committee believes that equity compensation has been a critical tool in attracting and retaining executives with the type of entrepreneurial spirit that the Committee believes is integral to Penn's success.

Deferred Compensation

Penn does not maintain any defined benefit pension programs for its executives. Instead, consistent with the competitive practices of Penn's peer group, Penn maintains an elective nonqualified deferred compensation plan for executives. Pursuant to the plan, Penn provides a matching contribution on an executive's deferrals to the plan of up to 5% of the executive's base salary and annual bonus. All amounts credited to an executive's account are notionally invested, as directed by the executive, in commonly available mutual funds, and Penn does not guarantee any minimum returns. The plan is unfunded and benefits are paid from Penn's general assets; however, Penn currently contributes funds into a grantor trust on a monthly basis in respect of these deferred compensation obligations. Penn generally sets aside separately the amounts deferred by the executives and the matching contributions thereon and, to protect against excess liabilities, invests such amounts in the mutual funds notionally selected by each executive. This program is described in more detail beginning on page 116 of this Prospectus.

Benefits and Perquisites

The Committee believes that executives should be offered customary benefits and perquisites that are reasonable relative to the benefits provided to all employees, are consistent with competitive practices among Penn's peer group and, in certain circumstances, may address a particular reasonable issue or concern of an executive. The standard benefits offered to all of Penn's employees include medical, dental and vision insurance, group life insurance, short and long-term disability and a 401(k) with certain contributions matched by Penn. Consistent with the objectives described above, Penn also provides certain executive officers with additional supplemental benefits and perquisites, including in limited instances use of Penn's private aircraft where individual circumstances merit. The description and value of such supplemental benefits and perquisites in 2012 can be found on page 112 of this Prospectus.

Analysis of Compensation

Base Salary

Each year, the Committee reviews the base salary of each executive officer against the base salaries of similarly positioned executives in Penn's peer group. In doing so, the Committee compares the base salary information contained in Penn's peer group's most recently available proxy statements with comparable data for Penn's executive officers. In 2012, the Committee's review indicated that the base salary of Penn's Chief Executive Officer was at the 69th percentile relative to similarly positioned executives in Penn's peer group (based on information in the peer group companies' 2012 proxy statements), and the base salaries of the other executive officers ranged from the 27th percentile to the 72nd percentile.

Annual Incentive—Internal Measure

In 2012, Penn achieved over 99% of the maximum adjusted EBITDA target of $756.6 million (which was 105% of Penn's publicly announced adjusted EBITDA target for 2012 of $720.6 million). This resulted in the executive officers earning 85% of the maximum payout under the internal measure of the annual incentive plan. For purposes of the 2008 Plan, adjusted EBITDA for 2012 was $751.1 million, which reflects adjustments from Penn's publicly announced adjusted EBITDA to exclude the impact of certain non-recurring events, including the additional EBITDA attributable to the acquired property in Missouri and the additional expenses generated from referendum related activities in Maryland, as required by the terms of the 2008 Plan.

The following table indicates the actual amount paid to each executive officer as a percentage of annual base salary for 2012 for the internal measure of the annual incentive:

Executive	Actual Bonus Percent	Actual Payment
Chairman and Chief Executive Officer	143%	$ 2,502,006
President and Chief Operating Officer	121%	$ 1,704,091
Senior Vice President and Chief Financial Officer	107%	$ 1,210,894
Senior Vice President and General Counsel	71%	$ 366,938
Senior Vice President of Corporate Development	71%	$ 359,599

Annual Incentive—External Measure

For 2012, Penn's TSR exceeded the targets for seven of the nine performance measures. As a result, the executive officers earned 77.8% of the maximum bonus payable under the external measure of the annual incentive plan. The Committee elected to pay this amount in PSUs that vest over four years, 25% on the first anniversary of the date of grant and 25% on each succeeding anniversary

(subject to continued employment), in order to encourage management retention and foster alignment with shareholder interests. The numbers of units were determined by dividing the bonus amount by the fair market value of the common stock on the first trading day of the performance period, which was January 2, 2012. Consistent with the Committee's past practice, it used the first trading day of 2012 to determine the number of PSUs granted because the PSUs are granted in respect of 2012 TSR performance and the Committee believes the value of the award should reflect the increase in the market price of Penn's shares during the performance period for the TSR metric. The Committee has determined this approach to be appropriate because, among other reasons, the TSR portion of each executive's annual incentive is not delivered immediately, but is made subject to additional service based vesting before it can be realized. Accordingly, this approach allows Penn to receive the benefit of an additional retention incentive and further alignment of executive's interests with those of shareholders through equity ownership.

The following table indicates the maximum units that could have been earned by management under the TSR Plan in 2012, the actual number of units awarded based on Penn having met seven of the nine TSR targets and the grant date value of such awards:

Executive	Maximum Shares	Phantom Stock Unit Awards	Grant Date Fair Value
Chairman and Chief Executive Officer	69,181	53,807	$ 2,601,568
President and Chief Operating Officer	47,118	36,648	$ 1,771,931
Senior Vice President and Chief Financial Officer	33,482	26,041	$ 1,259,082
Senior Vice President and General Counsel	10,146	7,892	$ 381,578
Senior Vice President of Corporate Development	9,943	7,734	$ 373,939

As evidenced by Penn's share price growth exceeding the one, three and five year median growth rate of its industry peer group, Penn continued to perform well against its peers. The Committee believes this is due to a combination of (i) the value generated by Penn's announcement of its intention to pursue the Spin-Off, (ii) the opening of new casinos in Columbus, Kansas City, and Toledo, (iii) the relatively lower volatility of Penn's regional gaming portfolio during the economic downturn of the last several years and (iv) the relatively lower debt levels maintained by Penn during those years. Penn's TSR also exceeded the median TSR of the S&P Leisure Time Select Industries Index and the TSR of the S&P 500 Index over the one and three year period.

Equity Compensation

In 2012, options to purchase shares of common stock were granted to Penn's executive officers as follows: Peter M. Carlino, options to purchase 300,000 shares; Timothy J. Wilmott, options to purchase 200,000 shares; William J. Clifford, options to purchase 150,000 shares; and each of Jordan B. Savitch and Steven T. Snyder, options to purchase 70,000 shares. The exercise price of each option was set at $38.07 per share, which represents the closing price of a share of common stock on the trading day immediately prior to the date of grant, as required by the terms of the 2008 Plan. All options granted in 2012 vest at the rate of 25% per year, generally subject to the executive's continued employment.

Consistent with the Committee's historical practices regarding stock option grants, the Committee granted the same fixed number of shares in 2012 to Mr. Carlino as were granted in 2011. In granting a fixed number of stock options to the Chief Executive Officer for 2012, the Committee considered the extent to which the grant would reward the Chief Executive Officer for increasing shareholder value and the Chief Executive Officer's central role in overseeing Penn's success. The Committee also considered the size of the grant in relation to the diluted shares outstanding, which represented approximately 0.3% of the total shares outstanding. Further, the Committee considered Penn's recent and long-term performance. Based on these factors, the Committee determined, as it has in previous

years, that the fixed grant of 300,000 stock options was appropriate to reward and incentivize the Chief Executive Officer to increase shareholder value.

With respect to the other executive officers, the Committee utilized a methodology based on the number of options granted to the Chief Executive Officer and then adjusted downward so that the size of the grants were approximately proportionate to the difference in the total cash opportunity available to each of the executive officers. If appropriate, the Committee may further adjust the amounts based on input from the Chief Executive Officer regarding such qualitative factors as specific position duties and responsibilities, tenure with Penn, individual contribution and position value to Penn. In 2012, no other adjustments were deemed necessary or appropriate and, accordingly, the Committee granted the same fixed number of shares in 2012 to the other executive officers as were granted in 2011.

Employment Agreements

Most of the existing employment agreements with Penn's executive officers have relatively near term expiration dates. In addition, the Committee expects that several of these agreements will expire earlier as some of Penn's Named Executive Officers are expected to transition to GLPI in connection with the Spin-Off. Accordingly, in 2013, the Committee plans to continue to re-evaluate whether and in what form to utilize employment agreements to attract and retain talented executives and to protect Penn from employment related liability.

For a detailed discussion of the terms contained in each Named Executive Officer's employment agreement, please refer to pages 119 to 123 of this Prospectus.

Other Compensation Policies

Hedging and Pledging Policy

The Committee believes that equity ownership fosters an atmosphere where directors and officers "think like owners" and are motivated to increase the long-term value of Penn by aligning their interests with those of Penn's shareholders. Accordingly, the Committee has adopted policies generally restricting each of Penn's directors and executive officers from engaging in hedging transactions or pledging Penn shares.

Compensation Clawback Policy

As a highly regulated, multi-jurisdictional gaming and racing company, Penn has had a long-standing commitment to ensure that its executive officers adhere to the highest professional and personal standards. Accordingly, Penn has long held that under current law misconduct by any executive officer that leads to a restatement of Penn's financial results could subject such individuals to a disgorgement of prior compensation and, in light of the highly regulated nature of Penn's business, that the Committee would likely pursue such remedy, among others, where appropriate based on the facts and circumstances surrounding the restatement and existing laws. The Committee will amend Penn's clawback policy, as needed, once the SEC adopts the final implementing rules regarding compensation clawbacks mandated by the Dodd-Frank Act.

Statutory and Regulatory Considerations

In designing Penn's compensatory programs, the Committee considers the various tax, accounting and disclosure rules associated with various forms of compensation. The Committee also reviews and considers the deductibility of executive compensation under Section 162(m) of the Code, which generally provides that Penn may not deduct certain compensation of more than $1 million that is paid to certain individuals. Penn generally will be entitled to take tax deductions related to performance-based compensation or to compensation not payable until the executive leaves Penn, which may include

cash incentives, stock options, restricted stock or other performance-based award. The Committee seeks to preserve Penn's tax deductions for executive compensation to the extent consistent with Penn's executive compensation objectives. However, the Committee may also from time to time consider and grant compensation that may not be tax deductible if the Committee believes such compensation is warranted to achieve Penn's objectives.

Timing of Option Grants

In December 2006, the Committee adopted a stock option grant procedure, pursuant to which, for annual stock option awards to eligible executive officers, the grant date will be the first trading day of the calendar year. In addition, with respect to executive officers subject to the reporting requirements of Section 16 of the Exchange Act, grants made by us upon commencement of employment or promotions are made on the day employment commences or the promotion is effective. The stock option procedure is designed to make the timing of option grants predictable and prevent grant timing abuses. Options granted in 2012 to executives were granted in accordance with this procedure. All option grants were priced in accordance with the terms of the applicable equity compensation plans, which require, among other things, that the exercise price of all stock options be established by reference to the closing price on the trading day immediately prior to the date of grant.

Summary Compensation Table

The following table sets forth information concerning the compensation earned during the fiscal years ended December 31, 2012, 2011 and 2010 by Penn's Named Executive Officers on December 31, 2012:

Name and Principal Position	Year	Salary ($)	Stock Awards ($)(1)	Option Awards ($)(1)	Non-Equity Incentive Plan Compensation ($)(2)	All Other Compensation ($)(3)	Total ($)
Peter M. Carlino	2012	1,753,827	2,601,568	5,153,190	2,502,006	529,415	**12,540,006**
Chairman and Chief	2011	1,702,745	2,332,228	4,966,050	2,556,981	420,330	**11,978,334**
Executive Officer	2010	1,653,335	1,125,449	3,874,500	2,482,506	333,487	**9,469,277**
Timothy J. Wilmott	2012	1,405,310	1,771,931	3,435,460	1,704,091	104,102	**8,420,894**
President and Chief	2011	1,364,379	1,588,454	3,310,700	1,741,534	98,477	**8,103,544**
Operating Officer	2010	1,324,788	766,521	2,583,000	1,690,809	95,004	**6,460,122**
William J. Clifford	2012	1,131,731	1,259,082	2,576,595	1,210,894	276,076	**6,454,378**
Senior Vice President and	2011	1,087,398	1,128,727	2,483,025	1,237,500	166,747	**6,103,397**
Chief Financial Officer	2010	771,557	393,911	1,937,250	868,877	127,742	**4,099,337**
Jordan B. Savitch	2012	514,424	381,578	1,202,411	366,938	62,346	**2,527,697**
Senior Vice President and	2011	497,955	342,044	1,158,745	375,000	46,555	**2,420,299**
General Counsel	2010	446,400	151,951	904,050	335,138	33,295	**1,870,834**
Steven T. Snyder(4)	2012	504,134	373,939	1,202,411	359,599	61,199	**2,501,282**
Senior Vice President of	2011	487,991	335,201	1,158,745	367,500	45,715	**2,395,152**
Corporate Development	2010	437,309	148,845	904,050	328,312	32,718	**1,851,234**

(1) The amounts reflect the full grant date fair value calculated in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718 ("ASC 718"), for stock option awards, restricted stock awards, and PSU awards. Assumptions used in the calculation of these amounts are included in footnote 4 to Penn's audited financial statements included in its Annual Report on Form 10-K for the fiscal year ended December 31, 2012. Included in Stock Awards for the years 2012 and 2011 are PSU awards granted on January 29, 2013, and February 6, 2012, respectively, relating to Penn's payment of the external portion of Penn's annual incentive

plan for years 2012 and 2011. Included in Stock Awards for the year 2010 are restricted stock awards granted on April 15, 2011, relating to Penn's payment of the external portion of Penn's annual incentive plan for 2010.

(2) The amounts reflect cash payments in 2012, 2011 and 2010, pursuant to the internal measure portion of Penn's annual incentive plan, which provided for the payment of incentive compensation upon Penn's achievement of pre-established adjusted EBITDA goals. Based on Penn's adjusted EBITDA performance for 2012, the executives received target plus 85% of the difference between target and the maximum payout for the internal measure. Based on Penn's adjusted EBITDA performance for 2011 and 2010, the executives received the maximum payout for the internal measure. For more information on Penn's annual incentive plan, see the discussion beginning on page 103 of the "—Compensation Discussion and Analysis" of this Prospectus.

(3) See All Other Compensation Table below for more information.

(4) Mr. Snyder was not a named executive officer of Penn for 2011.

All Other Compensation Table

The following table describes each component of the All Other Compensation column of the Summary Compensation Table:

					Perquisites		
Name	**Year**	**Penn Contributions to Deferred Compensation Plan ($)(1)**	**Penn Contributions to 401(k) ($)(2)**	**Penn-Paid Insurance Premiums ($)(3)**	**Club Memberships ($)**	**Personal Use of Penn Airplane ($)(4)**	**Total ($)**
Peter M. Carlino	2012	303,330	5,000	—	3,340	217,745	529,415
	2011	209,262	4,900	—	3,279	202,889	420,330
	2010	127,664	4,900	—	3,219	197,704	333,487
Timothy J. Wilmott	2012	70,266	5,000	28,836	—	—	104,102
	2011	68,219	4,900	25,358	—	—	98,477
	2010	66,242	4,900	23,862	—	—	95,004
William J. Clifford	2012	160,949	5,000	—	—	110,127	276,076
	2011	97,813	4,900	—	—	64,034	166,747
	2010	54,327	4,900	—	—	68,515	127,742
Jordan B. Savitch	2012	57,346	5,000	—	—	—	62,346
	2011	41,655	4,900	—	—	—	46,555
	2010	28,395	4,900	—	—	—	33,295
Steven T. Snyder	2012	56,199	5,000	—	—	—	61,199
	2011	40,815	4,900	—	—	—	45,715
	2010	27,818	4,900	—	—	—	32,718

(1) This column reports Penn's matching contributions under Penn's deferred compensation plan.

(2) This column reports Penn's contributions to the Named Executive Officers' 401(k) savings accounts.

(3) This column reports life insurance policy premiums and other insurance premiums paid by Penn on behalf of the executive.

(4) The amount allocated for personal aircraft usage is calculated based on the incremental cost to Penn for fuel, landing fees and other variable costs of operating the airplane. Since Penn's aircrafts are primarily used for business travel, Penn does not include fixed costs that do not change based on usage, such as pilots' salaries, depreciation of the purchase cost of the aircraft and the cost of general maintenance.

2012 Grants of Plan-Based Awards

The following table sets forth certain information regarding grants of plan-based awards relating to 2012:

Name	Grant Date	Grant Board Approval Date	All Other Option Awards: Number of Securities Underlying Stock Options (#)	Exercise or Base Price of Option Awards ($/Sh)(1)	Grant Date Fair Value of Stock and Option Awards ($)(2)
Peter M. Carlino—Options(3)	1/3/2012	12/12/2011	300,000	38.07	5,153,190
Peter M. Carlino—External Measure(4)	1/29/2013	1/29/2013	53,807	—	2,601,568
Timothy J. Wilmott—Options(3)	1/3/2012	12/12/2011	200,000	38.07	3,435,460
Timothy J. Wilmott—External Measure(4)	1/29/2013	1/29/2013	36,648	—	1,771,931
William J. Clifford—Options(3)	1/3/2012	12/12/2011	150,000	38.07	2,576,595
William J. Clifford—External Measure(4)	1/29/2013	1/29/2013	26,041	—	1,259,082
Jordan B. Savitch—Options(3)	1/3/2012	12/12/2011	70,000	38.07	1,202,411
Jordan B. Savitch—External Measure(4)	1/29/2013	1/29/2013	7,892	—	381,578
Steven T. Snyder—Options(3)	1/3/2012	12/12/2011	70,000	38.07	1,202,411
Steven T. Snyder—External Measure(4)	1/29/2013	1/29/2013	7,734	—	373,939

(1) The exercise price of each stock option is equal to the fair market value of a share of Penn's common stock on the date of grant. Pursuant to the terms of Penn's 2008 long term incentive compensation plan, as amended, under which the options were granted, fair market value is equal to the closing price of Penn's common stock on the business day immediately preceding the date of grant.

(2) Represents the full grant date fair value of awards under ASC 718. Generally, the full grant date fair value is the amount Penn would expense in its financial statements over the award's vesting period. Assumptions used in the calculation of these amounts are included in footnote 4 to Penn's audited financial statements included in its Annual Report on Form 10-K for the fiscal year ended December 31, 2012.

(3) Options granted to the Named Executive Officers vest over four years, 25% on the first anniversary of the date of grant and 25% on each succeeding anniversary. In the event of a change in control, options vest immediately.

(4) These amounts reflect PSU awards relating to 2012 performance pursuant to the external measure portion of Penn's annual incentive plan, which provides for the payment of incentive compensation upon Penn's share performance over a 1-year, 3-year and 5-year period as compared against the total shareholder return of the companies listed in three indices for a total of nine performance targets. One-ninth of the maximum bonus will be paid for the achievement of each target. Executives received seven-ninths of the Maximum Target as a payout for 2012. The units vest over four years, 25% on the first anniversary of the date of grant and 25% on each succeeding anniversary. In the event of a change in control, the forfeiture restrictions on restricted stock lapse immediately. See the discussion beginning on page 103 of the "—Compensation Discussion and Analysis" of this Prospectus.

Outstanding 2012 Equity Awards at Fiscal Year-End

The following table sets forth information concerning equity awards outstanding as of December 31, 2012:

		Option Awards				Stock Awards		
		Number of Securities Underlying Unexercised Options:						
Name	Option Grant Date(1)	Exercisable (#)	Unexercisable (#)(1)	Option Exercise Price($)	Option Expiration Date	Stock Award Grant Date	Number of Shares or Units Held that Have Not Vested(#)	Market Value of Shares or Units Held that Have Not Vested ($)(4)
Peter M. Carlino	01/29/04	150,000	—	12.15	01/29/14	02/18/10(2)	10,246	503,181
	01/06/05	561,300	—	29.22	01/06/15	10/20/10(3)	37,279	1,830,772
	01/12/06	300,000	—	33.12	01/12/16	04/15/11(2)	30,434	1,494,614
	01/02/07	300,000	—	41.62	01/02/17	02/06/12(3)	56,580	2,778,644
	07/08/08	300,000	—	29.87	07/08/18			
	01/02/09	225,000	75,000	21.38	01/02/16			
	01/02/10	150,000	150,000	27.19	01/02/17			
	01/03/11	75,000	225,000	35.15	01/03/18			
	01/03/12	—	300,000	38.07	01/03/19			
Timothy J. Wilmott	07/08/08	186,612	—	29.87	07/08/18	02/18/10(2)	6,978	342,690
	01/02/09	150,000	50,000	21.38	01/02/16	10/20/10(3)	25,390	1,246,903
	01/02/10	100,000	100,000	27.19	01/02/17	04/15/11(2)	20,728	1,017,952
	01/03/11	50,000	150,000	35.15	01/03/18	02/06/12(3)	38,536	1,892,503
	01/03/12	—	200,000	38.07	01/03/19			
William J. Clifford	01/06/05	300,000	—	29.22	01/06/15	02/18/10(2)	3,586	176,108
	01/12/06	100,000	—	33.12	01/12/16	10/20/10(3)	13,048	640,787
	01/02/07	100,000	—	41.62	01/02/17	04/15/11(2)	10,652	523,120
	07/08/08	150,000	—	29.87	07/08/18	02/06/12(3)	27,383	1,344,779
	01/02/09	112,500	37,500	21.38	01/02/16			
	01/02/10	75,000	75,000	27.19	01/02/17			
	01/03/11	37,500	112,500	35.15	01/03/18			
	01/03/12	—	150,000	38.07	01/03/19			
Jordan B. Savitch	01/29/04	37,080	—	12.15	12/31/13	02/18/10(2)	1,383	67,919
	01/06/05	80,000	—	29.22	01/06/15	10/20/10(3)	5,033	247,171
	01/12/06	50,000	—	33.12	01/12/16	04/15/11(2)	4,109	201,793
	01/02/07	50,000	—	41.62	01/02/17	02/06/12(3)	8,298	407,515
	07/08/08	70,000	—	29.87	07/08/18			
	01/02/09	52,500	17,500	21.38	01/02/16			
	01/02/10	35,000	35,000	27.19	01/02/17			
	01/03/11	17,500	52,500	35.15	01/03/18			
	01/03/12	—	70,000	38.07	01/03/19			
Steven T. Snyder	01/06/05	66,578	—	29.22	01/06/15	02/18/10(2)	1,355	66,544
	01/12/06	66,981	—	33.12	01/12/16	10/20/10(3)	4,930	242,112
	01/02/07	67,598	—	41.62	01/02/17	04/15/11(2)	4,025	197,668
	07/08/08	66,653	—	29.87	07/08/18	02/06/12(3)	8,132	399,363
	01/02/09	17,500	17,500	21.38	01/02/16			
	01/02/10	35,000	35,000	27.19	01/02/17			
	01/03/11	17,500	52,500	35.15	01/03/18			
	01/03/12	—	70,000	38.07	01/03/19			

(1) Options vest over four years, 25% on the first anniversary of the date of grant and 25% on each succeeding anniversary. In the event of a change in control, options vest immediately.

(2) Represents restricted stock awards. The forfeiture provisions on the restricted stock awards granted February 18, 2010, lapse $33^{1}/3$% on each of the first, second, and third anniversary of the date of grant. The forfeiture provisions on the restricted stock awards granted April 15, 2011, lapse 100% on the third year anniversary of the date of grant. In the event of a change in control, the forfeiture restrictions on restricted stock lapse immediately.

(3) Represents PSU awards. Awards granted October 20, 2010, are scheduled to vest as follows: $^{2}/_{9}$ of the aggregate award to the executive on each of the first, second and third anniversaries of the date of grant and the remaining $^{1}/_{6}$ of the aggregate award to the executive on each of the fourth and fifth anniversaries of the date of grant and awards granted February 6, 2012, are scheduled to vest over four years, 25% on the first anniversary of the date of grant and 25% on each succeeding anniversary. In the event of a change in control, the forfeiture restrictions on restricted stock lapse immediately.

(4) Calculated based on the closing price of Penn's common stock on December 31, 2012 ($49.11), which was the last trading day of 2012.

2012 Option Exercises and Stock Vested

The following table sets forth information concerning options exercised, restricted stock awards vested, and PSU awards vested during fiscal 2012:

	Option Awards		Stock Awards		PSU Awards	
Name	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise ($)	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting ($)	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting ($)
Peter M. Carlino	75,000	2,301,000	36,817	1,456,197	14,912	626,006
Timothy J. Wilmott	13,388	258,790	25,076	991,815	10,156	426,349
William J. Clifford	—	—	12,886	509,670	5,219	219,094
Jordan B. Savitch	101,760	2,515,688	4,970	196,574	2,013	84,506
Steven T. Snyder	87,190	1,453,145	4,869	192,580	1,972	82,785

2012 Nonqualified Deferred Compensation

The following table sets forth information concerning nonqualified deferred compensation of the Named Executive Officers:

Name	Executive Contributions in Last Fiscal Year ($)(1)	Penn Contributions in Last Fiscal Year ($)(2)	Aggregate Earnings in Last Fiscal Year ($)(3)	Aggregate Withdrawals/ Distributions ($)	Aggregate Balance at Last Fiscal Year End ($)(4)
Peter M. Carlino	606,660	303,330	720,111	(3,120)	5,526,334
Timothy J. Wilmott	281,062	70,266	244,345	(1,331)	1,973,155
William J. Clifford	321,898	160,949	9,619	(69,727)	2,360,844
Jordan B. Savitch	114,692	57,346	66,313	(643)	808,208
Steven T. Snyder	112,398	56,199	124,605	(65,076)	1,006,168

(1) For each Named Executive Officer, the Executive's contribution is included in the Named Executive Officer's salary and/or non-equity executive compensation for 2012, as reported in the Summary Compensation Table.

(2) For each Named Executive Officer, Penn's contribution is included in the Named Executive Officer's other compensation for 2012, as reported in the Summary Compensation Table.

(3) Amounts reflect the change in account value during 2012. No amounts are reported in the Summary Compensation Table because earnings were not above market or preferential.

(4) The amount of each Named Executive Officer's aggregate balance at fiscal year-end that was reported as compensation in Penn's Summary Compensation Table for previous years is set forth below:

Name	Amount Previously Reported ($)
Peter M. Carlino	3,899,353
Timothy J. Wilmott	1,378,813
William J. Clifford	1,938,105
Jordan B. Savitch	570,500
Steven T. Snyder	—

Penn's Deferred Compensation Plan

Pursuant to Penn's deferred compensation plan, as amended, most management and certain other highly compensated employees selected by the Committee administering the plan may elect to defer, on a pre-tax basis, a percentage of his or her salary and/or bonus. The minimum amount deferrable is $3,000 and the maximum is 90% of his or her base annual salary and/or bonus. Generally, deferral elections must be made before the beginning of the year in which compensation will be earned. Penn's contributions under the plan are equal to 50% of the participant's deferral for the first 10% of the salary and/or bonus deferred, subject to a maximum annual Penn contribution equal to 5% of the participant's salary and/or bonus. With the approval of the board of directors of Penn, Penn is also permitted to make discretionary contributions. Participants are always 100% vested in their own contributions, but Penn contributions vest 20% per year of service with Penn. Therefore, employees with five or more years of service are fully vested in Penn contributions under the plan. However, for employees with less than five years of service, all Penn contributions become immediately and fully vested upon death, retirement (on or after age 65) or a change in control of Penn, as defined in the deferred compensation plan. The Committee may accelerate vesting of Penn's contributions if a participant terminates his or her employment because of disability.

Subject to the exceptions discussed below, participants in the deferred compensation plan, or their beneficiaries, receive distributions upon retirement, death or termination. Participants can elect to receive distributions following retirement or death in the form of a lump sum payment or payment in five or ten annual installments. Distributions following retirement can be deferred for up to five years.

For purposes of the deferred compensation plan, termination of employment as a result of a disability will be considered retirement. Distributions following termination of employment other than as a result of retirement or death will be in the form of a lump sum payment. Participants can also elect to receive a scheduled distribution with respect to an annual deferral amount, which is payable in a lump sum at the beginning of a designated subsequent calendar year, subject to certain limitations. In the event of an unforeseeable financial emergency and with the approval of the Committee, a participant can suspend deferrals or receive a partial or full payout under the plan. Certain specified employees have a six-month delay imposed upon distributions pursuant to a severance from service, as required by the final Code section 409A regulations. In the event of a change in control, Penn will accelerate installment payments that are in pay status by paying the account balance in lump sum and will distribute the account balances of all active participants in a lump sum; provided, however, that no distributions (or accelerations of installments) will occur unless the transaction qualifies as a "change in control event" under Code section 409A.

Participants in the deferred compensation plan may notionally invest deferred amounts, including Penn contributions, in mutual funds selected by the Committee. Participants may change their investment elections at any time.

Table of Contents

Potential Payments Upon Termination or Change in Control

The information below describes and quantifies compensation that would become payable under existing arrangements with Penn in the event of a termination of a Named Executive Officer's employment under several different circumstances or a change in control. The amounts shown assume that such termination or change in control was effective as of December 31, 2012, and thus include amounts earned through such time and are based (where applicable) on the closing price of Penn's common stock on such date (which was $49.11 per share) and are estimates of the amounts that would be paid to the Named Executive Officers upon their termination or a change in control. The actual amounts to be paid can only be determined at the time of such Named Executive Officer's separation from Penn or a change in control.

The following tables quantify the amounts payable to each of the Named Executive Officers under the described termination circumstances and upon a change in control. For a description of the severance and change in control provisions giving rise to the payments set forth below, see pages 119 through 123 of this Prospectus.

Post-Employment Payments—Peter M. Carlino

Executive Payments	Voluntary Termination by Executive ($)	Termination without Cause by Penn ($)	Termination for Cause by Penn ($)	Termination upon Death ($)	Termination upon Disability ($)	Change in Control ($)(1)	Change in Control Termination without Cause ($)
Cash Severance Benefit(2)	—	12,938,325	—	12,938,325	12,938,325	12,938,325	12,938,325
Benefit Continuation(3)	—	31,068	—	31,068	31,068	—	31,068
Restricted Shares(4)	—	6,607,211	—	6,607,211	6,607,211	6,607,211	6,607,211
Unvested Stock Options(5)	—	10,992,750(6)	—	10,992,750(6)	10,992,750(6)	11,820,750	11,820,750
Vested Stock Options(5)	40,098,507	40,098,507	29,524,257	40,098,507	40,098,507	40,098,507	40,098,507
Vested Deferred Compensation Balance(7)	5,526,334	5,526,334	5,526,334	5,526,334	5,526,334	5,526,334	5,526,334
Tax Indemnity Payments(8)	n/a	n/a	n/a	n/a	n/a	8,352,716	8,362,918
Total	**$ 45,624,841**	**$ 76,194,195**	**$ 35,050,591**	**$ 76,194,195**	**$ 76,194,195**	**$ 85,343,843**	**$ 85,385,113**

Post-Employment Payments—Timothy J. Wilmott

Executive Payments	Voluntary Termination by Executive ($)	Termination without Cause by Penn ($)	Termination for Cause by Penn ($)	Termination upon Death ($)(9)	Termination upon Disability ($)	Change in Control ($)(1)	Change in Control Termination without Cause ($)
Cash Severance Benefit(2)	—	6,296,840	—	6,296,840	6,296,840	9,445,260	9,445,260
Benefit Continuation(3)	—	30,120	—	30,120	30,120	—	45,180
Restricted Shares(4)	—	—	—	4,500,048	4,500,048	4,500,048	4,500,048
Unvested Stock Options(5)	—	6,253,000(6)	—	6,253,000(6)	6,253,000(6)	7,880,500	7,880,500
Vested Stock Options(5)	10,639,915	10,639,915	3,590,415	10,639,915	10,639,915	10,639,915	10,639,915
Vested Deferred Compensation Balance(7)	1,973,155	1,973,155	1,973,155	1,973,155	1,973,155	1,973,155	1,973,155
Tax Indemnity Payments(8)	n/a	n/a	n/a	n/a	n/a	6,606,410	6,622,065
Total	**$ 12,613,070**	**$ 25,193,030**	**$ 5,563,570**	**$ 29,693,078**	**$ 29,693,078**	**$ 41,045,288**	**$ 41,106,123**

Table of Contents

Post-Employment Payments—William J. Clifford

Executive Payments	Voluntary Termination by Executive ($)	Termination without Cause by Penn ($)	Termination for Cause by Penn ($)	Termination upon Death ($)	Termination upon Disability ($)	Change in Control ($)(1)	Change in Control Termination without Cause ($)
Cash Severance Benefit(2)	—	4,741,000	—	4,741,000	4,741,000	7,111,500	7,111,500
Benefit Continuation(3)	—	20,976	—	20,976	20,976	—	31,464
Restricted Shares(4)	—	—	—	2,684,794	2,684,794	2,684,794	2,684,794
Unvested Stock Options(5)	—	4,689,750(6)	—	4,689,750(6)	4,689,750(6)	5,910,375	5,910,375
Vested Stock Options(5)	16,488,125	16,488,125	11,201,000	16,488,125	16,488,125	16,488,125	16,488,125
Vested Deferred Compensation Balance(7)	2,360,844	2,360,844	2,360,844	2,360,844	2,360,844	2,360,844	2,360,844
Tax Indemnity Payments(8)	n/a	n/a	n/a	n/a	n/a	4,187,086	4,197,418
Total	**$ 18,848,969**	**$ 28,300,695**	**$ 13,561,844**	**$ 30,985,489**	**$ 30,985,489**	**$ 38,742,724**	**$ 38,784,520**

Post-Employment Payments—Jordan B. Savitch

Executive Payments	Voluntary Termination by Executive ($)	Termination without Cause by Penn ($)	Termination for Cause by Penn ($)	Termination upon Death ($)	Termination upon Disability ($)	Change in Control ($)(1)	Change in Control Termination without Cause ($)
Cash Severance Benefit(2)	—	1,335,000	—	1,335,000	1,335,000	2,670,000	2,670,000
Benefit Continuation(3)	—	15,732	—	15,732	15,732	—	31,464
Restricted Shares(4)	—	—	—	924,398	924,398	924,398	924,398
Unvested Stock Options(5)	—	2,188,550(6)	—	2,188,550(6)	2,188,550(6)	2,758,175	2,758,175
Vested Stock Options(5)	7,949,802	7,949,802	5,842,477	7,949,802	7,949,802	7,949,802	7,949,802
Vested Deferred Compensation Balance(7)	808,208	808,208	808,208	808,208	808,208	808,208	808,208
Tax Indemnity Payments(8)	n/a	n/a	n/a	n/a	n/a	1,599,149	1,609,481
Total	**$ 8,758,010**	**$ 12,297,292**	**$ 6,290,685**	**$ 13,221,690**	**$ 13,221,690**	**$ 16,709,732**	**$ 16,751,528**

Post-Employment Payments—Steven T. Snyder

Executive Payments	Voluntary Termination by Executive ($)	Termination without Cause by Penn ($)	Termination for Cause by Penn ($)	Termination upon Death ($)	Termination upon Disability ($)	Change in Control ($)(1)	Change in Control Termination without Cause ($)
Cash Severance Benefit(2)	—	1,744,400	—	1,744,400	1,744,400	2,616,600	2,616,600
Benefit Continuation(3)	—	30,120	—	30,120	30,120	—	45,180
Restricted Shares(4)	—	—	—	905,687	905,687	905,687	905,687
Unvested Stock Options(5)	—	2,188,550(6)	—	2,188,550(6)	2,188,550(6)	2,758,175	2,758,175
Vested Stock Options(5)	5,680,750	5,680,750	4,183,975	5,680,750	5,680,750	5,680,750	5,680,750
Vested Deferred Compensation Balance(7)	1,006,168	1,006,168	1,006,168	1,006,168	1,006,168	1,006,168	1,006,168
Tax Indemnity Payments(8)	n/a	n/a	n/a	n/a	n/a	1,428,740	1,443,576
Total	**$ 6,686,918**	**$ 10,649,988**	**$ 5,190,143**	**$ 11,555,675**	**$ 11,555,675**	**$ 14,396,120**	**$ 14,456,136**

(1) Upon the occurrence of a change in control, the change in control payment is payable and the stock options and restricted stock awards accelerate; no termination of employment is required.

(2) Basis for cash severance benefit upon a change in control is 2012 salary plus highest cash bonus earned over years 2012 and 2011.

(3) Represents employer cost of medical and dental coverage.

(4) Restricted stock award values were computed based on the closing stock price of Penn's common stock on December 31, 2012 ($49.11), which was the last trading day of 2012.

(5) Amounts represent the difference between the exercise price of each Named Executive Officer's options and the closing price of Penn's common stock on December 31, 2012 ($49.11). Vested stock options issued under the 2008 Plan are cancelled when an

executive is terminated for cause by Penn; however, vested options granted under Penn's prior long-term incentive plans are generally not cancelled upon a termination for cause.

(6) Unvested options that would vest during the applicable severance period vest upon termination but may not be exercised until the time that such options would have vested had the executive continued to be employed through the applicable severance period. Restrictions lapse upon death or a change in control.

(7) Penn contributions to the deferred compensation plan vest 20% per year during the first five years of service, although vesting is accelerated upon death, change in control and, at the option of the committee administering the plan, disability.

(8) The amounts in the table were calculated in accordance with Sections 4999 and 280G of the Code.

(9) The amounts reflected exclude net benefit payments under life insurance policies maintained by Penn covering Mr. Wilmott for the benefit of his named beneficiaries with a face value of $3,900,000.

Employment Agreements

Penn has employment agreements with each of its Named Executive Officers. As noted below, most of these agreements have relatively near term expiration dates. In addition, Penn expects that several of these agreements will expire earlier as some of Penn's Named Executive Officers are expected to transition to GLPI in connection with the Spin Off. Accordingly, in 2013, the Committee plans to continue to re-evaluate whether and in what form to utilize employment agreements to attract and retain talented executives and to protect Penn from employment related liability. For key employees with whom Penn does not seek to have employment agreements, Penn has designed other policies and programs for attracting and retaining talented individuals.

Key Terms

Term

The term of the employment agreement for each of the Chairman and Chief Executive Officer and the President and Chief Operating Officer is five years. Each other Named Executive Officer's employment agreement has a three year term. Penn believes that the length of each employment term represents a reasonable period for which Penn and the executive will mutually commit to maintain the employment relationship. For Penn, this provides stability and predictability among its leadership ranks. For the executive, this provides a reasonable but limited assurance of job security designed to foster an environment of entrepreneurial risk taking where the executive can focus on building long-term shareholder value.

With respect to Mr. Wilmott, the five-year term was intended to provide a reasonable period of time for Penn and Mr. Wilmott to mutually determine whether Mr. Wilmott would have the opportunity to serve as Penn's Chief Executive Officer. In November 2012, Penn announced that it expects Mr. Wilmott to serve as Chief Executive Officer of Penn following the completion of the Spin-Off.

With respect to Mr. Carlino, the five-year term was deemed reasonable given the leadership and accomplishments Mr. Carlino has demonstrated and achieved over the 19 years he has served Penn. Among other things, the board of directors of Penn credits Mr. Carlino with putting together and executing the acquisition strategy and recruiting the management team that has fueled Penn's growth since 1994.

Termination and Restrictive Covenants

Penn offers certain additional payments to its Named Executive Officers if Penn elects to terminate the executive's employment without "cause" or as a result of death or total disability. Such termination payments are not available to the executive if the executive resigns (regardless of whether or not such executive has good reason except as noted on page 123 of this Prospectus with respect to Mr. Carlino and Mr. Wilmott) or if the executive is terminated for "cause." All termination payments are expressly conditioned on the executive providing a written release of all liabilities to Penn and the executive's agreement to comply with the restrictive covenants described below for the time period for which such payments are made. All payments are subject to forfeiture and/or clawback in the event that the executive breaches any term of the restrictive covenants.

Each employment agreement contains a comprehensive set of restrictive covenants designed to provide Penn with a reasonable degree of protection of its strategic plans, intellectual property and human capital. Generally, each employment agreement contains prohibitions on (i) competition with Penn anywhere in North America, (ii) solicitation of any employees of Penn or any of its subsidiaries, and (iii) disclosure and use of any of Penn's confidential information.

Each executive is generally bound by the restrictive covenants for the following periods: 36 months for the Chairman and Chief Executive Officer, 24 months for the President and Chief Operating Officer and the Senior Vice President and Chief Financial Officer and 18 months for the Senior Vice President and General Counsel and the Senior Vice President of Corporate Development. The board of directors of Penn selected these time periods based on its determination about the extent to which each individual's tenure with, and knowledge of, Penn might be used to adversely impact Penn's strategic plans, intellectual property or human capital. If an executive violates any of these provisions, in addition to any other legal or equitable remedies available to Penn, the executive must repay to Penn all amounts paid upon termination, forfeit any amounts then still payable in connection with such termination and, as set forth in the applicable compensation plans, forfeit all outstanding equity awards (regardless of whether such awards had vested before or after termination). In limited circumstances, an executive may opt out of the non-competition provision provided such executive repays any amounts paid and forfeits amounts payable by Penn in respect of the period for which such executive has elected not to be subject to the restrictive covenant.

The additional payments consist of a cash payment equal to the executive's base salary and annual cash bonus (based on the highest salary and annual cash bonus paid during the previous two years calculated on a monthly basis) multiplied by the greater of (i) the minimum number of months that such executive is bound by the restrictive covenants and (ii) the number of months remaining in the employment term. In addition, the executive is permitted continued vesting of stock options during the period for which the executive remains bound by restrictive covenants. The board of directors of Penn selected these amounts based on the rationale that it was willing to continue to pay each executive an amount reflecting the foregone compensation over the period that Penn desired the executive to remain subject to the restrictive covenants in the event Penn elects to terminate the executive's employment without cause.

Change in Control

In 2012, no new or renewed employment agreement contained a "single trigger" change in control provision. In addition, Penn has determined not to enter into any such provisions in the future.

With respect to the employment agreements of the Named Executive Officers, none of which expired in 2012, in the event of a change in control, each Named Executive Officer is entitled to receive a cash payment equal to three times the sum of his base salary and annual cash bonus (based on the highest amount paid in the two preceding calendar years). Such payment would be made in two lump sums with 75% paid on the closing date of the change in control and 25% paid on the 75th day following the change in control, subject to the executive's continued employment with Penn during such period (unless earlier terminated by Penn). In addition, upon a change in control, any unvested equity compensation held by any employee of Penn, including any Named Executive Officer, will become vested. To the extent that an executive receives a cash change in control payment, such executive will not be eligible to receive any additional cash severance in the event of a termination of employment during the employment term.

Tax Indemnity

In 2012, no new or renewed employment agreement contained tax indemnification provisions. With respect to the employment agreements of the Named Executive Officers, none of which expired in

2012, each executive's employment agreement provides him with protection if a change in control or termination payment results in a parachute excise tax. In such event, the executive officer is entitled to a tax indemnity payment to the extent necessary so that the net amount paid to the executive is equal to the amount that would have otherwise been due to the executive under the applicable terms of the employment agreement absent the impact of the parachute excise tax. The Committee believes that such payments are appropriate to ensure that an executive does not lose the benefits of the payments to which such tax may be applied. If the excise tax were to reduce the net after-tax amount received by the executive, the benefits to Penn of the employment agreements—namely, retention during change in control transactions and compliance with restrictive covenants following involuntary terminations of employment—would be proportionately diminished.

In addition, the excise tax creates disproportionate and adverse impacts on different classes of executives. Since it is generally calculated based on the amount of change in control payments relative to an executive's average taxable income from Penn over the five year period preceding the change in control, an executive with a lower average income will more likely be subject to the excise tax than a similarly situated executive with a higher income history. For example, contrary to the notion of long term value creation, the excise tax is more likely to be imposed on an executive who chooses not to exercise (and therefore not to generate income on) his stock options prior to a change in control since the executive will have a lower average compensation history than an executive who exercised and previously recognized income on his options. Further, by setting reasonable levels of payments in respect of change in control transactions and post-termination restrictive covenants, Penn does not believe that the payment of any such tax indemnity is likely to adversely impact the value of Penn. For example, if Penn were to be sold for the price ($49.11) used to calculate the change in control payments described under "—Potential Payments Upon Termination or Change in Control" beginning on page 117 of this Prospectus, then the aggregate amounts due to all Named Executive Officers under the tax indemnity, assuming no other mitigation steps were taken, would be less than 0.3% of the value of the transaction. Finally, especially in light of the long period necessary for Penn to close a change in control transaction, Penn believes that it can mitigate or eliminate the need for any indemnity payments.

In addition to the key terms relating to severance, change in control, restrictive covenants and tax indemnity provisions described above, each employment agreement provides for additional compensation through participation in Penn's annual incentive plan, eligibility for awards under Penn's long term incentive compensation plans then in effect and certain other benefits, including health, vacation and deferred compensation. If Penn elects not to renew the executive's employment agreement at the end of the applicable term or such executive is terminated without "cause" (as defined in each agreement and described below) or as a result of death or total disability, the executive is entitled to certain continued health benefits and continued vesting of his options.

The specific terms of each of the individual agreements for the Named Executive Officers are as follows:

Peter M. Carlino

In 2010, Penn entered into a new employment agreement with Peter M. Carlino, its Chairman and Chief Executive Officer, with a term expiring on April 28, 2015. Pursuant to the terms of his agreement, Mr. Carlino's annual base salary is reviewed annually and established by the Committee as described on page 105 of this Prospectus. Further, the agreement also provides for the payment of certain life insurance premiums, if any, on Mr. Carlino's behalf and provides Mr. Carlino with a company car. However, Mr. Carlino did not request Penn to incur these expenses in 2012. With respect to termination of employment with "good reason," Mr. Carlino's agreement includes any circumstance where he is no longer a member and Chairman of the board of directors of Penn unless such event is the result of voluntary resignation, refusal to stand for re-election, removal from the board of directors

of Penn due to certain criminal convictions, a determination of unsuitability by a regulatory body having jurisdiction over Penn or a judicial determination of unsound mind. The severance period in Mr. Carlino's agreement for purposes of calculating severance benefits is the greater of the period remaining under the then current term of the employment agreement and three years.

Timothy J. Wilmott

In 2008, Penn entered into an employment agreement with Timothy J. Wilmott, its President and Chief Operating Officer, with an initial term expiring on July 3, 2013. Pursuant to the terms of his employment agreement, Mr. Wilmott's annual base salary is reviewed annually and established by the Committee as described on page 105 of this Prospectus. Penn is also obligated to maintain a term life insurance policy with a face value of three times his annual base salary on which Mr. Wilmott is entitled to name the beneficiaries. The severance period in Mr. Wilmott's agreement for purposes of calculating severance benefits is the greater of the period remaining under the then current term of the employment agreement and two years. With respect to termination of employment by the executive with "good reason," Mr. Wilmott's agreement includes a provision for the failure of the board of directors of Penn to appoint Mr. Wilmott as the Chief Executive Officer of Penn after three years. This would permit Mr. Wilmott to voluntarily terminate the agreement and still be entitled to the applicable severance payments. This initial three year period expired on December 31, 2011. Penn has announced that it expects Mr. Wilmott to serve as Chief Executive Officer of Penn following the completion of the Spin-Off.

William J. Clifford

In 2008, Penn entered into an employment agreement with William J. Clifford, Senior Vice President, Finance and Chief Financial Officer, with an initial term expiring on June 10, 2011. The Committee approved the renewal of Mr. Clifford's employment agreement on April 22, 2011 for an additional three-year term expiring on June 10, 2014. Mr. Clifford's annual base salary is reviewed annually and established by the Committee as described on page 105 of this Prospectus. The severance period in Mr. Clifford's agreement for purposes of calculating severance benefits is the greater of the period remaining under the then current term of the employment agreement and two years.

Jordan B. Savitch

In 2008, Penn entered into an employment agreement with Jordan B. Savitch, Senior Vice President and General Counsel, with an initial term expiring on June 10, 2011. The Committee approved the renewal of Mr. Savitch's employment agreement on April 22, 2011 for an additional three-year term expiring on June 10, 2014. Mr. Savitch's annual base salary is reviewed annually and established by the Committee as described on page 105 of this Prospectus. The severance period in Mr. Savitch's agreement for purposes of calculating severance benefits is the greater of the period remaining under the then current term of the employment agreement and eighteen months.

Steven T. Snyder

In 2005, Penn entered into a three-year employment agreement with Steven T. Snyder, Senior Vice President of Corporate Development, with a provision for automatic renewal periods of three years each unless terminated within 60 days of an expiring term. The current renewal term will expire on June 10, 2014. Mr. Snyder's annual base salary is reviewed annually and established by the Committee as described on page 105 of this Prospectus. The severance period in Mr. Snyder's agreement for purposes of calculating severance benefits is the greater of the period remaining under the then current term of the employment agreement and twenty-four months.

Definitions

For purposes of the potential termination and change in control payments described in this Prospectus, the terms set forth below have the meanings ascribed to them:

Change in Control. A change in control is defined as the occurrence of one or more of the following events:

- a person, entity or group becomes the beneficial owner of shares representing 50% or more of (a) Penn's outstanding shares or (b) the combined voting power of the then outstanding voting securities of Penn entitled to vote in the election of directors, except when such beneficial ownership is due to an acquisition directly from or by Penn or a Penn employee benefit plan or pursuant to a consolidation, merger or share exchange reorganization between Penn and another entity described below; or

- the shareholders of Penn approve any plan or proposal for the complete liquidation or dissolution of Penn; or

- Penn consummates a reorganization, merger or consolidation or sale or other disposition of all or substantially all of the assets of Penn or the acquisition of assets of another entity, unless, following such transaction, (a) all or substantially all of the beneficial owners immediately prior to such transaction still beneficially own more than 50% of Penn's outstanding shares; (b) no person beneficially owns 20% or more of Penn's outstanding shares who did not own such amount prior to the transaction; and (c) at least a majority of the directors are continuing directors; or

- any time continuing directors do not constitute a majority of the board of directors of Penn.

In lieu of the foregoing, Mr. Snyder's agreement contains the following definition for a change in control: the occurrence of one or more of the following events: (i) any sale, lease, exchange or other transfer (in one transaction or a series of related transactions) of all or substantially all of the assets of Penn; (ii) the election of two (2) or more persons to the board of directors of Penn who do not constitute continuing directors; or (iii) the ownership or acquisition by any person or group of the power, directly or indirectly, to vote or direct the voting of securities having more than forty percent (40%) of the ordinary voting power for the election of directors of Penn.

Good Reason. An executive officer has "good reason" if (a) such officer is assigned to duties inconsistent with his position or authority, (b) such officer's compensation is reduced or there is a substantial reduction in benefits taken as a whole, (c) such officer's travel requirements are materially increased or (d) such officer's employment agreement is materially breached by Penn. In addition to the foregoing, with respect to Mr. Carlino's and Mr. Wilmott's employment agreements, the term "good reason" also includes the circumstances described on pages 121 and 122 of this Prospectus with respect to each such agreement.

Cause. Penn has "cause" if the executive officer (a) is convicted of a felony or any misdemeanor involving allegations of fraud, theft, perjury or conspiracy, (b) is found disqualified or not suitable to hold a casino or other gaming license by a governmental gaming authority in any jurisdiction where such executive is required to be found qualified, suitable or licensed, (c) materially breaches the employment agreement or any material Penn policy or (d) misappropriates corporate funds as determined in good faith by the board of directors of Penn.

GLPI SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

As of the date hereof, all of GLPI's outstanding shares of common stock are owned by Penn or one of its wholly-owned subsidiaries. After the distribution, Penn and its subsidiaries will no longer own any shares of GLPI common stock. The following table presents information relating to the expected beneficial ownership of shares of GLPI common stock, assuming completion of the Spin-Off as if it occurred on [•], 2013, by (i) each individual or entity expected to own beneficially more than 5% of the outstanding shares of GLPI common stock, assuming that there are [•] shares of common stock of Penn outstanding immediately prior to the Spin-Off and the distribution ratio of GLPI common stock for every share of Penn common stock and every 1/1,000th of a share of Penn Series C preferred stock, is as described above in "The Separation—The Number of Shares You Will Receive in the Spin-Off," and also reflecting the Compliance Exchanges as described below in "Certain Relationships and Related Party Transactions—Agreements with Certain Shareholders in Connection with the Spin-Off—Peter M. Carlino," (ii) each director and director nominee of GLPI, (iii) the Chief Executive Officer and the Chief Financial Officer of GLPI and (iv) all of GLPI's executive officers and directors as a group.

	GLPI Common Stock	
Name and Address of Beneficial Owner	Shares	%
Peter M. Carlino(1)(2)	[•]	[•]
Carlino Family Trust(1)	[•]	[•]
Wesley R. Edens(3)	[•]	[•]
David A. Handler	[•]	[•]
William J. Clifford	[•]	[•]
E. Scott Urdang	[•]	[•]
Joseph W. Marshall, III	[•]	[•]
All executive officers and directors as a group ([•] persons)	[•]	[•]
Fortress Investment Group LLC	[•]	[•]

* Less than 1%

Notes to Security Ownership of Principal Shareholders and Management Table

(1) [•] shares of GLPI's common stock are owned by an irrevocable trust, which the GLPI refers to as the Carlino Family Trust, among Peter D. Carlino, his eight children and the former spouse of one of his children, as settlors, and certain trustees, as to which Peter M. Carlino has sole voting power for the election of directors and certain other matters. [•] of the GLPI's common stock are also owned by the Trust for Gary Gilbert, an irrevocable trust, which was created by one of Peter D. Carlino's children, as settlor, and certain trustees, as to which Peter M. Carlino has sole voting power for the election of directors and certain other matters. Peter D. Carlino, Peter M. Carlino, David E. Carlino, Richard J. Carlino and Harold Cramer have shared investment power and shared voting power with respect to certain matters for both the Carlino Family Trust and the Trust for Gary Gilbert.

(2) The number of shares in the table includes [•] shares owned by the Carlino Family Trust, [•] shares owned by the Trust for Gary Gilbert, [•] shares owned by the Stephen Carlino Family Trust of which Peter M. Carlino has sole voting power, [•] shares owned by the Grantor Retained Annuity Trust of Peter M. Carlino dated September 23, 2005 of which Peter M. Carlino is the trustee and has sole voting and investment power, [•] shares owned by the 2006 Grantor Retained Annuity Trust of Peter M. Carlino dated May 19, 2006 of which Peter M. Carlino is the trustee and has

sole voting and investment power, Trusts under the 2008 Grantor Retained Annuity Trust No. 2 of Peter M. Carlino dtd 11/20/2008: (a) f/b/o Peter W. Carlino ([•] shares), (b) f/b/o Christopher P. Carlino ([•] shares) (c) f/b/o Kelly E. Masano ([•] shares) and (d) f/b/o Kathleen J. Schippers ([•] shares) of which Peter M. Carlino is the trustee and has sole voting and investment power, Trusts under the 2008 GRAT of Marshia W. Carlino dtd 11/20/2008: (a) f/b/o Peter W. Carlino ([•] shares), (b) f/b/o Christopher P. Carlino ([•] shares) (c) f/b/o Kelly E. Masano ([•] shares) and (d) f/b/o Kathleen J. Schippers ([•] shares) of which Peter M. Carlino is the trustee and has sole voting and investment power, [•] shares of restricted stock under which Mr. Carlino has voting rights but his disposition rights are currently restricted, and [•] shares that may be acquired upon the exercise of outstanding options.

(3) Due to his indirect ownership interest in FIG PNG Holdings LLC through his ownership interest in Fortress Investment Group LLC, Mr. Edens may be deemed to beneficially own [•] shares of common stock beneficially owned by FIG PNG Holdings LLC, for which FIG PNG Holdings LLC, an affiliate of Fortress Investment Group LLC, is the managing member. Mr. Edens disclaims beneficial ownership of all reported shares except to the extent of his pecuniary interest therein.

DESCRIPTION OF CAPITAL STOCK OF GLPI

General

The following is a summary of information concerning our capital stock. The summaries and descriptions below do not purport to be complete statements of the relevant provisions of our charter or bylaws. The summaries are qualified in their entirety by reference to the full text of our charter and bylaws, which you must read for complete information on our capital stock and which are included as Exhibits 3.1 and 3.2, respectively, to this Registration Statement.

Distributions of Securities

Our authorized capital stock consists of 1,000 shares of common stock, par value $0.01 per share. Following our incorporation, we issued 1,000 shares of common stock to CRC Holdings, Inc., an indirect, wholly-owned subsidiary of Penn. This issuance was exempt from registration pursuant to Section 4(2) of the Securities Act because the issuance did not involve any public offering of securities.

Other than the initial issuance, we have not sold any securities, including sales of reacquired securities, new issues, securities issued in exchange for property, services, or other securities, and new securities resulting from the modification of outstanding securities, that were not registered under the Securities Act.

Authorized and Issued Capital Stock at Time of Spin-Off

Immediately prior to the Spin-Off, we will amend our charter so that our authorized capital stock will consist of 500,000,000 shares of common stock, par value $0.01, and 50,000,000 shares of preferred stock, par value $0.01. After the filing of the amendment, we will issue an additional [•] shares of common stock (based on an estimated [•] shares of Penn common stock, and [•] shares of Penn Series C preferred stock outstanding as of [•], 2013) in order to effect the Spin-Off.

Common Stock

Shares Outstanding

Immediately following the Spin-Off, we expect that the number of shares of common stock that we will have issued and outstanding will be approximately [•] million shares of common stock, and we expect that we will have approximately [•] million shares of common stock issued and outstanding following the Purging Distribution. The number of shares outstanding is based on (a) a distribution ratio of one share of GLPI for each share of Penn common stock and each 1/1,000th of a share of Penn Series C preferred stock, (b) the exchange of (i) shares of Penn common stock beneficially owned by Peter M. Carlino for shares of GLPI stock, and (ii) options to acquire Penn common stock beneficially owned by Mr. Carlino for options to acquire GLPI common stock, which will be made to ensure that each member of the Carlino family beneficially owns less than 10% of the outstanding shares of Penn common stock for certain federal tax purposes following the Separation, as described below under "Certain Relationships and Related Party Transactions—Agreements with Certain Shareholders in Connection with the Spin-Off—Peter M. Carlino," (c) approximately [•] shares of Penn common stock and [•] shares of Penn Series C preferred stock outstanding as of [•], 2013, and (d) the issuance of approximately [•] shares of common stock in connection with the Purging Distribution.

Dividends

Subject to prior dividend rights of the holders of any preferred shares and the restrictions of Company's charter on ownership and transfer of the Company's stock, holders of shares of common stock of the Company will be entitled to receive dividends when, and if declared by its board of directors out of funds legally available for that purpose. Commencing with our taxable year beginning

on January 1, 2014, consistent with industry standards, we expect to pay distributions in cash in an amount equal to approximately 80% of our Adjusted FFO for each quarterly period but in no event will the annual dividend be less than 90% of our REIT taxable income on an annual basis, determined without regard to the dividends paid deduction and excluding any net capital gains. U.S. federal income tax law generally requires that a REIT distribute annually at least 90% of its REIT taxable income, without regard to the deduction for dividends paid and excluding net capital gains, and that it pay regular corporate rates to the extent that it annually distributes less than 100% of its taxable income.

Voting Rights

Subject to the restrictions of the Company's charter on ownership and transfer of the Company's stock, each share of common stock will be entitled to one vote on all matters submitted to a vote of shareholders, including the election of directors, and the holders of common stock possess the exclusive voting power. Holders of shares of common stock will not have cumulative voting rights. In other words, a holder of a single share of our common stock cannot cast more than one vote for each position to be filled on our board of directors. Directors will be elected by a plurality of the votes cast at the meeting in which directors will be elected. This means that the holders of a majority of the outstanding shares of our common stock will be able to effectively elect all of the directors then standing for election, and the holders of the remaining shares will not be able to elect any directors.

Other Rights

In the event of any liquidation, dissolution or winding up of the Company after the satisfaction in full of the liquidation preferences of holders of any preferred shares, holders of shares of our common stock will be entitled to ratable distribution of the remaining assets available for distribution to shareholders. Holders of shares of GLPI common stock generally will have no preference, conversion, exchange, sinking fund, redemption or appraisal rights and will have no preemptive rights to subscribe for any of GLPI's securities. Subject to the restrictions of the Company's charter on ownership and transfer of the Company's stock, holders of shares of Company's common stock initially will have equal dividend, liquidation and other rights.

Fully Paid

The issued and outstanding shares of our common stock are fully paid and non-assessable. This means the full purchase price for the outstanding shares of common stock has been paid and the holders of such shares will not be assessed any additional amounts for such shares. Any additional shares of common stock that we may issue in the future will also be fully paid and non-assessable.

Transfer Agent and Registrar

The transfer agent and registrar for GLPI common stock is expected to be Continental Stock Transfer & Trust.

NASDAQ Listing

The Company intends to list its shares of common stock on NASDAQ and expects that its shares will trade under the ticker symbol "GLPI."

Preferred Stock

Under our charter, our board of directors may from time to time establish and cause the Company to issue one or more classes or series of preferred stock and set the terms, preferences, conversion or other rights, voting powers, restrictions, limitations as to dividends or other distributions, qualifications, or terms or conditions of redemption of such classes or series. Accordingly, our board of directors,

without shareholder approval, may issue preferred stock with voting, conversion, or other rights that could adversely affect the voting power and other rights of the holders of common stock. Preferred stock could be issued quickly with terms calculated to delay or prevent a change of control or make removal of management more difficult. Additionally, the issuance of preferred stock may have the effect of decreasing the market price of our common stock, may adversely affect the voting and other rights of the holders of our common stock, and could have the effect of delaying, deferring or preventing a change of control of GLPI or other corporate action. At present, there are currently no shares of preferred stock outstanding and we have no present plans to issue any shares of preferred stock.

Resale of GLPI Common Stock

As security holders, you will be subject to applicable provisions of the Exchange Act and the rules and regulations thereunder, which provisions may limit the timing of purchases and sales of our securities by you. In addition, if you are deemed an "affiliate" of GLPI (as defined in Rule 405 of the Securities Act), the securities offered hereby may be deemed "restricted securities" (as defined in Rule 144 under the Securities Act) notwithstanding their registration under this Registration Statement. As a result you will not be able to sell the securities offered hereby absent an effective registration statement covering such sales or an available exemption from registration under the Securities Act.

Restrictions on Ownership and Transfer

In order for GLPI to qualify to be taxed as a REIT under the Code, shares of its stock must be beneficially owned by 100 or more persons during at least 335 days of a taxable year of 12 months (other than the first year for which an election to qualify to be taxed as a REIT has been made) or during a proportionate part of a shorter taxable year. Also, not more than 50% of the value of the outstanding shares of GLPI stock (after taking into account options to acquire shares of stock) may be owned, directly or indirectly, by five or fewer individuals (as defined in the Code to include certain entities such as qualified pension plans) during the last half of a taxable year (other than the first year for which an election to be a REIT has been made). In addition, rent from related party tenants (generally, a tenant of a REIT owned, actually or constructively, 10% or more by the REIT, or a 10% owner of the REIT) is not qualifying income for purposes of the gross income tests under the Code. To qualify to be taxed as a REIT, GLPI must satisfy other requirements as well. See "U.S. Federal Income Tax Considerations—Taxation of GLPI—Requirements for Qualification—General."

GLPI's charter will contain restrictions on the ownership and transfer of its stock that are intended to assist GLPI in complying with these requirements. The relevant sections of its charter will provide that, subject to the exceptions described below, no person or entity may own, or be deemed to own, beneficially or by virtue of the applicable constructive ownership provisions of the Code, more than [•]% of the outstanding shares of GLPI common stock (the "common stock ownership limit") or more than [•]% in value or in number, whichever is more restrictive, of the outstanding shares of all classes or series of GLPI stock (the "aggregate stock ownership limit"). The common stock ownership limit and the aggregate stock ownership limit are collectively referred to as the "ownership limits." The person or entity that, but for operation of the ownership limits or another restriction on ownership and transfer of GLPI stock as described below, would beneficially own or constructively own shares of GLPI stock in violation of such limits or restrictions or, if appropriate in the context, a person or entity that would have been the record owner of such shares of GLPI stock is referred to as a "prohibited owner."

The constructive ownership rules under the Code are complex and may cause stock owned beneficially or constructively by a group of related individuals and/or entities to be owned beneficially or constructively by one individual or entity. As a result, the acquisition of less than [•]% of the outstanding shares of GLPI common stock or less than [•]% in value or in number, whichever is

more restrictive, of the outstanding shares of all classes and series of GLPI stock (or the acquisition by an individual or entity of an interest in an entity that owns, beneficially or constructively, shares of GLPI stock) could, nevertheless, cause that individual or entity, or another individual or entity, to own beneficially or constructively shares of GLPI stock in excess of the ownership limits. In addition, a person that did not acquire more than [•]% of our outstanding stock may become subject to these restrictions if repurchases by us cause such person's holdings to exceed [•]% of our outstanding stock.

Pursuant to GLPI's charter, GLPI's board of directors may exempt, prospectively or retroactively, a particular shareholder (the "excepted holder") from the ownership limits or establish a different limit on ownership (the "excepted holder limit") if:

- no individual's beneficial or constructive ownership of GLPI stock will result in GLPI being "closely held" under Section 856(h) of the Code (without regard to whether the ownership interest is held during the last half of a taxable year) or otherwise failing to qualify to be taxed as a REIT; and

- such shareholder does not and represents that it will not own, actually or constructively, an interest in a tenant of GLPI (or a tenant of any entity owned or controlled by GLPI) that would cause GLPI to own, actually or constructively, more than a 9.9% interest (as set forth in Section 856(d)(2)(B) of the Code) in such tenant (or GLPI's board of directors determines that revenue derived from such tenant will not affect GLPI's ability to qualify to be taxed as a REIT).

Certain members of the Carlino family and Fortress will be excepted holders. The holder limits for these members of the Carlino family and Fortress are expected to be [•]% and 9.9%, respectively.

As a condition of granting the waiver or establishing the excepted holder limit, GLPI's board of directors may require an opinion of counsel or a ruling from the IRS, in either case in form and in substance satisfactory to GLPI's board of directors (in its sole discretion) in order to determine or ensure GLPI's status as a REIT and such representations and undertakings from the person requesting the exception as GLPI's board of directors may require (in its sole discretion) to make the determinations above. GLPI's board of directors may impose such conditions or restrictions as it deems appropriate in connection with granting such a waiver or establishing an excepted holder limit.

GLPI's board of directors may from time to time increase or decrease the common stock ownership limit, the aggregate stock ownership limit or both, for all other persons, unless, after giving effect to such increase, five or fewer individuals could beneficially own, in the aggregate, more than 49.9% in value of GLPI's outstanding stock. A reduced ownership limit will not apply to any person or entity whose percentage ownership of GLPI common stock or GLPI stock of all classes and series, as applicable, is, at the effective time of such reduction, in excess of such decreased ownership limit until such time as such person's or entity's percentage ownership of GLPI common stock or GLPI stock of all classes and series, as applicable, equals or falls below the decreased ownership limit, but any further acquisition of shares of GLPI common stock or stock of all other classes or series, as applicable, will violate the decreased ownership limit.

GLPI's charter will further prohibit:

- any person from beneficially or constructively owning shares of GLPI stock that would result in GLPI being "closely held" under Section 856(h) of the Code (without regard to whether the ownership interest is held during the last half of a taxable year) or otherwise cause GLPI to fail to qualify to be taxed as a REIT;

- any person from transferring shares of GLPI stock if the transfer would result in shares of GLPI stock being beneficially owned by fewer than 100 persons (determined with reference to the rules of attribution under Section 544 of the Code); and
- any person from constructively owning shares of GLPI stock to the extent that such constructive ownership would cause any of GLPI's income that would otherwise qualify as "rents from real property" for purposes of Section 856(d) of the code to fail to qualify as such.

Any person who acquires or attempts or intends to acquire beneficial or constructive ownership of shares of GLPI stock that will or may violate the ownership limits or any of the other restrictions on ownership and transfer of GLPI stock described above, or who would have owned shares of GLPI stock transferred to the charitable trust described below, must immediately give notice to GLPI of such event or, in the case of an attempted or proposed transaction, give GLPI at least 15 days' prior written notice and provide GLPI with such other information as it may request in order to determine the effect of such transfer on its status as a REIT. The foregoing restrictions on ownership and transfer of GLPI stock will not apply if GLPI's board of directors determines that it is no longer in GLPI's best interests to attempt to qualify, or to continue to qualify, to be taxed as a REIT or that compliance with the restrictions and limits on ownership and transfer of GLPI stock described above is no longer required in order for GLPI to qualify to be taxed as a REIT.

If any transfer of shares of GLPI stock or any other event would result in any person violating the ownership limits or any other restriction on ownership and transfer of GLPI shares described above then that number of shares (rounded up to the nearest whole share) that would cause the violation will be automatically transferred to, and held by, a trust for the benefit of one or more charitable organizations selected by GLPI, and the intended transferee or other prohibited owner will acquire no rights in the shares. The automatic transfer will be effective as of the close of business on the business day prior to the date of the violative transfer or other event that results in a transfer to the trust. If the transfer to the trust as described above would not be effective, for any reason, to prevent violation of the applicable ownership limits or any other restriction on ownership and transfer of GLPI shares described above, then GLPI's charter will provide that the transfer of the shares will be null and void and the intended transferee will acquire no rights in such shares.

Shares of GLPI stock held in the trust will continue to be issued and outstanding shares. The prohibited owner will not benefit economically from ownership of any shares of GLPI stock held in the trust and will have no rights to distributions and no rights to vote or other rights attributable to the shares of GLPI stock held in the trust. The trustee of the trust will exercise all voting rights and receive all distributions with respect to shares held in the trust for the exclusive benefit of the charitable beneficiary of the trust. Any distribution made before GLPI's discovery that the shares have been transferred to a trust as described above must be repaid by the recipient to the trustee upon demand. Subject to Pennsylvania law, effective as of the date that the shares have been transferred to the trust, the trustee will have the authority to rescind as void any vote cast by a prohibited owner before GLPI's discovery that the shares have been transferred to the trust and to recast the vote in accordance with the desires of the trustee acting for the benefit of the charitable beneficiary of the trust. However, if GLPI has already taken irreversible corporate action, then the trustee may not rescind and recast the vote.

Shares of GLPI stock transferred to the trustee will be deemed offered for sale to GLPI, or its designee, at a price per share equal to the lesser of (i) the market price of the shares on the day of the event causing the shares to be held in the trust, or (ii) the market price on the date GLPI, or its designee, accepts such offer. GLPI may reduce the amount so payable to the prohibited owner by the amount of any distribution that GLPI made to the prohibited owner before it discovered that the shares had been automatically transferred to the trust and that are then owed by the prohibited owner to the trustee as described above, and GLPI may pay the amount of any such reduction to the trustee

for the benefit of the charitable beneficiary. GLPI will have the right to accept such offer until the trustee has sold the shares of GLPI stock held in the trust as discussed below. Upon a sale to GLPI, the interest of the charitable beneficiary in the shares sold will terminate, and the trustee must distribute the net proceeds of the sale to the prohibited owner and must distribute any distributions held by the trustee with respect to such shares to the charitable beneficiary.

If GLPI does not buy the shares, the trustee must, within 20 days of receiving notice from GLPI of the transfer of shares to the trust, sell the shares to a person or entity designated by the trustee who could own the shares without violating the ownership limits or the other restrictions on ownership and transfer of GLPI stock. After the sale of the shares, the interest of the charitable beneficiary in the shares sold will terminate and the trustee must distribute to the prohibited owner an amount equal to the lesser of (i) the market price of the shares on the day of the event causing the shares to be held in the trust and (ii) the sales proceeds (net of any commissions and other expenses of sale) received by the trust for the shares. The trustee may reduce the amount payable to the prohibited owner by the amount of any distribution that GLPI paid to the prohibited owner before GLPI discovered that the shares had been automatically transferred to the trust and that are then owed by the prohibited owner to the trustee as described above. Any net sales proceeds in excess of the amount payable to the prohibited owner must be paid immediately to the charitable beneficiary, together with any distributions thereon. In addition, if prior to the discovery by GLPI that shares of stock have been transferred to a trust, such shares of stock are sold by a prohibited owner, then such shares will be deemed to have been sold on behalf of the trust and, to the extent that the prohibited owner received an amount for such shares that exceeds the amount that such prohibited owner was entitled to receive, such excess amount will be paid to the trustee upon demand. The prohibited owner will have no rights in the shares held by the trustee.

In addition, if GLPI's board of directors determines in good faith that a transfer or other event has occurred that would violate the restrictions on ownership and transfer of GLPI stock described above or that a person or entity intends to acquire or has attempted to acquire beneficial or constructive ownership of any shares of GLPI stock in violation of the restrictions on ownership and transfer of GLPI stock described above, GLPI's board of directors may take such action as it deems advisable to refuse to give effect to or to prevent such transfer or other event, including, but not limited to, causing GLPI to redeem shares of GLPI stock, refusing to give effect to the transfer of GLPI's books or instituting proceedings to enjoin the transfer or other event.

Every person or entity who will be a beneficial owner or constructive owner of more than 5% (or such lower percentage as required by the Code or the regulations promulgated thereunder) of GLPI stock, within 30 days after the end of each taxable year, must give GLPI written notice stating the shareholder's name and address, the number of shares of each class and series of GLPI stock that the shareholder beneficially or constructively owns and a description of the manner in which the shares are held. Each such owner must provide to GLPI such additional information as GLPI may request in order to determine the effect, if any, of the shareholder's beneficial ownership on GLPI's status as a REIT and to ensure compliance with the applicable ownership limits. In addition, any person or entity that will be a beneficial owner or constructive owner of shares of GLPI stock and any person or entity (including the shareholder of record) who will be holding shares of GLPI stock for a beneficial owner or constructive owner must provide to GLPI such information as GLPI may request in good faith in order to determine GLPI's status as a REIT and to comply with the requirements of any governmental or taxing authority or to determine such compliance and to ensure compliance with the ownership limits.

Any certificates representing shares of GLPI stock will bear a legend referring to the restrictions on ownership and transfer of GLPI stock described above.

The restrictions on ownership and transfer of GLPI stock described above could delay, defer or prevent a transaction or a change in control that might involve a premium price for GLPI common stock or otherwise be in the best interests of GLPI shareholders.

Redemption of Securities Owned or Controlled by an Unsuitable Person or Affiliate

In addition to the restrictions set forth above, all of GLPI's outstanding capital stock shall be held subject to applicable gaming laws. Any person owning or controlling at least five percent of any class of GLPI's outstanding capital stock will be required by GLPI's charter to promptly notify GLPI of such person's identity. GLPI's charter will provide that capital stock of GLPI that is owned or controlled by an unsuitable person or an affiliate of an unsuitable person is redeemable by GLPI, out of funds legally available for that redemption, to the extent required by the gaming authorities making the determination of unsuitability or to the extent determined to be necessary or advisable by the GLPI board of directors. From and after the redemption date, the securities will not be considered outstanding and all rights of the unsuitable person or affiliate will cease, other than the right to receive the redemption price. The redemption price with respect to any securities to be redeemed will be the price, if any, required to be paid by the gaming authority making the finding of unsuitability or if the gaming authority does not require a price to be paid (including if the finding of unsuitability is made by the GLPI board of directors alone), the lesser of (i) the market price on the date of the redemption notice, (ii) the market price on the redemption date or (iii) the actual amount paid by the owner thereof, in each case less a discount in a percentage (up to 100%) to be determined by the GLPI board of directors in its sole and absolute discretion. The redemption price may be paid in cash, by promissory note, or both, as required by the applicable gaming authority and, if not, as determined by GLPI.

GLPI's charter will also provide that capital stock of GLPI that is owned or controlled by an unsuitable person or an affiliate of an unsuitable person will be transferred to a trust for the benefit of a designated charitable beneficiary, and that any such unsuitable person or affiliate will not be entitled to any dividends on the shares or be entitled to vote the shares or receive any proceeds from the subsequent sale of the shares in excess of the lesser of the price paid by the unsuitable person or affiliate for the shares or the amount realized from the sale, in each case less a discount in a percentage (up to 100%) to be determined by the GLPI board of directors in its sole and absolute discretion.

The GLPI charter requires any unsuitable person and any affiliate of an unsuitable person to indemnify GLPI and its affiliated companies for any and all costs, including attorneys' fees, incurred by GLPI and its affiliated companies as a result of the unsuitable person's ownership or control or failure to promptly divest itself of any securities of GLPI when and in the specific manner required by a gaming authority or the GLPI charter.

Pennsylvania State Takeover Statutes

Section 2538 of Subchapter 25D of the BCL requires certain transactions with an "interested shareholder" to be approved by a majority of disinterested shareholders. "Interested shareholder" is defined broadly to include any shareholder who is a party to the transaction or who is treated differently than other shareholders and affiliates of the corporation.

Subchapter 25E of the BCL requires a person or group of persons acting in concert which acquires 20% or more of the voting shares of the corporation to offer to purchase the shares of any other shareholder at "fair value." "Fair value" means the value not less than the highest price paid by the controlling person or group during the 90-day period prior to the control transaction, plus a control premium. Among other exceptions, Subchapter 25E does not apply to shares acquired directly from the

corporation in a transaction exempt from the registration requirements of the Securities Act of 1933, or to a one-step merger.

Subchapter 25F of the BCL generally establishes a 5-year moratorium on a "business combination" with an "interested shareholder." "Interested shareholder" is defined generally to be any beneficial owner of 20% or more of the corporation's voting stock. "Business combination" is defined broadly to include mergers, consolidations, asset sales and certain self-dealing transactions. Certain restrictions apply to business combination following the 5-year period. Among other exceptions, Subchapter 25F will be rendered inapplicable if the board of directors approves the proposed business combination, or approves the interested shareholder's acquisition of 20% of the voting shares, in either case prior to the date on which the shareholder first becomes an interested shareholder.

Subchapter 25G of the BCL provides that "control shares" lose voting rights unless such rights are restored by the affirmative vote of a majority of (i) the disinterested shares (generally, shares held by persons other than the acquiror, executive officers of the corporation and certain employee stock plans) and (ii) the outstanding voting shares of the corporation. "Control shares" are defined as shares which, upon acquisition, will result in a person or group acquiring for the first time voting control over (a) 20%, (b) 331/3% or (c) 50% or more of the outstanding shares, together with shares acquired within 180 days of attaining the applicable threshold and shares purchased with the intention of attaining such threshold. A corporation may redeem control shares if the acquiring person does not request restoration of voting rights as permitted by Subchapter 25G. Among other exceptions, Subchapter 25G does not apply to a merger, consolidation or a share exchange if the corporation is a party to the transaction agreement.

Subchapter 25H of the BCL provides that if any person or group publicly discloses that the person or group may acquire control of the corporation, or a person or group acquires, or publicly discloses an offer or intent to acquire, 20% or more of the voting power of the corporation and, in either case, sells shares in the following 18 months, then the profits from such sale must be disgorged to the corporation if the securities that were sold were acquired during the 18-month period or within the preceding 24 months.

If shareholders approve a control share acquisition under Subchapter 25G, the corporation is also subject to Subchapters 25I and 25J of the BCL. Subchapter 25I provides for a minimum severance payment to certain employees terminated within two years of the approval. Subchapter 25J prohibits the abrogation of certain labor contracts prior to their stated date of expiration.

Amendments to GLPI's Charter and Bylaws and Approval of Extraordinary Actions

Pennsylvania law and our charter generally provide that we can amend our charter, merge, consolidate, sell all or substantially all of our assets, engage in a statutory share exchange or dissolve if the action has first been approved by the board of directors and then by the affirmative vote of shareholders entitled to cast at least the majority of the votes entitled to be cast on the matter. Our charter will also provide that the amendment or repeal of any charter provision concerning the classification of our board or the indemnification or limitation of liability of our directors will require the affirmative vote of at least 75% of the voting power of all of our outstanding capital stock entitled to vote generally in the election of directors, voting together as a single class. Pennsylvania law provides that our shareholders are not entitled by statute to propose amendments to our charter or to call special meetings of shareholders.

GLPI's board of directors will be authorized to adopt, amend or repeal any provision of GLPI's bylaws without shareholder approval. Except as otherwise required by law, any provision of GLPI's bylaws may only be adopted, amended or repealed by the shareholders (i) upon receiving at least the vote of 75% of the shares entitled to vote thereon or (ii) in the event that the amendment has been proposed by a majority of the board of directors, upon receiving a majority vote of the shares entitled to vote thereon.

Classified Board; Size of Board and Vacancies; Removal of Directors

Our charter and bylaws will provide that our board of directors will be divided into three classes. Commencing with the first annual meeting of shareholders following the Spin-Off, directors for each class will be elected at the annual meeting of shareholders held in the year in which the term for that class expires and thereafter will serve for a term of three years. At any meeting of shareholders for the election of directors at which a quorum is present, the election will be determined by a plurality of the votes cast by the shareholders entitled to vote in the election.

Our bylaws will provide that the number of directors on the Company's board of directors will be fixed exclusively by the board of directors. Newly created directorships resulting from any increase in the number of directors and any vacancies in the board of directors resulting from death, resignation, retirement, disqualification, removal from office or other cause will be filled generally by the majority vote of the remaining directors in office, even if less than a quorum is present. A director may be removed by the board of directors only with cause and by the shareholders only with cause and only by the vote of 75% of the shares entitled to vote.

Shareholder Action by Written Consent

Under the BCL, any action required to be taken or which may be taken at any annual or special meeting of the shareholders may be taken without a meeting if, and only if, prior to the taking of such action, all shareholders entitled to vote thereon consent in writing to such action being taken.

Shareholder Meetings

Under the BCL, shareholders will be not entitled to call special meetings of shareholders. Only the chairman of the board of directors or a majority of the directors then in office may call such meetings pursuant to our bylaws.

Requirements for Advance Notification of Shareholder Nominations and Proposals

Our bylaws will establish advance notice procedures with respect to shareholder proposals and recommendations of candidates for election as directors other than nominations made by or at the direction of the board of directors or a committee of the board of directors. In particular, shareholders must notify the corporate secretary in writing prior to the meeting at which the matters are to be acted upon or directors are to be elected. The notice must contain the information specified in our bylaws. To be timely, the notice must be received at the Company's principal executive office not less than 120 nor more than 150 days prior to the anniversary date of the immediately preceding annual meeting of shareholders. In order to be eligible to present a shareholder proposal or recommend a candidate for nomination for election as a director at a shareholders meeting, a shareholder must have owned beneficially at least 1% of the outstanding GLPI common stock for a continuous period of not less than 12 months. In addition, shareholders will not be permitted to nominate directly candidates for election to the board of directors, but will instead be permitted to recommend potential nominees to the compensation and governance committee.

Effect of Certain Provisions of Pennsylvania Law and of the Charter and Bylaws

The restrictions on ownership and transfer of GLPI stock will prohibit any person from acquiring more than [•]% of its outstanding common stock (without prior approval of its board of directors). The power of GLPI's board of directors to issue authorized but unissued shares of our common stock and preferred stock without shareholder approval also could have the effect of delaying, deferring or preventing a change in control or other transaction. These additional shares may be used for a variety of corporate purposes, including future public offerings to raise additional capital, corporate acquisitions and employee benefit plans. The existence of authorized but unissued shares of common

stock and preferred stock could make it more difficult, or discourage an attempt, to obtain control of us by means of a proxy contest, tender offer, merger or otherwise.

These provisions, along with other provisions of the BCL and GLPI's charter and bylaws discussed above, including provisions relating to the removal of directors and the filling of vacancies, the supermajority vote that will be required to amend certain provisions of GLPI's charter, the advance notice and special meeting provisions, alone or in combination, are designed to protect GLPI's shareholders from coercive or otherwise unfair takeover tactics by requiring potential acquirors to negotiate with GLPI's board of directors and by providing GLPI's board of directors with more time to assess any acquisition proposal.

Limitation on Liability of Directors and Officers

Pursuant to the BCL, our charter will eliminate the personal liability for monetary damages of a director to the fullest extent permitted by applicable law.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

Agreements with Certain Shareholders in Connection with the Spin-Off

Peter M. Carlino

As of [•], 2013, members of the Carlino family each beneficially owned [•] or fewer shares of Penn common stock (including stock options and restricted shares), which represents beneficial ownership of approximately [•]% or less of Penn's outstanding common stock for the purpose of determining whether GLPI, directly or indirectly, receives any rent from related party tenants under relevant provisions of the Code. See "U.S. Federal Income Tax Considerations—Taxation of GLPI—Requirements for Qualification—General." Penn, GLPI and Mr. Carlino expect to enter into the Carlino Exchange Agreement providing for the Compliance Exchanges, the effect of which will be to reduce the beneficial ownership of Penn of each of the members of the Carlino family immediately following the Separation, for the purpose of determining compliance with the "related party tenant rule," to 9.9% or less of Penn's outstanding common stock, so that GLPI can qualify to be taxed as a REIT for U.S. federal income tax purposes. Absent this re-alignment of ownership interests, GLPI will not be able to qualify as a REIT and the Spin-Off may not occur. The Compliance Exchanges will also result in a corresponding increase in each member of the Carlino family's beneficial ownership of GLPI immediately following the Separation, to approximately [•]% or less of GLPI's outstanding common stock for these purposes.

The Carlino Exchange Agreement is expected to provide that Mr. Carlino will deliver all of the shares of Penn common stock that he holds (including shares held jointly or through any grantor retained annuity trust, but not including any shares held by the Carlino Family Trust) to Penn on the business day prior to the record date for the Spin-Off in exchange for a number of shares of GLPI common stock having equivalent value, with the value of Penn common stock and GLPI common stock determined for this purpose by applying multiples of 6.8x for Penn (pro forma for the Spin-Off) and 12.5x for GLPI to the projected adjusted EBITDA (defined as net income excluding interest, taxes, stock compensation, depreciation and amortization, and gain or loss on disposal of assets) of Penn and GLPI, respectively, for the calendar year 2013. The Carlino Exchange Agreement is also expected to provide that Mr. Carlino will deliver to Penn, on the second business day following the distribution date for the Spin-Off, the minimum number of options to acquire Penn common stock that must be cancelled so that, immediately following such time, the beneficial ownership of Penn common stock of each of the members of the Carlino family, for the purpose of determining compliance with the "related party tenant rule," will be no greater than 9.9%, and in exchange Mr. Carlino will receive options to acquire GLPI common stock with an equivalent aggregate intrinsic value. The Carlino Exchange Agreement also imposes certain transfer and other restrictions on Mr. Carlino to ensure that GLPI may qualify as a REIT, including a prohibition on any acquisition by Mr. Carlino of shares of Penn common stock that would increase the beneficial ownership of Penn of certain members of the Carlino family (for the purpose of determining whether GLPI, directly or indirectly, receives any rent from related party tenants under relevant provisions of the Code) above 9.9% for so long as Penn is considered a related party tenant of GLPI. Although Mr. Carlino, Penn and GLPI have agreed in principle to effect the Carlino Exchange Agreement as described above, the Carlino Exchange Agreement has not been executed and no assurance can be given that such agreement, or another agreement providing for the Compliance Exchanges, will be executed and delivered.

Penn and the independent members of Penn's board of directors have engaged Duff & Phelps to serve as an independent financial advisor to Penn's independent directors and to provide an opinion as to the fairness, from a financial point of view, of the contemplated transactions with Peter M. Carlino described above, as well as the contemplated transactions with Fortress described below. On November 15, 2012, the independent members of the board of directors of Penn received a written opinion from Duff & Phelps, as of such date and based upon and subject to the procedures followed,

assumptions made, qualifications and limitations on the review undertaken and other matters considered by Duff & Phelps in preparing its opinion, that the consideration to be received by Mr. Carlino in the Separation (as described above) is fair from a financial point of view to the shareholders of Penn (other than shareholders who are members of the Carlino family or trusts for their benefit and Fortress, and without giving effect to any impact of the Separation on any particular shareholder other than in its capacity as a shareholder), assuming that the Compliance Exchanges consist solely of the Carlino Stock Exchange according to an exchange ratio determined based on the values and multiples described above. Duff & Phelps' opinion was directed to the independent members of the board of directors of Penn and only addressed the fairness from a financial point of view of the consideration to be received by Mr. Carlino in the Separation, and does not address any other aspect or implication of the Separation, except as described in "—Fortress."

Fortress

On January 16, 2013, Penn entered into the Exchange Agreement with Fortress. The Exchange Agreement provides Fortress with the right to exchange each share of Penn Series B preferred stock for approximately 1.49 shares of Penn Series C preferred stock, an exchange ratio that treats each 1/1,000th of a share of Penn Series C preferred stock (and therefore each share of Penn common stock into which such fractional share is convertible) as having a value of $67 per share, which is the "ceiling price" at which the shares of Penn Series B preferred stock are redeemable by Penn at maturity in 2015. Pursuant to the Exchange Agreement, any shares of Penn Series B preferred stock not exchanged for shares of Penn Series C preferred stock prior to the second business day before the record date for the Spin-Off shall automatically be exchanged for shares of Penn Series C preferred stock at 12:01a.m. Eastern Time on such date. Subsequently, Penn will have the right to purchase from Fortress, prior to the record date for the Spin-Off, a number of shares of Penn Series C preferred stock, at a price of $67 per 1/1,000th of a share of Penn Series C preferred stock, such that, immediately following the consummation of the Spin-Off, Fortress will own not more than 9.9% of GLPI's common stock.

The Exchange Agreement also provides that, following the Spin-Off, GLPI and Fortress will enter into an investor rights agreement (the "Investor Rights Agreement"). The Investor Rights Agreement will grant Fortress four demand registrations and unlimited piggyback registration during the term of the Investor Rights Agreement until the earlier of (i) such time as all the GLPI common stock distributed to Fortress in the Spin-Off, and any additional securities issued with respect thereto (the "Registrable Securities"), have been sold and (ii) such time as Fortress beneficially owns less than 2.5% of the GLPI common stock on a fully-diluted basis. GLPI will also agree to use its reasonable efforts to file a short-form registration statement for the registration and sale of the Registrable Securities with the SEC within 60 days of the date GLPI becomes eligible to use a short-form registration statement, and to keep the shelf registration statement continuously effective under the Securities Act for so long as Fortress has registration rights. In addition, the Investor Rights Agreement grants Fortress certain information rights and prohibits GLPI from taking actions to increase Fortress's beneficial ownership of the outstanding shares of GLPI common stock above 9.9%.

On November 15, 2012, the independent directors of the board of directors of Penn received a written opinion from Duff & Phelps that, as of such date and based upon and subject to the procedures followed, assumptions made, qualifications and limitations on the review undertaken and other matters considered by Duff & Phelps in preparing its opinion, the consideration to be received by Fortress in connection with the Spin-Off (as described above) is fair from a financial point of view to the shareholders of Penn (other than shareholders who are members of the Carlino family or trusts for their benefit and Fortress, and without giving effect to any impact of the Spin-Off on any particular shareholder other than in its capacity as a shareholder). Duff & Phelps' opinion was directed to the independent members of the board of directors of Penn and only addressed the fairness from a financial point of view of the consideration to be received by Fortress in connection with the Spin-Off,

and does not address any other aspect or implication of the Spin-Off, except as described in "—Peter M. Carlino."

Relationship between GLPI and Penn and their respective Subsidiaries

In connection with the Spin-Off, Penn and GLPI or their respective subsidiaries, as applicable, will enter into: (i) the Separation and Distribution Agreement, (ii) the Master Lease pursuant to which GLP Capital, L.P., as landlord, will lease to a subsidiary of Penn, as tenant, the assets relating to the business of Penn excluding the TRS Properties, (iii) the Tax Matters Agreement, (iv) the Transition Services Agreement and (v) the Employee Matters Agreement. See "Relationship between GLPI and Penn after the Spin-Off."

Employment Agreements and Arrangements

We may enter into employment agreements or arrangement with certain of our executive officers. If we elect to do so, we anticipate that they will provide for salary, bonuses and other benefits, including severance benefits upon termination of employment as well as equity awards, among other matters. In the distribution, our executive officers and directors will receive options, shares of restricted stock or PSUs pursuant to the Plan (as defined herein). See "Treatment of Outstanding Compensatory Equity-Based Awards" and "Description of the Long Term Incentive Compensation Plan."

Indemnification of Directors and Officers

Our charter and bylaws will contain indemnification provisions for the benefit of our directors and executive officers. See Item 34 of Part II. Indemnification of Directors and Officers.

Conflict of Interest Policies

We expect to adopt a code of business conduct that seeks to identify and mitigate conflicts of interest between our directors, officers and employees, including our Chief Executive Officer, Chief Financial Officer and other senior officers, on the one hand, and us on the other hand, effective as of the time of our listing on the NASDAQ, in accordance with applicable rules and regulations of the SEC and the NASDAQ. Once it is adopted, the code of business conduct will be available on our website. Waivers of our code of business conduct will be required to be disclosed in accordance with NASDAQ and SEC requirements. In addition, we expect to adopt corporate governance guidelines to assist our board of directors in the exercise of its responsibilities and to serve our interests and those of our shareholders. After the Spin-Off, Peter M. Carlino will serve as Chairman of Penn and the Chairman and Chief Executive Officer of GLPI. In addition, David A. Handler, one of our directors nominees, will continue to serve as a director at Penn. Each of GLPI and Penn expects to adopt governance guidelines prior to the Spin-Off that will require Peter M. Carlino and David A. Handler to report any matter that may create, or may create the appearance of, a conflict of interest to the lead independent director for evaluation and appropriate resolution. Each board may, in the future, also form committees of independent directors to discuss and act upon matters involving both GLPI and Penn. No other person will be a director, executive officer or other employee of both GLPI and Penn.

POLICIES WITH RESPECT TO CERTAIN ACTIVITIES AND TRANSACTIONS

The following is a discussion of our policies with respect to investments, financing and certain other activities. These policies may be amended and revised from time to time at the discretion of our board of directors without notice to or a vote of our shareholders. We cannot assure that our investments objectives will be attained.

Investment Policies

Investments in Real Estate or Interests in Real Estate

We will conduct all of our investment activities through GLP Capital, L.P., a subsidiary through which we will own substantially all of our assets, and its subsidiaries. Our investment objectives will be to increase cash flow, provide quarterly cash distributions, maximize the value of our properties, acquire properties with cash flow growth potential and achieve long-term capital appreciation for our shareholders through increases in the value of our company. Our business will be focused primarily on gaming and leisure sector properties and activities directly related thereto. We have not established a specific policy regarding the relative priority of our investment objectives. We expect to pursue our investment objectives primarily through the ownership of the properties and other acquired properties and assets. We will initially lease all of our properties (except for the TRS Properties, which we will manage) to a subsidiary of Penn pursuant to a triple-net lease under which the tenant will be responsible for all facility maintenance, insurance required in connection with the leased properties and the business conducted on the leased properties, taxes levied on or with respect to the leased properties (other than taxes on the income of the lessor) and all utilities and other services necessary or appropriate for the leased properties and the business conducted on the leased properties. For a discussion of our properties and our business and other strategic objectives, see "Business and Properties of GLPI."

We intend to have a geographically diverse gaming and leisure sector real estate portfolio in the United States. We anticipate that future investment and development activity will be focused primarily in the United States, but will not be limited to any geographic area, property type or business sector. We intend to engage in such future investment activities in a manner that is consistent with the maintenance of our status as REIT for U.S. federal income tax purposes.

We do not have a specific policy as to the amount or percentage of our assets that will be invested in any specific property, but anticipate that our real estate investments will continue to be diversified among a relatively large number of facilities. While we may diversify in terms of property locations, size and market, we do not have any limit on the amount or percentage of our assets that may be invested in any one property or any one geographic area. Following the Spin-Off, our portfolio will consist of 21 gaming and related facilities (including two properties under development in Dayton, OH and Mahoning Valley, OH) encompassing approximately 3,220 acres of land leased and owned and, 6.6 million square feet of building space. We expect initially to grow our portfolio through the acquisition of gaming and leisure facilities. As we acquire additional properties and expand our portfolio, we expect to further diversify by geography, asset class and tenant within and outside of the gaming and leisure sector.

We expect to pursue our investment objectives through the direct ownership of properties, but may also make investments in other entities, including joint ventures, if we determine that doing so would be our most effective means of raising capital. Equity investments may be subject to existing mortgage financing and other indebtedness or such financing or indebtedness may be incurred in connection with acquiring properties, or a combination of these methods. Any such financing or indebtedness will have priority over our equity interest in such property. Investments are also subject to our policy not to make investments that would cause us to meet the definition of an "investment company" under the Investment Company Act of 1940, as amended, or the "1940 Act."

From time to time, we may make investments or agree to terms that support the objectives of our tenants without necessarily maximizing our short-term financial return, which may allow us to build long-term relationships and acquire properties otherwise unavailable to our competition. We believe that these dynamics create long-term, sustainable relationships and, in turn, profitability for us.

Purchase, Sale and Development of Properties

Our policy will be to acquire properties primarily for cash flow growth potential and long-term value. Although we do not currently intend to sell any properties, we will sell certain properties where our board of directors or management determines such properties do not fit our strategic objectives or where such action would be in our best interest. From time to time, we may engage in strategic development opportunities. These opportunities may involve replacing or renovating properties in our portfolio that have become economically obsolete or identifying new sites that present an attractive opportunity and complement our existing portfolio.

Our business will include the rights to acquire and/or develop (but not operate) certain development properties, including certain development opportunities that will be transferred to us by Penn pursuant to the Separation and Distribution Agreement.

Investments in Real Estate Mortgages

Our policy will be to make investments in and outside of the gaming and leisure sector real estate properties. We do not presently intend to invest in mortgages or other real estate interests. However, we may, at the discretion of our board of directors, invest in mortgages and other types of real estate interests consistent with our qualification as a REIT. Investments in real estate mortgages run the risk that one or more borrowers may default under certain mortgages and that the collateral securing certain mortgages may not be sufficient to enable us to recoup our full investment.

Investments in Securities or Interests in Entities Primarily Engaged in Real Estate Activities and Other Issuers

Subject to the percentage of ownership limits and gross income and asset tests necessary for REIT qualification, we may, but do not presently intend to, invest in securities of entities engaged in real estate activities or securities of other issuers (including partnership interests, limited liability company interests or other joint venture interests in special purpose entities owning properties), including for the purpose of exercising control over such entities. We may acquire some, all or substantially all of the securities or assets of other REITs or entities engaged in real estate activities where such investment would be consistent with our investment policies. If we were to acquire investment securities, we would limit the total amount of such securities so that we would not, as a result of such investments, meet the definition of an "investment company" under the 1940 Act.

Financing Policies

We expect to employ leverage in our capital structure in amounts that we determine appropriate from time to time. Our board of directors has not adopted a policy which limits the total amount of indebtedness that we may incur, but will consider a number of factors in evaluating our level of indebtedness from time to time, as well as the amount of such indebtedness that will be either fixed or variable rate. Our charter and bylaws do not limit the amount or percentage of indebtedness that we may incur nor do they restrict the form of our indebtedness (including recourse or nonrecourse debt and cross-collateralized debt). We expect, however, to be subject to certain indebtedness limitations pursuant to the restrictive covenants of our outstanding indebtedness, including our senior credit facilities and senior notes. We may from time to time modify our debt policy in light of then-current economic conditions, relative costs of debt and equity capital, market values of our properties, general

market conditions for debt and equity securities, fluctuations in the market price of our common stock, growth and acquisition opportunities and other factors. If these limits are relaxed, we could become more highly leveraged, resulting in an increased risk of default on our obligations and a related increase in debt service requirements that could adversely affect our financial condition and results of operations and our ability to make distributions to our shareholders.

To the extent that our board of directors or management determines that it is necessary to raise additional capital, we may, without shareholder approval, borrow money under our credit facility, issue debt or equity securities, including securities senior to our common stock, retain earnings (subject to the REIT distribution requirements for U.S. federal income tax purposes), assume indebtedness, obtain mortgage financing on a portion of our owned properties, engage in a joint venture, or employ a combination of these methods.

Investment and Other Policies

We may, but do not presently intend to, make investments other than as previously described. We may offer shares of our common stock, preferred stock, options, other equity securities senior to our common stock, or debt securities in exchange for cash or property and to repurchase or otherwise reacquire shares of our common stock or other equity or debt securities in exchange for cash or property. Similarly, we may offer units of limited partnership in GLP Capital L.P., which are redeemable for cash or property. Following our incorporation and in connection with our initial capitalization, we issued 1,000 shares of our common stock to CRC Holdings, Inc., a wholly-owned subsidiary of Penn for an aggregate purchase price of $10. CRC Holdings, Inc. will not hold these shares following the Spin-Off. We expect to issue an additional [•] shares of common stock (based on an estimated [•] shares of Penn common stock, and [•] shares of Penn Series C preferred stock outstanding as of [•], 2013) in order to effect the Separation and the Purging Distribution. Other than the initial issuance and the issuance in connection with the Spin-Off, we have not issued common stock or any other securities in exchange for property or any other purpose, and our board of directors has no present intention of causing us to repurchase any common stock. We have not engaged in trading, underwriting or the agency distribution or sale of securities of other issuers and do not intend to do so. At all times, we intend to make investments in such a manner as to qualify to be taxed as a REIT, unless, because of circumstances or changes in the Code (or the Treasury Regulations promulgated thereunder), our board of directors determines that it is no longer in our best interests to qualify to be taxed as a REIT. Our policies with respect to such activities may be reviewed and modified from time to time by our board of directors without notice to or the vote of our shareholders.

Conflict of Interest Policies

We expect to adopt a code of business conduct that seeks to identify and mitigate conflicts of interest between our directors, officers and employees, including our Chief Executive Officer, Chief Financial Officer and other senior officers, on the one hand, and us on the other hand, effective as of the time of our listing on the NASDAQ, in accordance with applicable rules and regulations of the SEC and the NASDAQ. Once it is adopted, the code of business conduct will be available on our website. Waivers of our code of business conduct will be required to be disclosed in accordance with NASDAQ and SEC requirements.

In addition, we expect to adopt corporate governance guidelines to assist our board of directors in the exercise of its responsibilities and to serve our interests and those of our shareholders. Further, GLPI expects to adopt governance guidelines prior to the Spin-Off that will require Peter M. Carlino and David A. Handler to report any matter that may create, or may create the appearance of, a conflict of interest to the lead independent director for evaluation and appropriate resolution. See "Relationship between GLPI and Penn after the Spin-Off—Overlapping Directors."

Our board of directors is subject to certain provisions of Pennsylvania law, which are also designed to eliminate or minimize conflicts. However, we cannot assure you that these policies or provisions of law will always be successful in eliminating or minimizing the influence of such conflicts, and if they are not successful, decisions could be made that might fail to reflect fully the interests of shareholders.

Pursuant to Pennsylvania law, each director and officer is obligated to offer to us any business opportunity (with certain limited exceptions) that comes to him or her in his or her capacity as one of our directors and officers and that is within the scope of our activities and is of present or potential advantage to us.

Transactions with Interested Directors or Officers

Pursuant to the Pennsylvania law, a contract or other transaction between us and a director or an officer, or between us and any other corporation or other entity in which any of our directors or officers is a director or officer or has a material financial interest is not void or voidable solely on the grounds of such common interest, the presence of such director at the meeting at which the contract or transaction is authorized, approved or ratified or the counting of the director's vote in favor thereof, provided that:

- the material facts as to the relationship or interest and the contract or transaction are disclosed or known to our board of directors or a committee of our board of directors, and our board of directors or committee authorizes, approves or ratifies the contract or transaction by the affirmative vote of a majority of disinterested directors, even if the disinterested directors constitute less than a quorum;

- the material facts as to the relationship or interest and the contract or transaction are disclosed or known to shareholders entitled to vote thereon, and the transaction or contract is authorized, approved or ratified in good faith by a majority of the votes cast by the shareholders entitled to vote; or

- the transaction or contract is fair to us as of the time it is authorized, approved or ratified by the board of directors or the shareholders.

We will adopt a policy which requires that all contracts and transactions between us, on the one hand, and any of our directors or executive officers or any entity in which such director or executive officer is a director or has a material financial interest, on the other hand, must be approved by the affirmative vote of a majority of the disinterested directors even if less than a quorum. Where appropriate in the judgment of the disinterested directors, our board of directors may obtain a fairness opinion or engage independent counsel to represent the interests of nonaffiliated security holders, although our board of directors will have no obligation to do so.

Lending Policies

We do not have a policy limiting our ability to make loans to other persons. Subject to REIT qualification rules, we may make loans to third parties. For example, we may consider offering purchase money financing in connection with the sale of properties where the provision of that financing will increase the value to be received by us for the property sold, or we may consider making loans to, or guaranteeing the debt of, joint ventures in which we participate or may participate in the future. We may choose to guarantee the debt of certain joint ventures with third parties. Consideration for those guarantees may include fees, long-term management contracts, options to acquire additional ownership and promoted equity positions. We do not currently intend to engage in any significant lending activities. We intend to make investments in such a way that we will not be treated as an investment company under the 1940 Act. However, our board of directors may adopt a lending policy without notice to or the vote of our shareholders.

Reporting Policies

Following the Spin-Off, we will become subject to the information reporting requirements of the Exchange Act, pursuant to which we will file periodic reports, proxy statements and other information, including audited financial statements, with the SEC. Such filings will be publicly available to our shareholders.

U.S. FEDERAL INCOME TAX CONSIDERATIONS

The following is a summary of the material U.S. federal income tax consequences of an investment in our common stock. For purposes of this section under the heading "U.S. Federal Income Tax Considerations," references to "GLPI," "we," "our" and "us" generally mean only GLPI and not its subsidiaries or other lower-tier entities, except as otherwise indicated, and references to "tenants" are to persons who are treated as lessees of real property for purposes of the REIT requirements including, in general, persons who are referred to as "customers" elsewhere in this Prospectus. This summary is based upon the Code, the regulations promulgated by the Treasury, rulings and other administrative pronouncements issued by the IRS, and judicial decisions, all as currently in effect, and all of which are subject to differing interpretations or to change, possibly with retroactive effect. No assurance can be given that the IRS would not assert, or that a court would not sustain, a position to the contrary to any of the tax consequences described below. The summary is also based upon the assumption that we and our subsidiaries and affiliated entities will operate in accordance with our and their applicable organizational documents. This summary is for general information only and is not tax advice. It does not discuss any state, local or non-U.S. tax consequences relevant to us or an investment in our common stock, and it does not purport to discuss all aspects of U.S. federal income taxation that may be important to a particular investor in light of its investment or tax circumstances or to investors subject to special tax rules, such as:

- banks, insurance companies, regulated investment companies, or other financial institutions;
- dealers or brokers in securities or currencies;
- partnerships, other pass-through entities and trusts, including REITs;
- persons who hold our stock on behalf of other persons as nominees;
- persons who receive our stock as compensation;
- persons holding our stock as part of a "straddle," "hedge," "conversion transaction," "synthetic security" or other integrated investment;
- persons who are subject to alternative minimum tax;

and, except to the extent discussed below:

- tax-exempt organizations; and
- foreign investors.

This summary assumes that investors will hold their common stock as a capital asset, which generally means property held for investment.

The U.S. federal income tax treatment of holders of our common stock depends in some instances on determinations of fact and interpretations of complex provisions of U.S. federal income tax law for which no clear precedent or authority may be available. In addition, the tax consequences to any particular shareholder of holding our common stock will depend on the shareholder's particular tax circumstances. You are urged to consult your tax advisor regarding the U.S. federal, state, local, and foreign income and other tax consequences to you in light of your particular investment or tax circumstances of acquiring, holding, exchanging, or otherwise disposing of our common stock.

Taxation of GLPI

We intend to elect to be taxed as a REIT under Sections 856 through 859 of the Code commencing with our taxable year beginning on January 1, 2014, upon the filing of our U.S. federal income tax return for such period. We believe that we will be organized, and we expect to operate, in such a manner as to qualify for taxation as a REIT under the applicable provisions of the Code.

The firms of Wachtell, Lipton, Rosen & Katz and KPMG LLP have acted as our Special Tax Advisors in connection with our formation and election to be taxed as a REIT. In connection with this transaction, we expect to receive opinions of Special Tax Advisors to the effect that we are organized in conformity with the requirements for qualification and taxation as a REIT under the Code, and that our proposed method of operation will enable us to meet the requirements for qualification and taxation as a REIT commencing with our taxable year beginning on January 1, 2014. It must be emphasized that the opinions of Special Tax Advisors are based on various assumptions relating to our organization and operation, and are conditioned upon fact-based representations and covenants made by our management regarding our organization, assets, and income, and the present and future conduct of our business operations. While we intend to operate so that we will qualify to be taxed as a REIT, given the highly complex nature of the rules governing REITs, the ongoing importance of factual determinations, and the possibility of future changes in our circumstances, no assurance can be given by Special Tax Advisors or by us that we will qualify to be taxed as a REIT for any particular year. The opinions are expressed as of the date issued. Special Tax Advisors will have no obligation to advise us or our shareholders of any subsequent change in the matters stated, represented or assumed, or of any subsequent change in the applicable law. You should be aware that opinions of advisors are not binding on the IRS, and no assurance can be given that the IRS will not challenge the conclusions set forth in such opinions.

Qualification and taxation as a REIT depends on our ability to meet on a continuing basis, through actual operating results, distribution levels, and diversity of stock ownership, various qualification requirements imposed upon REITs by the Code, the compliance with which will not be reviewed by Special Tax Advisors. Our ability to qualify to be taxed as a REIT also requires that we satisfy certain tests, some of which depend upon the fair market values of assets that we own directly or indirectly. Such values may not be susceptible to a precise determination. Accordingly, no assurance can be given that the actual results of our operations for any taxable year will satisfy such requirements for qualification and taxation as a REIT.

Penn has received a private letter ruling from the IRS with respect to certain issues relevant to our qualification as a REIT. In general, the ruling provides, subject to the terms and conditions contained therein, that (1) certain of the assets to be held by us after the Spin-Off and (2) certain amounts received by us pursuant to the Master Lease will not adversely affect our qualification as a REIT. Although we may generally rely upon the ruling, no assurance can be given that the IRS will not challenge our qualification as a REIT on the basis of other issues or facts outside the scope of the ruling.

Taxation of REITs in General

As indicated above, our qualification and taxation as a REIT depends upon our ability to meet, on a continuing basis, various qualification requirements imposed upon REITs by the Code. The material qualification requirements are summarized below under "—Requirements for Qualification—General." While we intend to operate so that we qualify and continue to qualify to be taxed as a REIT, no assurance can be given that the IRS will not challenge our qualification, or that we will be able to operate in accordance with the REIT requirements in the future. See "—Failure to Qualify."

Provided that we qualify to be taxed as a REIT, generally we will be entitled to a deduction for dividends that we pay and therefore will not be subject to U.S. federal corporate income tax on our net REIT taxable income that is currently distributed to our shareholders. This treatment substantially eliminates the "double taxation" at the corporate and shareholder levels that generally results from an investment in a C corporation. A "C corporation" is a corporation that generally is required to pay tax at the corporate level. Double taxation means taxation once at the corporate level when income is earned and once again at the shareholder level when the income is distributed. In general, the income that we generate is taxed only at the shareholder level upon a distribution of dividends to our shareholders.

Beginning in 2013, most U.S. shareholders that are individuals, trusts or estates are taxed on corporate dividends at a maximum U.S. federal income tax rate of 20% (the same as long-term capital gains). With limited exceptions, however, dividends from us or from other entities that are taxed as REITs are generally not eligible for this rate and will continue to be taxed at rates applicable to ordinary income. Commencing in 2013, the highest marginal non-corporate U.S. federal income tax rate applicable to ordinary income is 39.6%. See "—Taxation of Shareholders—Taxation of Taxable U.S. Shareholders—Distributions."

Any net operating losses, foreign tax credits and other tax attributes generally do not pass through to our shareholders, subject to special rules for certain items such as the capital gains that we recognize. See "—Taxation of Shareholders—Taxation of Taxable U.S. Shareholders—Distributions."

If we qualify to be taxed as a REIT, we will nonetheless be subject to U.S. federal tax in the following circumstances:

- We will be taxed at regular corporate rates on any undistributed net taxable income, including undistributed net capital gains.

- We may be subject to the "alternative minimum tax" on our items of tax preference, including any deductions of net operating losses.

- If we have net income from prohibited transactions, which are, in general, sales or other dispositions of inventory or property held primarily for sale to customers in the ordinary course of business, other than foreclosure property, such income will be subject to a 100% tax. See "—Prohibited Transactions" and "—Foreclosure Property" below.

- If we elect to treat property that we acquire in connection with a foreclosure of a mortgage loan or certain leasehold terminations as "foreclosure property," we may thereby avoid the 100% tax on gain from a resale of that property (if the sale would otherwise constitute a prohibited transaction), but the income from the sale or operation of the property may be subject to corporate income tax at the highest applicable rate (currently 35%).

- If we fail to satisfy the 75% gross income test and/or the 95% gross income test, as discussed below, but nonetheless maintain our qualification as a REIT because we satisfy other requirements, we will be subject to a 100% tax on an amount based on the magnitude of the failure, as adjusted to reflect the profit margin associated with our gross income.

- If we violate the asset tests (other than certain *de minimis* violations) or other requirements applicable to REITs, as described below, and yet maintain our qualification as a REIT because there is reasonable cause for the failure and other applicable requirements are met, we may be subject to a penalty tax. In that case, the amount of the penalty tax will be at least $50,000 per failure, and, in the case of certain asset test failures, will be determined as the amount of net income generated by the nonqualifying assets in question multiplied by the highest corporate tax rate (currently 35%) if that amount exceeds $50,000 per failure.

- If we fail to distribute during each calendar year at least the sum of (i) 85% of our ordinary income for such year, (ii) 95% of our capital gain net income for such year and (iii) any undistributed net taxable income from prior periods, we will be subject to a nondeductible 4% excise tax on the excess of the required distribution over the sum of (a) the amounts that we actually distributed and (b) the amounts we retained and upon which we paid income tax at the corporate level.

- We may be required to pay monetary penalties to the IRS in certain circumstances, including if we fail to meet record-keeping requirements intended to monitor our compliance with rules relating to the composition of a REIT's shareholders, as described below in "—Requirements for Qualification—General."

- A 100% tax may be imposed on transactions between us and a TRS that do not reflect arm's-length terms.

- If we acquire appreciated assets from a corporation that is not a REIT (i.e., a corporation taxable under subchapter C of the Code) in a transaction in which the adjusted tax basis of the assets in our hands is determined by reference to the adjusted tax basis of the assets in the hands of the subchapter C corporation, we may be subject to tax on such appreciation at the highest corporate income tax rate then applicable if we subsequently recognize gain on a disposition of any such assets during the ten-year period following their acquisition from the subchapter C corporation.

- The earnings of our TRSs will generally be subject to U.S. federal corporate income tax.

In addition, we and our subsidiaries may be subject to a variety of taxes, including payroll taxes and state, local, and foreign income, property, gross receipts and other taxes on our assets and operations. We could also be subject to tax in situations and on transactions not presently contemplated.

Requirements for Qualification—General

The Code defines a REIT as a corporation, trust or association:

1. that is managed by one or more trustees or directors;

2. the beneficial ownership of which is evidenced by transferable shares, or by transferable certificates of beneficial interest;

3. that would be taxable as a domestic corporation but for its election to be subject to tax as a REIT;

4. that is neither a financial institution nor an insurance company subject to specific provisions of the Code;

5. the beneficial ownership of which is held by 100 or more persons;

6. in which, during the last half of each taxable year, not more than 50% in value of the outstanding stock is owned, directly or indirectly, by five or fewer "individuals" (as defined in the Code to include specified tax-exempt entities); and

7. that meets other tests described below, including with respect to the nature of its income and assets.

The Code provides that conditions (1) through (4) must be met during the entire taxable year, and that condition (5) must be met during at least 335 days of a taxable year of 12 months, or during a proportionate part of a shorter taxable year. Conditions (5) and (6) need not be met during a corporation's initial tax year as a REIT (which, in our case, will be 2014). Our charter will provide restrictions regarding the ownership and transfers of our stock, which are intended to assist us in satisfying the stock ownership requirements described in conditions (5) and (6) above. These restrictions, however, may not ensure that we will, in all cases, be able to satisfy the share ownership requirements described in conditions (5) and (6) above. If we fail to satisfy these share ownership requirements, except as provided in the next sentence, our status as a REIT will terminate. If, however, we comply with the rules contained in applicable Treasury regulations that require us to ascertain the actual ownership of our shares and we do not know, or would not have known through the exercise of reasonable diligence, that we failed to meet the requirements described in condition (6) above, we will be treated as having met this requirement.

To monitor compliance with the stock ownership requirements, we generally are required to maintain records regarding the actual ownership of our stock. To do so, we must demand written statements each year from the record holders of significant percentages of our stock pursuant to which the record holders must disclose the actual owners of the stock (i.e., the persons required to include our dividends in their gross income). We must maintain a list of those persons failing or refusing to comply with this demand as part of our records. We could be subject to monetary penalties if we fail to comply with these record-keeping requirements. If you fail or refuse to comply with the demands, you will be required by Treasury regulations to submit a statement with your tax return disclosing your actual ownership of our stock and other information.

In addition, a corporation generally may not elect to become a REIT unless its taxable year is the calendar year. We intend to adopt December 31 as our year-end, and thereby satisfy this requirement.

Effect of Subsidiary Entities

Ownership of Partnership Interests

If we are a partner in an entity that is treated as a partnership for U.S. federal income tax purposes, Treasury regulations provide that we are deemed to own our proportionate share of the partnership's assets, and to earn our proportionate share of the partnership's income, for purposes of the asset and gross income tests applicable to REITs. Our proportionate share of a partnership's assets and income is based on our capital interest in the partnership (except that for purposes of the 10% value test, described below, our proportionate share of the partnership's assets is based on our proportionate interest in the equity and certain debt securities issued by the partnership). In addition, the assets and gross income of the partnership are deemed to retain the same character in our hands. Thus, our proportionate share of the assets and income of any of our subsidiary partnerships will be treated as our assets and items of income for purposes of applying the REIT requirements.

If we become a limited partner or non-managing member in any partnership or limited liability company and such entity takes or expects to take actions that could jeopardize our status as a REIT or require us to pay tax, we may be forced to dispose of our interest in such entity. In addition, it is possible that a partnership or limited liability company could take an action which could cause us to fail a gross income or asset test, and that we would not become aware of such action in time to dispose of our interest in the partnership or limited liability company or take otherwise corrective action on a timely basis. In that case, we could fail to qualify to be taxed as a REIT unless we were entitled to relief, as described below.

Disregarded Subsidiaries

If we own a corporate subsidiary that is a "qualified REIT subsidiary," that subsidiary is generally disregarded as a separate entity for U.S. federal income tax purposes, and all of the subsidiary's assets, liabilities and items of income, deduction and credit are treated as our assets, liabilities and items of income, deduction and credit, including for purposes of the gross income and asset tests applicable to REITs. A qualified REIT subsidiary is any corporation, other than a TRS (as described below), that is directly or indirectly wholly-owned by a REIT. Other entities that are wholly-owned by us, including single member limited liability companies that have not elected to be taxed as corporations for U.S. federal income tax purposes, are also generally disregarded as separate entities for U.S. federal income tax purposes, including for purposes of the REIT income and asset tests. Disregarded subsidiaries, along with any partnerships in which we hold an equity interest, are sometimes referred to herein as "pass-through subsidiaries."

In the event that a disregarded subsidiary of ours ceases to be wholly-owned—for example, if any equity interest in the subsidiary is acquired by a person other than us or another disregarded subsidiary of ours—the subsidiary's separate existence would no longer be disregarded for U.S. federal income tax

purposes. Instead, the subsidiary would have multiple owners and would be treated as a either a partnership or a taxable corporation. Such an event could, depending on the circumstances, adversely affect our ability to satisfy the various asset and gross income requirements applicable to REITs, including the requirements the REITs generally may not own, directly or indirectly, more than 10% of the securities of another corporation. See "—Asset Tests" and "—Income Tests."

Taxable REIT Subsidiaries

In general, we may jointly elect with a subsidiary corporation, whether or not wholly-owned, to treat such subsidiary corporation as a TRS. We generally may not own more than 10% of the securities of a taxable corporation, as measured by voting power or value, unless we and such corporation elect to treat such corporation as a TRS. The separate existence of a TRS or other taxable corporation is not ignored for U.S. federal income tax purposes. Accordingly, a TRS or other taxable subsidiary corporation generally is subject to corporate income tax on its earnings, which may reduce the cash flow that we and our subsidiaries generate in the aggregate and may reduce our ability to make distributions to our shareholders.

We are not treated as holding the assets of a TRS or other taxable subsidiary corporation or as receiving any income that the subsidiary earns. Rather, the stock issued by a taxable subsidiary corporation to us is an asset in our hands, and we treat the dividends paid to us from such taxable subsidiary corporation, if any, as income. This treatment can affect our income and asset test calculations, as described below. Because we do not include the assets and income of TRSs or other taxable subsidiary corporations on a look-through basis in determining our compliance with the REIT requirements, we may use such entities to undertake indirectly activities that the REIT rules might otherwise preclude us from doing directly or through pass-through subsidiaries. For example, we may use TRSs or other taxable subsidiary corporations to perform services or conduct activities that give rise to certain categories of income or to conduct activities that, if conducted by us directly, would be treated in our hands as prohibited transactions.

The TRS rules limit the deductibility of interest paid or accrued by a TRS to its parent REIT to assure that the TRS is subject to an appropriate level of corporate taxation. Further, the rules impose a 100% excise tax on transactions between a TRS and its parent REIT or the REIT's tenants that are not conducted on an arm's-length basis. We intend that all of our transactions with our TRS, if any, will be conducted on an arm's-length basis.

Income Tests

In order to qualify to be taxed as a REIT, we must satisfy two gross income requirements on an annual basis. First, at least 75% of our gross income for each taxable year, excluding gross income from sales of inventory or dealer property in "prohibited transactions," discharge of indebtedness and certain hedging transactions, generally must be derived from "rents from real property," gains from the sale of real estate assets, interest income derived from mortgage loans secured by real property (including certain types of mortgage-backed securities), dividends received from other REITs, and specified income from temporary investments. Second, at least 95% of our gross income in each taxable year, excluding gross income from prohibited transactions, discharge of indebtedness and certain hedging transactions, must be derived from some combination of income that qualifies under the 75% gross income test described above, as well as other dividends, interest, and gain from the sale or disposition of stock or securities, which need not have any relation to real property. Income and gain from certain hedging transactions will be excluded from both the numerator and the denominator for purposes of both the 75% and 95% gross income tests.

Rents from Real Property

Rents we receive from a tenant will qualify as "rents from real property" for the purpose of satisfying the gross income requirements for a REIT described above only if all of the conditions described below are met.

- The amount of rent is not based in whole or in part on the income or profits of any person. However, an amount we receive or accrue generally will not be excluded from the term "rents from real property" solely because it is based on a fixed-percentage or percentages of receipts or sales;

- Neither we nor an actual or constructive owner of 10% or more of our stock actually or constructively owns 10% or more of the interests in the assets or net profits of a non-corporate tenant, or, if the tenant is a corporation, 10% or more of the total combined voting power of all classes of stock entitled to vote or 10% or more of the total value of all classes of stock of the tenant. Rents we receive from such a tenant that is a TRS of ours, however, will not be excluded from the definition of "rents from real property" as a result of this condition if at least 90% of the space at the property to which the rents relate is leased to third parties, and the rents paid by the TRS are substantially comparable to rents paid by our other tenants for comparable space. Whether rents paid by a TRS are substantially comparable to rents paid by other tenants is determined at the time the lease with the TRS is entered into, extended, and modified, if such modification increases the rents due under such lease. Notwithstanding the foregoing, however, if a lease with a "controlled TRS" is modified and such modification results in an increase in the rents payable by such TRS, any such increase will not qualify as "rents from real property." For purposes of this rule, a "controlled TRS" is a TRS in which the parent REIT owns stock possessing more than 50% of the voting power or more than 50% of the total value of the outstanding stock of such TRS;

- Rent attributable to personal property that is leased in connection with a lease of real property is not greater than 15% of the total rent received under the lease. If this condition is not met, then the portion of the rent attributable to personal property will not qualify as "rents from real property;" and

- We generally are not permitted to operate or manage our properties or to furnish or render services to our tenants, subject to a 1% *de minimis* exception and except as further provided below. We are permitted, however, to perform directly certain services that are "usually or customarily rendered" in connection with the rental of space for occupancy only and are not otherwise considered "rendered to the occupant" of the property. Examples of these permitted services include the provision of light, heat, or other utilities, trash removal and general maintenance of common areas. In addition, we are permitted to employ an independent contractor from whom we derive no revenue, or a TRS that is wholly or partially owned by us, to provide both customary and non-customary property management or services to our tenants without causing the rent that we receive from those tenants to fail to qualify as "rents from real property." Any amounts that we receive from a TRS with respect to the TRS's provision of non-customary services will, however, be nonqualifying income under the 75% gross income test and, except to the extent received through the payment of dividends, the 95% gross income test.

A significant portion of the value of our properties is attributable to barge-based facilities—i.e., barges that serve as foundations upon which buildings are constructed to serve as gaming or related facilities, as well as barges that serve ancillary purposes such as access platforms or shear barges to protect a facility from floating debris. In addition, under the Master Lease, Penn (or a subsidiary of Penn) will pay GLP Capital, L.P. an amount consisting of both (1) a fixed annual base amount, subject to the escalator, as described above, and certain other adjustments and (2) an amount based on net revenues from the applicable leased facility. We expect that our barge-based facilities will be treated as

real property for purposes of the REIT gross income tests, and we expect that the rent payments received pursuant to the Master Lease will be treated a rents from real property for purposes of the REIT gross income tests. Penn has received a private letter ruling from the IRS with respect to certain issues relevant to GLPI's qualification as a REIT. In general, the ruling provides, subject to the terms and conditions contained therein, that (1) certain of the assets to be held by GLPI after the Spin-Off (e.g., the barge-based facilities) and (2) certain amounts received by GLPI pursuant to the Master Lease (e.g., Percentage Rent) will not adversely affect our qualification as a REIT. Although we may generally rely upon the ruling, no assurance can be given that the IRS will not challenge our qualification as a REIT on the basis of other issues or facts outside the scope of the ruling.

Interest Income

Interest income constitutes qualifying mortgage interest for purposes of the 75% gross income test (as described above) to the extent that the obligation upon which such interest is paid is secured by a mortgage on real property. If we receive interest income with respect to a mortgage loan that is secured by both real property and other property, and the highest principal amount of the loan outstanding during a taxable year exceeds the fair market value of the real property on the date that we acquired or originated the mortgage loan, the interest income will be apportioned between the real property and the other collateral, and our income from the arrangement will qualify for purposes of the 75% gross income test only to the extent that the interest is allocable to the real property. Even if a loan is not secured by real property, or is undersecured, the income that it generates may nonetheless qualify for purposes of the 95% gross income test. For these purposes, the term "interest" generally does not include any amount received or accrued, directly or indirectly, if the determination of all or some of the amount depends in any way on the income or profits of any person. However, an amount received or accrued generally will not be excluded from the term "interest" solely by reason of being based on a fixed percentage or percentages of receipts or sales.

Dividend Income

We may directly or indirectly receive distributions from TRSs or other corporations that are not REITs or qualified REIT subsidiaries. These distributions generally are treated as dividend income to the extent of the earnings and profits of the distributing corporation. Such distributions will generally constitute qualifying income for purposes of the 95% gross income test, but not for purposes of the 75% gross income test. Any dividends that we receive from another REIT, however, will be qualifying income for purposes of both the 95% and 75% gross income tests.

Fee Income

Any fee income that we earn will generally not be qualifying income for purposes of either gross income test. Any fees earned by a TRS, however, will not be included for purposes of our gross income tests.

Hedging Transactions

Any income or gain that we or our pass-through subsidiaries derive from instruments that hedge certain risks, such as the risk of changes in interest rates, will be excluded from gross income for purposes of both the 75% and 95% gross income tests, provided that specified requirements are met, including the requirement that the instrument is entered into during the ordinary course of our business, the instrument hedges risks associated with indebtedness issued by us or our pass-through subsidiary that is incurred or to be incurred to acquire or carry "real estate assets" (as described below under "—Asset Tests"), and the instrument is properly identified as a hedge along with the risk that it hedges within prescribed time periods. Certain items of income or gain attributable to hedges of foreign currency fluctuations with respect to income that satisfies the REIT gross income requirements

may also be excluded from the 95% and 75% gross income tests. Most likely, income and gain from all other hedging transactions will not be qualifying income for either the 95% or 75% gross income test.

Failure to Satisfy the Gross Income Tests

If we fail to satisfy one or both of the 75% or 95% gross income tests for any taxable year, we may still qualify to be taxed as a REIT for such year if we are entitled to relief under applicable provisions of the Code. These relief provisions will be generally available if (i) our failure to meet these tests was due to reasonable cause and not due to willful neglect and (ii) following our identification of the failure to meet the 75% or 95% gross income test for any taxable year, we file a schedule with the IRS setting forth each item of our gross income for purposes of the 75% or 95% gross income test for such taxable year in accordance with Treasury regulations, which have not yet been issued. It is not possible to state whether we would be entitled to the benefit of these relief provisions in all circumstances. If these relief provisions are inapplicable to a particular set of circumstances, we will not qualify to be taxed as a REIT. Even if these relief provisions apply, and we retain our status as a REIT, the Code imposes a tax based upon the amount by which we fail to satisfy the particular gross income test.

Asset Tests

At the close of each calendar quarter, we must also satisfy four tests relating to the nature of our assets. First, at least 75% of the value of our total assets must be represented by some combination of "real estate assets," cash, cash items, U.S. government securities, and, under some circumstances, stock or debt instruments purchased with new capital. For this purpose, real estate assets include interests in real property and stock of other corporations that qualify as REITs, as well as some kinds of mortgage-backed securities and mortgage loans. Assets that do not qualify for purposes of the 75% asset test are subject to the additional asset tests described below.

Second, the value of any one issuer's securities that we own may not exceed 5% of the value of our total assets.

Third, we may not own more than 10% of any one issuer's outstanding securities, as measured by either voting power or value. The 5% and 10% asset tests do not apply to securities of TRSs and qualified REIT subsidiaries and the 10% asset test does not apply to "straight debt" having specified characteristics and to certain other securities described below. Solely for purposes of the 10% asset test, the determination of our interest in the assets of a partnership or limited liability company in which we own an interest will be based on our proportionate interest in any securities issued by the partnership or limited liability company, excluding for this purpose certain securities described in the Code.

Fourth, the aggregate value of all securities of TRSs that we hold, together with other non-qualified assets (such as furniture and equipment or other tangible personal property, or non-real estate securities) may not, in the aggregate, exceed 25% of the value of our total assets.

Notwithstanding the general rule, as noted above, that for purposes of the REIT income and asset tests we are treated as owning our proportionate share of the underlying assets of a subsidiary partnership, if we hold indebtedness issued by a partnership, the indebtedness will be subject to, and may cause a violation of, the asset tests unless the indebtedness is a qualifying mortgage asset or other conditions are met. Similarly, although stock of another REIT is a qualifying asset for purposes of the REIT asset tests, any non-mortgage debt that is issued by another REIT may not so qualify (although such debt will not be treated as "securities" for purposes of the 10% asset test, as explained below).

Certain securities will not cause a violation of the 10% asset test described above. Such securities include instruments that constitute "straight debt," which term generally excludes, among other things, securities having contingency features. A security does not qualify as "straight debt" where a REIT (or

a controlled TRS of the REIT) owns other securities of the same issuer which do not qualify as straight debt, unless the value of those other securities constitute, in the aggregate, 1% or less of the total value of that issuer's outstanding securities. In addition to straight debt, the Code provides that certain other securities will not violate the 10% asset test. Such securities include (i) any loan made to an individual or an estate, (ii) certain rental agreements pursuant to which one or more payments are to be made in subsequent years (other than agreements between a REIT and certain persons related to the REIT under attribution rules), (iii) any obligation to pay rents from real property, (iv) securities issued by governmental entities that are not dependent in whole or in part on the profits of (or payments made by) a non-governmental entity, (v) any security (including debt securities) issued by another REIT and (vi) any debt instrument issued by a partnership if the partnership's income is of a nature that it would satisfy the 75% gross income test described above under "—Income Tests." In applying the 10% asset test, a debt security issued by a partnership is not taken into account to the extent, if any, of the REIT's proportionate interest in the equity and certain debt securities issued by that partnership.

A significant portion of the value of our properties is attributable to barge-based facilities, as described above. We expect that our barge-based facilities will be treated as real property for purposes of the REIT asset tests, and Penn has received a private letter ruling from the IRS, subject to the terms and conditions contained therein, generally to that effect. If, however, any barge-based facilities not covered by the IRS ruling are subsequently determined not to constitute real property for purposes of the REIT asset tests, we could fail to satisfy such tests.

No independent appraisals have been obtained to support our conclusions as to the value of our total assets or the value of any particular security or securities. Moreover, the values of some assets may not be susceptible to a precise determination, and values are subject to change in the future. Furthermore, the proper classification of an instrument as debt or equity for U.S. federal income tax purposes may be uncertain in some circumstances, which could affect the application of the REIT asset requirements. Accordingly, there can be no assurance that the IRS will not contend that our interests in our subsidiaries or in the securities of other issuers will not cause a violation of the REIT asset tests.

However, certain relief provisions are available to allow REITs to satisfy the asset requirements or to maintain REIT qualification notwithstanding certain violations of the asset and other requirements. For example, if we should fail to satisfy the asset tests at the end of a calendar quarter such a failure would not cause us to lose our REIT qualification if we (i) satisfied the asset tests at the close of the preceding calendar quarter and (ii) the discrepancy between the value of our assets and the asset requirements was not wholly or partly caused by an acquisition of non-qualifying assets, but instead arose from changes in the relative market values of our assets. If the condition described in (ii) were not satisfied, we still could avoid disqualification by eliminating any discrepancy within 30 days after the close of the calendar quarter in which it arose or by making use of the relief provisions described above.

In the case of *de minimis* violations of the 10% and 5% asset tests, a REIT may maintain its qualification despite a violation of such requirements if (i) the value of the assets causing the violation does not exceed the lesser of 1% of the REIT's total assets and $10,000,000 and (ii) the REIT either disposes of the assets causing the failure within six months after the last day of the quarter in which it identifies the failure, or the relevant tests are otherwise satisfied within that time frame.

Even if we did not qualify for the foregoing relief provisions, one additional provision allows a REIT which fails one or more of the asset requirements to nevertheless maintain its REIT qualification if (i) the REIT provides the IRS with a description of each asset causing the failure, (ii) the failure is due to reasonable cause and not willful neglect, (iii) the REIT pays a tax equal to the greater of (a) $50,000 per failure and (b) the product of the net income generated by the assets that caused the failure multiplied by the highest applicable corporate tax rate (currently 35%) and (iv) the REIT either disposes of the assets causing the failure within six months after the last day of the quarter in which it identifies the failure, or otherwise satisfies the relevant asset tests within that time frame.

Annual Distribution Requirements

In order to qualify to be taxed as a REIT, we are required to distribute dividends, other than capital gain dividends, to our shareholders in an amount at least equal to:

(i) the sum of

(a) 90% of our REIT taxable income, computed without regard to our net capital gains and the deduction for dividends paid; and

(b) 90% of our after tax net income, if any, from foreclosure property (as described below); minus

(ii) the excess of the sum of specified items of non-cash income over 5% of our REIT taxable income, computed without regard to our net capital gain and the deduction for dividends paid.

We generally must make these distributions in the taxable year to which they relate, or in the following taxable year if declared before we timely file our tax return for the year and if paid with or before the first regular dividend payment after such declaration. These distributions will be treated as received by our shareholders in the year in which paid. In order for distributions to be counted as satisfying the annual distribution requirements for REITs, and to provide us with a REIT-level tax deduction, the distributions must not be "preferential dividends." A dividend is not a preferential dividend if the distribution is (i) pro rata among all outstanding shares of stock within a particular class and (ii) in accordance with any preferences among different classes of stock as set forth in our organizational documents.

To the extent that we distribute at least 90%, but less than 100%, of our REIT taxable income, as adjusted, we will be subject to tax at ordinary corporate tax rates on the retained portion. We may elect to retain, rather than distribute, some or all of our net long-term capital gains and pay tax on such gains. In this case, we could elect for our shareholders to include their proportionate shares of such undistributed long-term capital gains in income, and to receive a corresponding credit for their share of the tax that we paid. Our shareholders would then increase the adjusted basis of their stock by the difference between (i) the amounts of capital gain dividends that we designated and that they include in their taxable income, minus (ii) the tax that we paid on their behalf with respect to that income.

To the extent that in the future we may have available net operating losses carried forward from prior tax years, such losses may reduce the amount of distributions that we must make in order to comply with the REIT distribution requirements. Such losses, however, will generally not affect the tax treatment to our shareholders of any distributions that are actually made. See "—Taxation of Shareholders—Taxation of Taxable U.S. Shareholders—Distributions."

If we fail to distribute during each calendar year at least the sum of (i) 85% of our ordinary income for such year, (ii) 95% of our capital gain net income for such year and (iii) any undistributed net taxable income from prior periods, we will be subject to a non-deductible 4% excise tax on the excess of such required distribution over the sum of (a) the amounts actually distributed, plus (b) the amounts of income we retained and on which we have paid corporate income tax.

We expect that our REIT taxable income will be less than our cash flow because of depreciation and other non-cash charges included in computing REIT taxable income. Accordingly, we anticipate that we generally will have sufficient cash or liquid assets to enable us to satisfy the distribution requirements described above. However, from time to time, we may not have sufficient cash or other liquid assets to meet these distribution requirements due to timing differences between the actual receipt of income and actual payment of deductible expenses, and the inclusion of income and deduction of expenses in determining our taxable income. In addition, we may decide to retain our cash, rather than distribute it, in order to repay debt, acquire assets, or for other reasons. If these timing differences occur, we may borrow funds to pay dividends or pay dividends through the

distribution of other property (including shares of our stock) in order to meet the distribution requirements, while preserving our cash.

If our taxable income for a particular year is subsequently determined to have been understated, we may be able to rectify a resultant failure to meet the distribution requirements for a year by paying "deficiency dividends" to shareholders in a later year, which may be included in our deduction for dividends paid for the earlier year. In this case, we may be able to avoid losing REIT qualification or being taxed on amounts distributed as deficiency dividends, subject to the 4% excise tax described above. We will be required to pay interest based on the amount of any deduction taken for deficiency dividends.

For purposes of the 90% distribution requirement and excise tax described above, any dividend that we declare in October, November or December of any year and that is payable to a shareholder of record on a specified date in any such month will be treated as both paid by us and received by the shareholder on December 31 of such year, provided that we actually pay the dividend before the end of January of the following calendar year.

Earnings and Profits Distribution Requirement

In connection with the Separation, Penn will allocate its accumulated earnings and profits (as determined for U.S. federal income tax purposes) for periods prior to the consummation of the Separation between Penn and GLPI in a manner that, in its best judgment, is in accordance with provisions of the Code. A REIT is not permitted to have accumulated earnings and profits attributable to non-REIT years. A REIT has until the close of its first taxable year in which it has non-REIT earnings and profits to distribute all such earnings and profits. Our failure to comply with this rule would require that we pay a "deficiency dividend" to our shareholders and interest to the IRS to distribute any remaining earnings and profits. Our failure to make this deficiency dividend distribution would result in our loss of REIT status. See "—Failure to Qualify."

In order to comply with this requirement, we will pay the Purging Distribution by declaring a dividend to our shareholders to distribute any accumulated earnings and profits attributable to any pre-REIT years, including any earnings and profits allocated to us in connection with the Separation. We will pay the Purging Distribution in a combination of cash and our stock, which we anticipate will consist of approximately 28% cash and 72% stock. Each GLPI shareholder will be permitted to elect to receive the shareholder's entire entitlement under the Purging Distribution in either cash or GLPI common stock, subject to the Cash Limitation. The Cash Limitation will in no event be less than 20% of the Purging Distribution declaration (without regard to any cash that may be paid in lieu of fractional shares), although it is currently expected to comprise approximately 40% of the Purging Distribution. If GLPI shareholders elect to receive an amount of cash in excess of the Cash Limitation, each such electing shareholder will receive a pro rata amount of money corresponding to the shareholder's respective entitlement under the Purging Distribution declaration. Penn has received a private letter ruling from the IRS with respect to certain issues relevant to our payment of the Purging Distribution in a combination of cash and our stock. In general, the ruling provides, subject to the terms and conditions contained therein, that (1) the Purging Distribution will be treated as a dividend that will first reduce our accumulated earnings and profits (as determined for U.S. federal income tax purposes) attributable to pre-REIT years in satisfaction of the REIT annual distribution requirement and (2) the amount of any of our stock received by any of our shareholders as part of the Purging Distribution will be considered to equal the amount of cash that could have been received instead. In the Purging Distribution, a shareholder of our common stock will be required to report dividend income as a result of the Purging Distribution even though we distributed no cash or only nominal amounts of cash to such shareholder. See "—Taxation of Shareholders—Taxation of Taxable U.S. Shareholders—Distributions."

Prohibited Transactions

Net income that we derive from a prohibited transaction is subject to a 100% tax. The term "prohibited transaction" generally includes a sale or other disposition of property (other than foreclosure property, as discussed below) that is held as inventory or primarily for sale to customers in the ordinary course of a trade or business. We intend to conduct our operations so that no asset that we own (or are treated as owning) will be treated as, or having been, held as inventory or for sale to customers, and that a sale of any such asset will not be treated as having been in the ordinary course of our business. Whether property is held as inventory or "primarily for sale to customers in the ordinary course of a trade or business" depends on the particular facts and circumstances. No assurance can be given that any property that we sell will not be treated as inventory or property held for sale to customers, or that we can comply with certain safe-harbor provisions of the Code that would prevent such treatment. The 100% tax does not apply to gains from the sale of property that is held through a TRS or other taxable corporation, although such income will be subject to tax in the hands of the corporation at regular corporate rates. We intend to structure our activities to avoid prohibited transaction characterization.

Like-Kind Exchanges

We may dispose of properties in transactions intended to qualify as like-kind exchanges under the Code. Such like-kind exchanges are intended to result in the deferral of gain for U.S. federal income tax purposes. The failure of any such transaction to qualify as a like-kind exchange could require us to pay federal income tax, possibly including the 100% prohibited transaction tax, depending on the facts and circumstances surrounding the particular transactions.

Derivatives and Hedging Transactions

We may enter into hedging transactions with respect to interest rate exposure on one or more of our assets or liabilities. Any such hedging transactions could take a variety of forms, including the use of derivative instruments such as interest rate swap contracts, interest rate cap or floor contracts, futures or forward contracts, and options. Except to the extent provided by Treasury regulations, any income from a hedging transaction we enter into (i) in the normal course of our business primarily to manage risk of interest rate changes or currency fluctuations with respect to borrowings made or to be made, or ordinary obligations incurred or to be incurred, to acquire or carry real estate assets, which is clearly identified as specified in Treasury regulations before the close of the day on which it was acquired, originated, or entered into, including gain from the sale or disposition of a position in such a transaction and (ii) primarily to manage risk of currency fluctuations with respect to any item of income or gain that would be qualifying income under the 75% or 95% income tests which is clearly identified as such before the close of the day on which it was acquired, originated, or entered into, will not constitute gross income for purposes of the 75% or 95% gross income test. To the extent that we enter into hedging transactions that are not described in the preceding clauses (i) or (ii), the income from these transactions is likely to be treated as non-qualifying income for purposes of both the 75% and 95% gross income tests. Moreover, to the extent that a position in a hedging transaction has positive value at any particular point in time, it may be treated as an asset that does not qualify for purposes of the REIT asset tests. We intend to structure any hedging transactions in a manner that does not jeopardize our qualification as a REIT. We may conduct some or all of our hedging activities (including hedging activities relating to currency risk) through a TRS or other corporate entity, the income from which may be subject to U.S. federal income tax, rather than by participating in the arrangements directly or through pass-through subsidiaries. No assurance can be given, however, that our hedging activities will not give rise to income or assets that do not qualify for purposes of the REIT tests, or that our hedging activities will not adversely affect our ability to satisfy the REIT qualification requirements.

Foreclosure Property

Foreclosure property is real property and any personal property incident to such real property (i) that we acquire as the result of having bid in the property at foreclosure, or having otherwise reduced the property to ownership or possession by agreement or process of law, after a default (or upon imminent default) on a lease of the property or a mortgage loan held by us and secured by the property , (ii) for which we acquired the related loan or lease at a time when default was not imminent or anticipated and (iii) with respect to which we made a proper election to treat the property as foreclosure property. We generally will be subject to tax at the maximum corporate rate (currently 35%) on any net income from foreclosure property, including any gain from the disposition of the foreclosure property, other than income that would otherwise be qualifying income for purposes of the 75% gross income test. Any gain from the sale of property for which a foreclosure property election has been made will not be subject to the 100% tax on gains from prohibited transactions described above, even if the property would otherwise constitute inventory or dealer property. We do not anticipate receiving any income from foreclosure property that does not qualify for purposes of the 75% gross income test.

Penalty Tax

Any redetermined rents, redetermined deductions or excess interest we generate will be subject to a 100% penalty tax. In general, redetermined rents are rents from real property that are overstated as a result of any services furnished to any of our tenants by a TRS, and redetermined deductions and excess interest represent any amounts that are deducted by a TRS for amounts paid to us that are in excess of the amounts that would have been deducted based on arm's-length negotiations or if the interest payments were at a commercially reasonable rate. Rents that we receive will not constitute redetermined rents if they qualify for certain safe harbor provisions contained in the Code.

Failure to Qualify

If we fail to satisfy one or more requirements for REIT qualification other than the income or asset tests, we could avoid disqualification as a REIT if our failure is due to reasonable cause and not to willful neglect and we pay a penalty of $50,000 for each such failure. Relief provisions are also available for failures of the income tests and asset tests, as described above in "—Income Tests" and "—Asset Tests."

If we fail to qualify for taxation as a REIT in any taxable year, and the relief provisions described above do not apply, we would be subject to tax, including any applicable alternative minimum tax, on our taxable income at regular corporate rates. We cannot deduct distributions to shareholders in any year in which we are not a REIT, nor would we be required to make distributions in such a year. In this situation, to the extent of current and accumulated earnings and profits (as determined for U.S. federal income tax purposes), distributions to shareholders would be taxable as regular corporate dividends. Such dividends paid to U.S. shareholders that are individuals, trusts and estates may be taxable at the preferential income tax rates (i.e., the 20% maximum U.S. federal rate) for qualified dividends. In addition, subject to the limitations of the Code, corporate distributes may be eligible for the dividends received deduction. Unless we are entitled to relief under specific statutory provisions, we would also be disqualified from re-electing to be taxed as a REIT for the four taxable years following the year during which we lost our qualification. It is not possible to state whether, in all circumstances, we would be entitled to this statutory relief.

Taxation of Shareholders

Taxation of Taxable U.S. Shareholders

The following is a summary of certain U.S. federal income tax consequences of the ownership and disposition of our stock applicable to taxable U.S. shareholders. A "U.S. shareholder" is any holder of our common stock that is, for U.S. federal income tax purposes:

- an individual who is a citizen or resident of the United States;
- a corporation (or entity treated as a corporation for U.S. federal income tax purposes) created or organized in the United States or under the laws of the United States, or of any state thereof, or the District of Columbia;
- an estate, the income of which is includible in gross income for U.S. federal income tax purposes regardless of its source; or
- a trust if a U.S. court is able to exercise primary supervision over the administration of such trust and one or more U.S. fiduciaries have the authority to control all substantial decisions of the trust.

If a partnership, including for this purpose any entity that is treated as a partnership for U.S. federal income tax purposes, holds our common stock, the tax treatment of a partner in the partnership will generally depend upon the status of the partner and the activities of the partnership. An investor that is a partnership and the partners in such partnership should consult their tax advisors about the U.S. federal income tax consequences of the acquisition, ownership and disposition of our common stock.

Distributions

So long as we qualify to be taxed as a REIT, the distributions that we make to our taxable U.S. shareholders out of current or accumulated earnings and profits (as determined for U.S. federal income tax purposes) that we do not designate as capital gain dividends will generally be taken into account by such shareholders as ordinary income and will not be eligible for the dividends received deduction for corporations. With limited exceptions, our dividends are not eligible for taxation at the preferential income tax rates (i.e., the 20% maximum U.S. federal income tax rate) for qualified dividends received by most U.S. shareholders that are individuals, trusts and estates from taxable C corporations. Such shareholders, however, are taxed at the preferential rates on dividends designated by and received from REITs to the extent that the dividends are attributable to:

- income retained by the REIT in the prior taxable year on which the REIT was subject to corporate level income tax (less the amount of tax) (i.e., the Purging Distribution);
- dividends received by the REIT from TRSs or other taxable C corporations; or
- income in the prior taxable year from the sales of "built-in gain" property acquired by the REIT from C corporations in carryover basis transactions (less the amount of corporate tax on such income).

We will pay the Purging Distribution in a combination of cash and our stock, which we expect will consist of approximately 28% cash and 72% stock. Each GLPI shareholder will be permitted to elect to receive the shareholder's entire entitlement under the Purging Distribution in either cash or GLPI common stock, subject to the Cash Limitation. The Cash Limitation will in no event be less than 20% of the Purging Distribution declaration (without regard to any cash that may be paid in lieu of fractional shares), although it is currently expected to comprise approximately 28% of the Purging Distribution. If GLPI shareholders elect to receive an amount of cash in excess of the Cash Limitation, each such electing shareholder will receive a pro rata amount of cash corresponding to the

shareholder's respective entitlement under the Purging Distribution declaration. Penn has received a private letter ruling from the IRS with respect to certain issues relevant to the payment of the Purging Distribution in a combination of cash and our stock. In general, the ruling provides, subject to the terms and conditions contained therein, that (1) the Purging Distribution will be treated as a dividend that will first reduce our accumulated earnings and profits (as determined for U.S. federal income tax purposes) attributable to pre-REIT years in satisfaction of the REIT annual distribution requirement and (2) the amount of any of our stock received by any of our shareholders as part of the Purging Distribution will be considered to equal the amount of cash that could have been received instead. In the Purging Distribution, taxable U.S. holders of our common stock will be required to report dividend income as a result of the Purging Distribution even though we distributed no cash or only nominal amounts of cash to such shareholder.

Distributions that we designate as capital gain dividends will generally be taxed to our U.S. shareholders as long-term capital gains, to the extent that such distributions do not exceed our actual net capital gain for the taxable year, without regard to the period for which the shareholder that receives such distribution has held its stock. We may elect to retain and pay taxes on some or all of our net long-term capital gains, in which case we may elect to apply provisions of the Code that treat our U.S. shareholders as having received, solely for tax purposes, our undistributed capital gains, and the shareholders as receiving a corresponding credit for taxes that we paid on such undistributed capital gains. See "Taxation of GLPI—Annual Distribution Requirements." Corporate shareholders may be required to treat up to 20% of some capital gain dividends as ordinary income. Long-term capital gains are generally taxable at maximum U.S. federal rates of 20% in the case of U.S. shareholders that are individuals, trusts and estates, and 35% in the case of U.S. shareholders that are corporations. Capital gains attributable to the sale of depreciable real property held for more than 12 months are subject to a 25% maximum U.S. federal income tax rate for taxpayers who are taxed as individuals, to the extent of previously claimed depreciation deductions.

Distributions in excess of our current and accumulated earnings and profits (as determined for U.S. federal income tax purposes) will generally represent a return of capital and will not be taxable to a shareholder to the extent that the amount of such distributions does not exceed the adjusted basis of the shareholder's shares in respect of which the distributions were made. Rather, the distribution will reduce the adjusted basis of the shareholder's shares. To the extent that such distributions exceed the adjusted basis of a shareholder's shares, the shareholder generally must include such distributions in income as long-term capital gain if the shares have been held for more than one year, or short-term capital gain if the shares have been held for one year or less. In addition, any dividend that we declare in October, November or December of any year and that is payable to a shareholder of record on a specified date in any such month will be treated as both paid by us and received by the shareholder on December 31 of such year, provided that we actually pay the dividend before the end of January of the following calendar year.

To the extent that we have available net operating losses and capital losses carried forward from prior tax years, such losses may reduce the amount of distributions that we must make in order to comply with the REIT distribution requirements. See "Taxation of GLPI—Annual Distribution Requirements." Such losses, however, are not passed through to shareholders and do not offset income of shareholders from other sources, nor would such losses affect the character of any distributions that we make, which are generally subject to tax in the hands of shareholders to the extent that we have current or accumulated earnings and profits (as determined for U.S. federal income tax purposes).

Dispositions of Our Stock

If a U.S. shareholder sells or disposes of shares of our stock, it will generally recognize gain or loss for U.S. federal income tax purposes in an amount equal to the difference between the amount of cash and the fair market value of any property received on the sale or other disposition and the

shareholder's adjusted tax basis in the shares of stock. In general, capital gains recognized by individuals, trusts and estates upon the sale or disposition of our stock will be subject to a maximum U.S. federal income tax rate of 20% if the stock is held for more than one year, and will be taxed at ordinary income rates (of up to 39.6%) if the stock is held for one year or less. Gains recognized by shareholders that are corporations are subject to U.S. federal income tax at a maximum rate of 35%, whether or not such gains are classified as long-term capital gains. Capital losses recognized by a shareholder upon the disposition of our stock that was held for more than one year at the time of disposition will be considered long-term capital losses, and are generally available only to offset capital gain income of the shareholder but not ordinary income (except in the case of individuals, who may also offset up to $3,000 of ordinary income each year). In addition, any loss upon a sale or exchange of shares of our stock by a shareholder who has held the shares for six months or less, after applying holding period rules, will be treated as a long-term capital loss to the extent of actual or deemed distributions that we make that are required to be treated by the shareholder as long-term capital gain.

If an investor recognizes a loss upon a subsequent disposition of our stock or other securities in an amount that exceeds a prescribed threshold, it is possible that the provisions of Treasury regulations involving "reportable transactions" could apply, with a resulting requirement to separately disclose the loss-generating transaction to the IRS. These regulations, though directed towards "tax shelters," are broadly written and apply to transactions that would not typically be considered tax shelters. The Code imposes significant penalties for failure to comply with these requirements. You should consult your tax advisor concerning any possible disclosure obligation with respect to the receipt or disposition of our stock or securities or transactions that we might undertake directly or indirectly. Moreover, you should be aware that we and other participants in the transactions in which we are involved (including their advisors) might be subject to disclosure or other requirements pursuant to these regulations.

Passive Activity Losses and Investment Interest Limitations

Distributions that we make and gains arising from the sale or exchange by a U.S. shareholder of our stock will not be treated as passive activity income. As a result, shareholder will not be able to apply any "passive losses" against income or gain relating to our stock. To the extent that distributions we make do not constitute a return of capital, they will be treated as investment income for purposes of computing the investment interest limitation.

Taxation of Non-U.S. Shareholders

The following is a summary of certain U.S. federal income and estate tax consequences of the ownership and disposition of our stock applicable to non-U.S. shareholders. A "non-U.S. shareholder" is any holder of our common stock other than a partnership or U.S. shareholder.

Ordinary Dividends

The portion of dividends received by non-U.S. shareholders that (i) is payable out of our earnings and profits (including the Purging Distributions), (ii) is not attributable to capital gains that we recognize and (iii) is not effectively connected with a U.S. trade or business of the non-U.S. shareholder, will be subject to U.S. withholding tax at the rate of 30%, unless reduced or eliminated by treaty.

In general, non-U.S. shareholders will not be considered to be engaged in a U.S. trade or business solely as a result of their ownership of our stock. In cases where the dividend income from a non-U.S. shareholder's investment in our stock is, or is treated as, effectively connected with the non-U.S. shareholder's conduct of a U.S. trade or business, the non-U.S. shareholder generally will be subject to U.S. federal income tax at graduated rates, in the same manner as U.S. shareholders are taxed with respect to such dividends. Such effectively connected income must generally be reported on a U.S.

income tax return filed by or on behalf of the non-U.S. shareholder. The income may also be subject to a branch profits tax at the rate of 30% (unless reduced or eliminated by treaty) in the case of a non-U.S. shareholder that is a corporation.

Non-Dividend Distributions

Unless our stock constitutes a U.S. real property interest ("USRPI"), distributions that we make which are not dividends out of our earnings and profits will not be subject to U.S. income tax. If we cannot determine at the time a distribution is made whether or not the distribution will exceed current and accumulated earnings and profits, the distribution will be subject to withholding at the rate applicable to dividends. The non-U.S. shareholder may seek a refund from the IRS of any amounts withheld if it is subsequently determined that the distribution was, in fact, in excess of our current and accumulated earnings and profits. If our stock constitutes a USRPI, as described below, distributions that we make in excess of the sum of (i) the shareholder's proportionate share of our earnings and profits, plus (ii) the shareholder's basis in its stock, will be taxed under the Foreign Investment in Real Property Tax Act of 1980 ("FIRPTA"), at the rate of tax, including any applicable capital gains rates, that would apply to a U.S. shareholder of the same type (e.g., an individual or a corporation, as the case may be), and the collection of the tax will be enforced by a withholding at a rate of 10% of the amount by which the distribution exceeds the shareholder's share of our earnings and profits.

Capital Gain Dividends

Under FIRPTA, a distribution that we make to a non-U.S. shareholder, to the extent attributable to gains from dispositions of USRPIs that we held directly or through pass-through subsidiaries, or USPRI capital gains, will, except as described below, be considered effectively connected with a U.S. trade or business of the non-U.S. shareholder and will be subject to U.S. income tax at the rates applicable to U.S. individuals or corporations, without regard to whether we designate the distribution as a capital gain dividend. See above under "—Ordinary Dividends," for a discussion of the consequences of income that is effectively connected with a U.S. trade or business. In addition, we will be required to withhold tax equal to 35% of the maximum amount that could have been designated as USRPI capital gain dividends. Distributions subject to FIRPTA may also be subject to a branch profits tax at the rate of 30% (unless reduced or eliminated by treaty) in the hands of a non-U.S. shareholder that is a corporation. A distribution is not attributable to USRPI capital gain if we held an interest in the underlying asset solely as a creditor. Capital gain dividends received by a non-U.S. shareholder that are attributable to dispositions of our assets other than USRPIs are not subject to U.S. federal income or withholding tax, unless (i) the gain is effectively connected with the non-U.S. shareholder's U.S. trade or business, in which case the non-U.S. shareholder would be subject to the same treatment as U.S. shareholders with respect to such gain, except that a non-U.S. shareholder that is a corporation may also be subject to a branch profits tax at the rate of 30% (unless reduced or eliminated by treaty), or (ii) the non-U.S. shareholder is a nonresident alien individual who was present in the United States for 183 days or more during the taxable year and has a "tax home" in the United States, in which case the non-U.S. shareholder will incur a 30% tax on his capital gains. We expect that a significant portion of our assets will be USRPIs.

A capital gain dividend that would otherwise have been treated as a USRPI capital gain will not be so treated or be subject to FIRPTA, and generally will not be treated as income that is effectively connected with a U.S. trade or business, and instead will be treated in the same manner as an ordinary dividend (see—Ordinary Dividends"), if (i) the capital gain dividend is received with respect to a class of stock that is regularly traded on an established securities market located in the United States and (ii) the recipient non-U.S. shareholder does not own more than 5% of that class of stock at any time during the year ending on the date on which the capital gain dividend is received. We anticipate that our common stock will be "regularly traded" on an established securities exchange.

Dispositions of Our Stock

Unless our stock constitutes a USRPI, a sale of our stock by a non-U.S. shareholder generally will not be subject to U.S. taxation under FIRPTA. Subject to certain exceptions discussed below, our stock will be treated as a USRPI if 50% or more of our assets throughout a prescribed testing period consist of interests in real property located within the United States, excluding, for this purpose, interests in real property solely in a capacity as a creditor. We expect that 50% or more of our assets will consist of USRPIs.

Even if the foregoing 50% test is met, however, our stock will not constitute a USRPI if we are a "domestically controlled qualified investment entity." A domestically controlled qualified investment entity includes a REIT, less than 50% of value of which is held, directly or indirectly, by non-U.S. shareholders at all times during a specified testing period. As described above, our charter contains restrictions designed to protect our status as a "domestically controlled qualified investment entity," and we believe that we will be and will remain a domestically controlled qualified investment entity, and that a sale of our stock should not be subject to taxation under FIRPTA. However, no assurance can be given that we will be or will remain a domestically controlled qualified investment entity.

In the event that we are not a domestically controlled qualified investment entity, but our stock is "regularly traded," as defined by applicable Treasury regulations, on an established securities market, a non-U.S. shareholder's sale of our common stock nonetheless also would not be subject to tax under FIRPTA as a sale of a USRPI, provided that the selling non-U.S. shareholder held 5% or less of our outstanding common stock at any time during a prescribed testing period. We expect that our common stock will be regularly traded on an established securities market.

If gain on the sale of our stock were subject to taxation under FIRPTA, the non-U.S. shareholder would be required to file a U.S. federal income tax return and would be subject to the same treatment as a U.S. shareholder with respect to such gain, subject to applicable alternative minimum tax and a special alternative minimum tax in the case of non-resident alien individuals. Moreover, in order to enforce the collection of the tax, the purchaser of the stock could be required to withhold 10% of the purchase price and remit such amount to the IRS.

Gain from the sale of our stock that would not otherwise be subject to FIRPTA will nonetheless be taxable in the United States to a non-U.S. shareholder in two cases: (i) if the non-U.S. shareholder's investment in our stock is effectively connected with a U.S. trade or business conducted by such non-U.S. shareholder, the non-U.S. shareholder will be subject to the same treatment as a U.S. shareholder with respect to such gain, except that a non-U.S. shareholder that is a corporation may also be subject to a branch profits tax at a rate of 30% (unless reduced or eliminated by treaty), or (ii) if the non-U.S. shareholder is a nonresident alien individual who was present in the United States for 183 days or more during the taxable year and has a "tax home" in the United States, the nonresident alien individual will be subject to a 30% tax on the individual's capital gain. In addition, even if we are a domestically controlled qualified investment entity, upon disposition of our stock (subject to the 5% exception applicable to "regularly traded" stock described above), a non-U.S. shareholder may be treated as having gain from the sale or exchange of a USRPI if the non-U.S. shareholder (a) disposes of our common stock within a 30-day period preceding the ex-dividend date of a distribution, any portion of which, but for the disposition, would have been treated as gain from the sale or exchange of a USRPI and (b) acquires, or enters into a contract or option to acquire, other shares of our common stock within 30 days after such ex-dividend date.

Non-U.S. shareholders are urged to consult their tax advisors regarding the U.S. federal, state, local and foreign income and other tax consequences of owning our stock.

Taxation of Tax-Exempt Shareholders

Tax-exempt entities, including qualified employee pension and profit sharing trusts and individual retirement accounts, generally are exempt from U.S. federal income taxation. However, they may be subject to taxation on their unrelated business taxable income ("UBTI"). While some investments in real estate may generate UBTI, the IRS has ruled that dividend distributions from a REIT to a tax-exempt entity do not constitute UBTI. Based on that ruling, and provided that (i) a tax-exempt shareholder has not held our stock as "debt financed property" within the meaning of the Code (i.e., where the acquisition or holding of the property is financed through a borrowing by the tax-exempt shareholder) and (ii) our stock is not otherwise used in an unrelated trade or business, distributions that we make and income from the sale of our stock generally should not give rise to UBTI to a tax-exempt shareholder.

Tax-exempt shareholders that are social clubs, voluntary employee benefit associations, supplemental unemployment benefit trusts, and qualified group legal services plans exempt from U.S. federal income taxation under sections 501(c)(7), (c)(9), (c)(17) and (c)(20) of the Code are subject to different UBTI rules, which generally require such shareholders to characterize distributions that we make as UBTI.

In certain circumstances, a pension trust that owns more than 10% of our stock could be required to treat a percentage of any dividends received from us as UBTI if we are a "pension-held REIT." We will not be a pension-held REIT unless (i) we are required to "look through" one or more of our pension trust shareholders in order to satisfy the REIT "closely-held" test and (ii) either (a) one pension trust owns more than 25% of the value of our stock or (b) one or more pension trusts, each individually holding more than 10% of the value of our stock, collectively own more than 50% of the value of our stock. Certain restrictions on ownership and transfer of our stock generally should prevent a tax-exempt entity from owning more than 10% of the value of our stock and generally should prevent us from becoming a pension-held REIT.

Tax-exempt shareholders are urged to consult their tax advisors regarding the U.S. federal, state, local and foreign income and other tax consequences of owning our stock.

Other Tax Considerations

Legislative or Other Actions Affecting REITs

The present U.S. federal income tax treatment of REITs may be modified, possibly with retroactive effect, by legislative, judicial or administrative action at any time. The REIT rules are constantly under review by persons involved in the legislative process and by the IRS and the Treasury which may result in statutory changes as well as revisions to regulations and interpretations. Changes to the U.S. federal tax laws and interpretations thereof could adversely affect an investment in our common stock.

Medicare 3.8% Tax on Investment Income

For taxable years beginning after December 31, 2012, certain U.S. shareholders who are individuals, estates or trusts and whose income exceeds certain thresholds will be required to pay a 3.8% Medicare tax on dividends and certain other investment income, including capital gains from the sale or other disposition of our common stock.

Foreign Account Tax Compliance Act

Legislation enacted in 2010 and existing guidance issued thereunder will require, after December 31, 2013, withholding at a rate of 30% on dividends in respect of, and, after December 31, 2016, gross proceeds from the sale of, our common stock held by or through certain foreign financial institutions (including investment funds), unless such institution enters into an agreement with the

Treasury to report, on an annual basis, information with respect to shares in the institution held by certain U.S. persons and by certain non-U.S. entities that are wholly or partially owned by U.S. persons and to withhold on certain payments. An intergovernmental agreement between the United States and an applicable foreign country, or future Treasury regulations or other guidance may modify these requirements. Accordingly, the entity through which our common stock is held will affect the determination of whether such withholding is required. Similarly, dividends in respect of, and gross proceeds from the sale of, our common stock held by an investor that is a non-financial non-U.S. entity which does not qualify under certain exemptions will be subject to withholding at a rate of 30%, unless such entity either (i) certifies to us that such entity does not have any "substantial United States owners" or (ii) provides certain information regarding the entity's "substantial United States owners," which we will in turn provide to the Secretary of the Treasury. We will not pay any additional amounts to shareholders in respect of any amounts withheld. Non-U.S. shareholders are encouraged to consult their tax advisors regarding the possible implications of the legislation on their investment in our common stock.

State, Local and Foreign Taxes

We and our subsidiaries and shareholders may be subject to state, local or foreign taxation in various jurisdictions including those in which we or they transact business, own property or reside. Our state, local or foreign tax treatment and that of our shareholders may not conform to the U.S. federal income tax treatment discussed above. Any foreign taxes that we incur do not pass through to shareholders as a credit against their U.S. federal income tax liability. Prospective investors should consult their tax advisors regarding the application and effect of state, local and foreign income and other tax laws on an investment in our stock.

DESCRIPTION OF THE LONG TERM INCENTIVE COMPENSATION PLAN

The following summary of the key features of the 2013 Long Term Incentive Compensation Plan (the "Plan") is qualified in its entirety by the Plan, which GLPI expects to adopt substantially in the form included as Exhibit 10.5 to the Registration Statement.

General

The Plan will permit the Company to issue stock options (incentive and/or non-qualified), SARs, restricted stock, PSUs and other equity and cash awards to employees of the Company and its subsidiaries, including officers. Non-employee directors and consultants will be eligible to receive all such awards, other than incentive stock options. At [•], 2013, the Company had approximately [•] individuals eligible to anticipate in the Plan.

The Company is not able to determine the specific benefits under the Plan that will be granted to executive officers in the future, as the compensation and governance committee or its delegate (the "Committee") will have the discretion to determine the amount and timing of awards under the Plan, subject to the restrictions imposed by the Plan and described below.

Administration of the Plan

The Plan will be administered by the Committee with regard to awards made to participants. The Committee will have the authority and the discretion under the Plan to grant awards to such participants and to determine the terms, timing, number, amount and form of such awards. The Committee will also have the authority and the discretion to delegate its authority under the Plan to the Chairman of the board or his/her designee. Awards to non-employee directors under the Plan will be administered by the board or the Committee.

Except in connection with a corporate transaction involving the Company (including, without limitation, any stock dividend, stock split, extraordinary cash dividend, recapitalization, reorganization, merger, consolidation, split-up, spin-off, combination, or exchange of shares), the terms of outstanding awards may not be amended to reduce the exercise price of outstanding stock options or SARs or cancel outstanding stock options or SARs in exchange for cash, other awards or stock options or SARs with an exercise price that is less than the exercise price of the original stock options or SARs without shareholder approval.

Number of Shares Available for Issuance

The aggregate number of shares of common stock available for issuance under the Plan will be [•] (the "Award Limit"). Any awards that will be not settled in shares of common stock shall not count against this limit.

In addition, the number of stock options, SARs, restricted stock and PSUs granted to any individual in any calendar year may not, in each case, represent more than [•] shares. The Committee shall adjust the Award Limit and the individual [•] share limit (subject to compliance with Section 162(m) of the Code) if it determines that a dividend, recapitalization, stock split, merger, consolidation or other similar corporate transaction or event equitably requires an adjustment.

Amount of Cash Awards Available for Issuance

The amount of cash awards granted to any individual in any calendar year may not, in each case, represent more than [•].

Types of Awards

The Plan will provide for the issuance of stock options, SARs, restricted stock, PSUs and other equity-based or cash awards. The Plan will govern awards that convert from existing Penn awards in connection with the Spin-Off, as well as other award grants made following the Spin-Off pursuant to the Plan. Notwithstanding the foregoing, the terms that govern Penn awards that will convert into GLPI awards in connection with the Spin-Off will govern such awards to the extent inconsistent with the terms described below.

Rights to awards may be contingent on the recipient's continued employment or service. In addition, the Committee may establish performance goals in connection with the grant of awards under the Plan. In the case of awards intended to qualify for the performance-based compensation exception of Section 162(m) of the Code, the performance goals will be based on one or more of the following performance criteria: free cash flow, adjusted free cash flow, EBITDA, adjusted EBITDA, sales, revenue, revenue growth, income, operating income, net income, net earnings, earnings per share, return on total capital, return on equity, cash flow, funds from operations, operating profit, margin rate, gross margins, debt leverage (debt to capital), market capitalization, total enterprise value (market capitalization plus debt), total shareholder return and stock price, which may be applied to the Company as a whole or a business unit or related company, and may be measured either annually or cumulatively over a period of years on an absolute basis or relative to a pre-established target, to a previous year's results or to a designated comparison group (the "Performance Goals"). The outcome must be substantially uncertain at the time the Committee establishes the Performance Goals.

Stock Options

The Plan will provide for two types of stock options—incentive stock options and non-qualified stock options. The differences between incentive stock options and non-qualified stock options will relate primarily to their tax treatment under the Code (see "—U.S. Tax Consequences," below). A stock option will give the holder the right to receive a designated number of shares of the Company's common stock during the period that the option will be vested upon payment of the exercise price for the stock options, subject to the terms and conditions of the Plan and the specific award. Exercisability of a stock option may be contingent on the recipient's continued employment or service for a specified period and/or attainment of one or more performance goals. The exercise price of an option may not be less than the fair market value of the Company's common stock on the date of grant of the option. Further, in the case of incentive stock options granted to 10% shareholders, the exercise price must be at least 110% of the fair market value of the Company's common stock on the date of grant. Stock options must expire no later than the tenth anniversary of the date of grant, except for incentive stock options granted to 10% shareholders, in which case expiration may be no later than the fifth anniversary of the date of grant. A holder may generally pay the exercise price for a stock option in cash, shares of previously owned common stock, pursuant to a cashless exercise program (if available), or through a reduction of shares of common stock issued upon exercise of a stock option or any combination of the foregoing.

SARs

A SAR will entitle the holder to a payment (in cash or shares of the Company's common stock) equal to the excess of the fair market value of the number of shares of the Company's common stock underlying the SAR as of the date the SAR will be exercised over the base amount of the SAR established in the specific award. A SAR will be subject to the terms and conditions of the Plan and the specific award. Exercisability of a SAR may be contingent on the recipient's continued employment or service for a specified period and/or attainment of one or more performance goals. The base amount of a SAR may not be less than the fair market value of the number of shares of common stock underlying the SAR as of the date the SAR is granted. The term of a SAR may not exceed ten years.

Restricted Stock

A restricted stock award will be an award of shares of the Company's common stock, subject to the restrictions, terms and conditions of the specific award and the terms of the Plan, including the conditions on which the award will no longer be subject to forfeiture, if any. Restricted stock will be forfeited to the Company if the eligibility requirements set for the award, which may include the recipient's continued employment or service for a specified period and/or attainment of one or more performance goals, are not maintained during the period prior to the restrictions lapsing. The recipient of a restricted stock award generally will have the right to vote the shares and receive dividends, subject to the applicable award restrictions.

PSUs

A PSU will represent the right to receive one share of the Company's common stock in the future, or an amount of cash in the future equal to the value of one share of the Company's common stock on the payment date, subject to the terms and conditions of the specific award and the terms of the Plan, including the conditions on which the award will vest and no longer be subject to forfeiture. PSUs will be forfeited if the vesting requirements set for the award, which may include the recipient's continued employment or service for a specified period and/or attainment of one or more performance goals, will be not met.

Other Awards

The board or the Committee, as applicable, may grant other awards that will be based on or linked to the value of the Company's common stock or will be denominated as a cash amount. Other Awards may but will not be required to be subject to the performance goals described above and in the Plan. Any award granted under the Plan may be granted dividend rights, in the Committee's discretion, upon such terms and conditions as the Committee may determine.

Fair Market Value

For the purposes of the Plan, fair market value will be equal to the closing sales price of a share of the Company's common stock on the trading day immediately preceding the date of grant.

Adjustments for Changes in Capitalization

If the Committee determines that a dividend, recapitalization, stock split, merger, consolidation, or other similar corporate transaction or event equitably requires an adjustment, then the Committee will adjust, as appropriate, any or all of:

- the number and kind of shares of common stock (or other securities or property) with respect to which awards may be granted or awarded;
- the number and kind of shares of common stock (or other securities or property) subject to outstanding awards; and
- the grant, purchase, base amount or exercise price with respect to any outstanding option or SAR.

Termination of Employment or Service

Awards made under the Plan which have not vested, for which the applicable restrictions have not lapsed or which otherwise have not become exercisable, will generally be forfeited if the holder ceases to be an employee of the Company or its subsidiaries or if a participant's service terminates for any reason other than death or disability. The board or the Committee (as applicable) may, in its sole

discretion, accelerate the vesting or exercisability of the holder's awards that are unvested or not exercisable at the time of the holder's termination of employment or service.

Change in Control

All outstanding awards will become fully vested and/or exercisable upon a "change in control." If an award is subject to performance-based vesting, performance will be deemed to have been achieved at the target level or, if greater, the actual level of achievement as of the date of the Change in Control, annualized for the entire performance period, if appropriate. A change in control will be generally defined as the occurrence of one or more of the following events following the Spin-Off:

- a person, entity or group becomes the beneficial owner of shares representing 50% or more of (a) the Company's outstanding shares or (b) the combined voting power of the then outstanding voting securities of the Company entitled to vote in the election of directors, except when such beneficial ownership is due to an acquisition directly from or by the Company, by a Company employee benefit plan or any acquisition following which (1) all or substantially all of the beneficial owners immediately prior to such transaction still beneficially own more than 50% of the Company's outstanding shares; (2) no person beneficially owns 20% or more of the Company's outstanding shares who did not own such amount prior to the transaction; and (3) at least a majority of the directors are continuing directors; or

- the shareholders of the Company approve any plan or proposal for the complete liquidation or dissolution of the Company; or

- the Company consummates a reorganization, merger or consolidation or sale or other disposition of all or substantially all of the assets of the Company or the acquisition of assets of another entity, unless, following such transaction, (a) all or substantially all of the beneficial owners immediately prior to such transaction still beneficially own more than 50% of the Company's outstanding shares; (b) no person beneficially owns 20% or more of the Company's outstanding shares who did not own such amount prior to the transaction; and (c) at least a majority of the directors are continuing directors; or

- any time continuing directors do not constitute a majority of the board.

For purposes of the Plan, continuing directors will be individuals who are members of the board on the effective date of the Plan or who are nominated for election or elected to the board with the affirmative vote of at least two-thirds of the directors then comprising the board who are continuing directors immediately prior to such nomination or election.

For purposes of awards that will be subject to Section 409A of the Code, each of the foregoing events will be deemed to be a change in control as long as each such event qualifies as a "change in control event" under Section 409A of the Code at the time of such event's occurrence.

In general, stock options, SARs and restricted stock will not be subject to Section 409A of the Code, and PSUs may be subject to Section 409A of the Code (although the Company intends that all such awards will be designed to avoid Section 409A of the Code's adverse tax consequences; see "—U.S. Tax Consequences" below).

Duration

The Plan will continue in effect until [•], unless terminated earlier by the board of directors.

Amendment and Termination

The Plan may be terminated by the board at any time without shareholder approval. The board may amend the Plan (and the awards issued thereunder), but may not:

- without prior approval of the shareholders, take any action that requires shareholder approval pursuant to any tax, regulatory or stock exchange requirements, including increasing the maximum number of shares of common stock that may be issued under the Plan (other than pursuant to an equitable adjustment); or

- amend the Plan in a way that adversely affects any rights of an outstanding award holder without prior approval of the holder of such award, except in accordance with the Plan or applicable award.

Additional REIT Restrictions

The Plan will provide that no participant will be granted, become vested in the right to receive or acquire or be permitted to acquire, or will have any right to acquire, shares under an award if such acquisition would be prohibited by the restrictions on ownership and transfer of GLPI stock contained in GLPI's charter or would impair GLPI's status as a REIT.

U.S. Tax Consequences

The following brief description, which is based on existing law, sets forth certain of the federal income tax consequences of the grant of awards under the Plan. State and local tax treatment is subject to individual state and local laws and is not included in this description. This description may differ from the actual tax consequences incurred by any individual recipient of an award. Moreover, existing law is subject to change by new legislation, by new regulations, by administrative pronouncements and by court decisions or by new or clarified interpretations or applications of existing laws, regulations, administrative pronouncements and court decisions. Any such change may affect the federal income tax consequences described below.

Non-Qualified Stock Options

A participant who is granted a non-qualified stock option will not recognize taxable income at the time the stock option is granted provided that such option is granted with an exercise price that is equal to or greater than the fair market value of a share of the Company's common stock on the date of grant. In general, an optionee will be subject to tax for the year of exercise on an amount of ordinary income equal to the excess of the fair market value of the shares on the date of exercise over the option exercise price, and the Company will receive a corresponding federal income tax deduction. Income tax withholding requirements apply upon exercise by employees. The optionee's basis in the shares so acquired will be equal to the option exercise price plus the amount of ordinary income upon which he or she is taxed. Upon subsequent disposition of the shares, the optionee will recognize capital gain or loss, long-term or short-term, depending upon the length of time the shares are held after the stock option is exercised.

Incentive Stock Options

An employee who is granted an incentive stock option is not taxed at the time the option is granted. The tax consequences upon exercise and later disposition generally depend upon whether the optionee was an employee of the Company or a subsidiary at all times from the date of grant until three months preceding exercise (one year in the case of disability) and on whether the optionee holds the shares for more than one year after exercise and two years after the date of grant of the stock option.

If the optionee satisfies both the employment rule and the holding rule, for regular tax purposes the optionee will not recognize income upon exercise of the stock option and the Company will not be allowed an income tax deduction with respect to the option at any time. The difference between the option exercise price and the amount realized upon disposition of the shares by the optionee will constitute a long-term capital gain or a long-term capital loss, as the case may be.

If the optionee meets the employment rule but fails to observe the holding rule (a "disqualifying disposition"), the optionee generally recognizes as ordinary income, in the year of the disqualifying disposition, the excess of the fair market value of the shares at the date of exercise over the option exercise price. Any excess of the sales price over the fair market value at the date of exercise will be recognized by the optionee as capital gain (long-term or short-term depending on the length of time the stock was held after the stock option was exercised). If the sale price is less than the fair market value on the date of exercise, then the ordinary income recognized by the optionee is generally limited to the excess of the sales price over the option exercise price. In both situations, the tax deduction allowable to the Company is limited to the ordinary income recognized by the optionee. Under current IRS guidelines, the Company is not required to withhold any federal income tax in the event of a disqualifying disposition.

Different consequences may apply for an optionee subject to the alternative minimum tax.

SARs

A participant will not recognize taxable income upon the award of a SAR provided that the base amount of the SAR is equal to or greater than the fair market value of a share of the Company's common stock on the date the award is granted. Upon the exercise of SARs, any cash received and the fair market value on the exercise date of any shares of common stock received will constitute ordinary income to the participant and will be subject to income tax withholding requirements in the case of employees. The Company will be entitled to a deduction in the amount of such income at the time of exercise.

Restricted Stock

A participant who is awarded restricted stock generally will not recognize taxable income at the time the award is granted. Instead, a restricted shareholder will recognize ordinary taxable income when the stock is no longer subject to a substantial risk of forfeiture (generally, when the award vests) in an amount equal to the fair market value of the shares on that date and the Company will receive a corresponding Federal income tax deduction at that time. The amount recognized by the restricted shareholder is subject to income tax withholding requirements in the case of employees and the Company may satisfy such requirements by withholding a portion of the shares or by withholding cash from other compensation payable to the restricted shareholder. Upon disposition of the shares, the restricted shareholder will recognize capital gain or loss, long-term or short-term, depending on the length of time the shares are held, in an amount equal to the difference between the amount realized on the disposition and the restricted shareholder's basis in the shares (generally, the fair market value of the shares on the date the award vests).

Alternatively, a restricted shareholder may file with the IRS a "Section 83(b) election" no later than thirty (30) days after the date of grant, as a result of which the restricted shareholder will recognize taxable ordinary income as of the grant date, generally in an amount equal to the fair market value of the stock at that time, less any amount paid for the stock. Upon subsequent disposition of the shares, the restricted shareholder will recognize capital gain or loss, long-term or short-term, equal to the difference between the sale price of the stock and the restricted shareholder's basis in the shares (usually the amount recognized as ordinary income at the time of grant), depending on the length of time the shares are held after the date of grant.

PSUs

A participant who is awarded PSUs generally will not recognize taxable income at the time the PSUs are granted. Instead, the grantee will recognize ordinary taxable income in an amount equal to the value of the cash or shares received in payment of the award, which amount will be subject to income tax withholding in the case of employees. The Company will receive a corresponding Federal income tax deduction at that time. If the grantee receives shares of Company stock in respect of the award, the grantee will recognize capital gain or loss, long-term or short-term, depending on the length of time the shares are held, at the time the shares are sold. The amount of the capital gain or loss will be equal to the difference between the amount realized on the sale of the shares and the grantee's basis in the shares (generally, the fair market value of the shares on the date the grantee received them).

Impact of Section 409A

Section 409A of the Code applies to non-qualified deferred compensation. Generally speaking, "non-qualified deferred compensation" is compensation earned in one taxable year, the payment of which is deferred to a later taxable year, and an amount is "vested" on the date that the individual's right to receive the amount is no longer conditioned on his or her performance of substantial future services or upon the occurrence of an event (such as a change in control) or the achievement of performance goals that are substantially related to the purpose of the compensation.

Options, SARs, restricted stock, PSUs and other awards available under the Plan are designed to be exempt from the requirements of Section 409A or to satisfy its requirements. An award that is subject to Section 409A and fails to satisfy its requirements could subject the holder of the award to immediate taxation, an interest penalty and an additional 20% tax on the amount underlying the award.

Deductibility of Executive Compensation

Section 162(m) of the Code disallows a tax deduction to publicly held companies for compensation paid to the Chief Executive Officer and the three most highly compensated executive officers other than the Chief Executive Officer (currently excluding the Company's Chief Financial Officer), to the extent that total compensation exceeds $1 million per covered officer in any taxable year. The limitation applies only to compensation which is not considered to be qualified performance-based compensation for purposes of Section 162(m) of the Code. Compensation deemed paid by the Company in connection with disqualifying dispositions of incentive stock option shares or exercises of non-qualified stock options and SARs granted under the Plan generally can qualify as performance-based compensation for purposes of Section 162(m) of the Code if awards are granted by a committee of "outside directors" as defined under Section 162(m) of the Code, the Plan states the maximum number of shares with respect to which options or SARs may be granted during a specified period to any employee, the awards are granted with an exercise price at or above the fair market value of the Company's common stock on the date of grant and the Plan is approved by the shareholders. Compensation paid by the Company in connection with restricted stock, PSUs and other cash and equity based awards may be taken into account for purposes of the $1 million limitation for covered employees unless the individual award complies with Section 162(m) of the Code's performance-based exemption. In order to satisfy Section 162(m)'s performance-based exemption, payment of these awards must be contingent on the satisfaction of objective performance goals established and certified by a committee comprised solely of two or more outside directors (such as the Committee).

USE OF PROCEEDS

We will not receive any proceeds from the distribution of our common stock in the Spin-Off. Any proceeds received by us from the exercise of the stock options covered by the Plan will be used for general corporate purposes.

DETERMINATION OF OFFERING PRICE

Peter M. Carlino will exchange (i) shares of Penn common stock for shares of GLPI common stock prior to the Spin-Off and (ii) options to acquire Penn common stock for options to acquire GLPI common stock following the Spin-Off, as described in "Certain Relationships and Related Party Transactions—Agreements with Certain Shareholders in Connection with the Spin-Off—Peter M. Carlino."

No consideration otherwise will be paid for the shares of common stock distributed in the Spin-Off.

LEGAL MATTERS

The validity of the shares of our common stock issued in the Spin-Off will be passed upon by Pepper Hamilton LLP. Certain tax matters will be passed upon by Wachtell, Lipton, Rosen & Katz.

EXPERTS

The combined balance sheets of Louisiana Casino Cruises, Inc. and Penn Cecil Maryland, Inc. as of December 31, 2012 and 2011, and the related combined statements of operations, changes in shareholders' equity, and cash flows for each of the three years in the period ended December 31, 2012, the schedule of the real estate assets to be acquired by GLPI as of December 31, 2012 and the consolidated balance sheet of GLPI as of March 31, 2013, have each been audited by Ernst & Young LLP, an independent registered public accounting firm, as set forth in their reports appearing elsewhere herein, and are included in reliance upon such reports given on the authority of such firm as experts in accounting and auditing.

WHERE YOU CAN FIND MORE INFORMATION

We have filed a Registration Statement on Form S-11 with the SEC with respect to the shares of our common stock being registered hereunder. This Prospectus, which is a part of such Registration Statement, does not include all of the information that you can find in such registration statement or the exhibits to such registration statement. You should refer to the Registration Statement, including its exhibits and schedules, for further information about us and our common stock. Statements contained in this Prospectus as to the contents of any contract or document are not necessarily complete and, if the contract or document is filed as an exhibit to a registration statement, is qualified in all respects by reference to the relevant exhibit.

After the Spin-Off, we will file annual, quarterly and current reports, proxy statements and other information with the SEC. The Registration Statement is, and any of these future filings with the SEC will be, available to the public over the Internet on the SEC's website at *www.sec.gov*. You may read and copy any filed document at the SEC's public reference rooms in Washington, D.C. at 100 F Street, N.E., Washington, D.C. 20549 and at the SEC's regional offices in New York at 233 Broadway, New York, New York 10279 and in Chicago at Citicorp Center, 500 W. Madison Street, Suite 1400, Chicago, Illinois 60661. Please call the SEC at 1-800-SEC-0330 for further information about the public reference rooms.

INDEX TO FINANCIAL STATEMENTS

	PAGE
Audited Combined Financial Statements of Louisiana Casino Cruises, Inc. and Penn Cecil Maryland, Inc.:	
Report of Independent Registered Public Accounting Firm	F-2
Combined Balance Sheets as of December 31, 2012 and 2011	F-3
Combined Statements of Operations for the years ended December 31, 2012, 2011 and 2010	F-4
Combined Statements of Changes in Stockholders' Equity for the years ended December 31, 2012, 2011 and 2010	F-5
Combined Statements of Cash Flows for the years ended December 31, 2012, 2011 and 2010	F-6
Notes to Combined Financial Statements	F-7
Combined Balance Sheets as of June 30, 2013 and December 31, 2012	F-15
Combined Statements of Operations for the three months and six months ended June 30, 2013 and 2012	F-16
Combined Statements of Changes in Stockholders' Equity for the six months ended June 30, 2013 and 2012	F-17
Combined Statements of Cash Flows for the six months ended June 30, 2013 and 2012	F-18
Notes to Combined Financial Statements	F-19
Audited Schedule of Real Estate Assets to be Acquired by Gaming and Leisure Properties, Inc.:	
Report of Independent Registered Public Accounting Firm	F-28
Schedule of Real Estate Assets as of December 31, 2012	F-29
Notes to Schedule of Real Estate Assets	F-30
Schedule of Real Estate Assets as of June 30, 2013 and December 31, 2012	F-33
Notes to Schedule of Real Estate Assets	F-34
Audited Financial Statements of Gaming and Leisure Properties, Inc.:	
Report of Independent Registered Public Accounting Firm	F-37
Consolidated Balance Sheet as of March 31, 2013	F-38
Notes to the Consolidated Balance Sheet	F-39
Consolidated Balance Sheets as of June 30, 2013 and March 31, 2013	F-42
Notes to the Consolidated Balance Sheets	F-43

Table of Contents

Report of Independent Registered Public Accounting Firm

Board of Directors
Penn National Gaming, Inc. and subsidiaries

We have audited the accompanying combined balance sheets of Louisiana Casino Cruises, Inc. and Penn Cecil Maryland, Inc. as of December 31, 2012 and 2011, and the related combined statements of operations, changes in shareholders' equity, and cash flows for each of the three years in the period ended December 31, 2012. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Company's internal controls over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined financial position of Louisiana Casino Cruises, Inc. and Penn Cecil Maryland, Inc. at December 31, 2012 and 2011, and the combined results of their operations and their cash flows for each of the three years in the period ended December 31, 2012, in conformity with U.S. generally accepted accounting principles.

/s/ ERNST & YOUNG LLP

Philadelphia, Pennsylvania
May 13, 2013

Combined Balance Sheets of
Louisiana Casino Cruises, Inc. and Penn Cecil Maryland, Inc.

(in thousands)

	December 31, 2012	December 31, 2011
Assets		
Current assets		
Cash and cash equivalents	$ 14,562	$ 17,146
Receivables, net of allowance for doubtful accounts of $36 and $44 at December 31, 2012 and December 31, 2011, respectively	444	1,653
Prepaid expenses and other current assets	1,706	2,010
Deferred income taxes	2,070	1,910
Total current assets	18,782	22,719
Property and equipment, net	118,954	128,091
Other assets		
Receivable from Penn National Gaming, Inc.	43,318	25,300
Goodwill	75,521	75,521
Other intangible assets	9,577	9,577
Other assets	134	134
Total other assets	128,550	110,532
Total assets	$ 266,286	$ 261,342
Liabilities and stockholder's equity		
Current liabilities		
Accounts payable and accrued expenses	$ 6,038	$ 6,754
Accrued salaries and wages	3,507	3,901
Income taxes	11,538	21,700
Other current liabilities	1,245	1,521
Total current liabilities	22,328	33,876
Long-term liabilities		
Deferred income taxes	7,628	7,555
Total long-term liabilities	7,628	7,555
Stockholder's Equity		
Additional paid-in capital	71,356	77,856
Retained earnings	164,974	142,055
Total stockholders' equity	236,330	219,911
Total liabilities and stockholders' equity	$ 266,286	$ 261,342

See accompanying notes to the combined financial statements.

Combined Statements of Operations of
Louisiana Casino Cruises, Inc. and Penn Cecil Maryland, Inc.

(in thousands)

Year ended December 31,	2012	2011	2010
Revenues			
Gaming	$ 202,581	$ 223,302	$ 138,480
Food, beverage and other	15,635	16,396	11,893
Revenues	218,216	239,698	150,373
Less promotional allowances	(7,573)	(7,814)	(7,175)
Net revenues	210,643	231,884	143,198
Operating expenses			
Gaming	113,111	124,971	65,672
Food, beverage and other	13,114	13,664	9,617
General and administrative	26,660	26,168	25,969
Depreciation	14,090	14,568	10,809
Total operating expenses	166,975	179,371	112,067
Income from operations	43,668	52,513	31,131
Other income (expenses)			
Interest expense on debt obligation to Penn National Gaming, Inc.	—	—	(583)
Interest income	2	4	9
Management fee	(6,320)	(6,958)	(4,300)
Total other expenses	(6,318)	(6,954)	(4,874)
Income from operations before income taxes	37,350	45,559	26,257
Taxes on income	14,431	18,875	10,927
Net income	$ 22,919	$ 26,684	$ 15,330

See accompanying notes to the combined financial statements.

Combined Statements of Changes in Stockholders' Equity of
Louisiana Casino Cruises, Inc. and Penn Cecil Maryland, Inc.
(in thousands)

	Additional Paid-In Capital	Retained Earnings	Total Stockholder's Equity
Balance, December 31, 2009	$ 38,816	$ 100,041	$ 138,857
Cash contribution from parent	61,201	—	61,201
Net income	—	15,330	15,330
Balance, December 31, 2010	100,017	115,371	215,388
Cash distribution to parent	(22,161)	—	(22,161)
Net income	—	26,684	26,684
Balance, December 31, 2011	77,856	142,055	219,911
Cash distribution to parent	(6,500)	—	(6,500)
Net income	—	22,919	22,919
Balance, December 31, 2012	$ 71,356	$ 164,974	$ 236,330

See accompanying notes to the combined financial statements.

Combined Statements of Cash Flows of
Louisiana Casino Cruises, Inc. and Penn Cecil Maryland, Inc.

(in thousands)

Year ended December 31,	2012	2011	2010
Operating activities			
Net income	$ 22,919	$ 26,684	$ 15,330
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation	14,090	14,568	10,809
(Gain) loss on sale of fixed assets	(143)	(75)	93
Deferred income taxes	(87)	(6,515)	9,647
Decrease (increase):			
Accounts receivable	1,209	(442)	(1,069)
Prepaid expenses and other current assets	304	(806)	135
Other assets	—	(2)	(20)
(Decrease) increase:			
Accounts payable and accrued expenses	(716)	(468)	2,494
Accrued interest on debt obligation to Penn National Gaming, Inc.	—	(4)	(108)
Accrued salaries and wages	(394)	313	1,682
Income taxes	(10,162)	23,396	(10,440)
Other current liabilities	(276)	191	530
Net cash provided by operating activities	26,744	56,840	29,083
Investing activities			
Expenditures for property and equipment, net of reimbursements	(5,190)	(8,288)	(59,056)
Proceeds from sale of property and equipment	380	117	69
Net cash used in investing activities	(4,810)	(8,171)	(58,987)
Financing activities			
Net advances (to)/from parent	(18,018)	(27,375)	1,415
Cash contributions (to)/from parent	(6,500)	(22,161)	61,201
Principal payments on debt obligation to Penn National Gaming, Inc.	—	(900)	(20,750)
Net cash (used in) provided by financing activities	(24,518)	(50,436)	41,866
Net (decrease) increase in cash and cash equivalents	(2,584)	(1,767)	11,962
Cash and cash equivalents at beginning of year	17,146	18,913	6,951
Cash and cash equivalents at end of year	$ 14,562	$ 17,146	$ 18,913

See accompanying notes to the combined financial statements.

Notes to Combined Financial Statements of
Louisiana Casino Cruises, Inc. and Penn Cecil Maryland, Inc.

Note 1—Business and Basis of Presentation

Louisiana Casino Cruises, Inc. ("Hollywood Casino Baton Rouge") and Penn Cecil Maryland, Inc. ("Hollywood Casino Perryville"), which operate Hollywood Casino Baton Rouge and Hollywood Casino Perryville, are currently wholly-owned subsidiaries of Penn National Gaming, Inc. ("Penn"), a publicly held Pennsylvania corporation. On November 15, 2012, Penn announced that it was pursuing plans to separate the majority of its operating assets and real property assets into two separate publicly traded companies: an operating entity and, through a tax-free spin-off of its real estate assets to holders of its common stock (the "Spin-Off"), a newly formed publicly traded real estate investment trust ("REIT"), Gaming and Leisure Properties, Inc. ("GLPI") which is a newly formed company and currently owned by Penn. Following the Spin-Off, GLPI will hold directly or indirectly substantially all of the assets and liabilities associated with Penn's real property interests and real estate development business, as well as all of the interests in Hollywood Casino Baton Rouge and Hollywood Casino Perryville (which are together referred to in these notes as Company).

Hollywood Casino Baton Rouge was acquired by Penn in April 2001 as part of its acquisition of CRC Holdings, Inc. The facility is a dockside riverboat gaming facility which at December 31, 2012 featured approximately 28,000 square feet of gaming space with 960 gaming machines and 18 table games. The facility also includes a dockside building featuring a variety of amenities, including a steakhouse, a buffet and deli and various entertainment options.

Hollywood Casino Perryville was opened by Penn on September 27, 2010. At December 31, 2012, the facility offered approximately 34,000 square feet of gaming space with 1,500 slot machines. In November 2012, voters in the state of Maryland approved a referendum authorizing the ability to add table games to Maryland's five existing and planned casinos. Hollywood Casino Perryville opened 12 table games and an 8-table poker room on March 5, 2013 and in January 2013, the facility removed approximately 350 slot machines as a result of additional competition in the marketplace which has resulted in a reduction to business volumes.

The preparation of financial statements in conformity with generally accepted accounting principles 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.

Note 2—Summary of Significant Accounting Policies

Cash and Cash Equivalents

The Company considers all cash balances and highly liquid investments with original maturities of three months or less to be cash and cash equivalents.

Concentration of Credit Risk

Financial instruments that subject the Company to credit risk consist of cash and cash equivalents. At times, the Company has bank deposits that exceed federally insured limits.

Accounts are written off when management determines that an account is uncollectible. Recoveries of accounts previously written off are recorded when received. An allowance for doubtful accounts is determined to reduce the Company's receivables to their carrying value, which approximates fair value.

Notes to Combined Financial Statements of
Louisiana Casino Cruises, Inc. and Penn Cecil Maryland, Inc. (Continued)

Note 2—Summary of Significant Accounting Policies (Continued)

The allowance is estimated based on historical collection experience, specific review of individual customer accounts, and current economic and business conditions.

Property and Equipment

Property and equipment are stated at cost, less accumulated depreciation. Maintenance and repairs that neither add materially to the value of the asset nor appreciably prolong its useful life are charged to expense as incurred. Gains or losses on the disposal of property and equipment are included in the determination of income.

Depreciation of property and equipment is recorded using the straight-line method over the following estimated useful lives:

Land improvements	5 to 15 years
Building and improvements	5 to 40 years
Furniture, fixtures, and equipment	3 to 31 years

Leasehold improvements are depreciated over the shorter of the estimated useful life of the improvement or the related lease term.

The estimated useful lives are determined based on the nature of the assets as well as the Company's current operating strategy.

The Company reviews the carrying value of its property and equipment for possible impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable based on undiscounted estimated future cash flows expected to result from its use and eventual disposition. The factors considered by the Company in performing this assessment include current operating results, trends and prospects, as well as the effect of obsolescence, demand, competition and other economic factors. In estimating expected future cash flows for determining whether an asset is impaired, assets are grouped at the individual property level. In assessing the recoverability of the carrying value of property and equipment, the Company must make assumptions regarding future cash flows and other factors. If these estimates or the related assumptions change in the future, the Company may be required to record an impairment loss for these assets.

Goodwill and Other Intangible Assets

At December 31, 2012, the Company had $75.5 million in goodwill and $9.6 million in other intangible assets within its combined balance sheet, resulting from the Company's acquisition of Hollywood Casino Baton Rouge and payments for Hollywood Casino Perryville's gaming license.

Goodwill is tested annually, or more frequently if indicators of impairment exist, for impairment by comparing the fair value of the Hollywood Casino Baton Rouge reporting unit to its carrying amount. If the carrying amount exceeds its fair value in step 1 of the impairment test, then step 2 of the impairment test is performed to determine the implied value of goodwill. If the implied value of goodwill is less than the goodwill allocated, an impairment loss is recognized.

In accordance with Financial Accounting Standards Board Accounting Standards Codification ("ASC") 350, "Intangibles—Goodwill and Other," the Company considers its Hollywood Casino Perryville gaming license as an indefinite-life intangible asset that does not require amortization based on the Company's future expectations to operate this casino indefinitely as well as the gaming

Notes to Combined Financial Statements of
Louisiana Casino Cruises, Inc. and Penn Cecil Maryland, Inc. (Continued)

Note 2—Summary of Significant Accounting Policies (Continued)

industry's historical experience in renewing these intangible assets at minimal cost with various state gaming and racing commissions. Rather, the Company's gaming license is tested annually, or more frequently if indicators of impairment exist, for impairment by comparing the fair value of the recorded asset to its carrying amount. If the carrying amount of the indefinite-life intangible asset exceeds its fair value, an impairment loss is recognized.

Income Taxes

The Company accounts for income taxes in accordance with ASC 740, "Income Taxes" ("ASC 740"). Under ASC 740, deferred tax assets and liabilities are determined based on the differences between the financial statement carrying amounts and the tax bases of existing assets and liabilities and are measured at the prevailing enacted tax rates that will be in effect when these differences are settled or realized. ASC 740 also requires that deferred tax assets be reduced by a valuation allowance if it is more likely than not that some portion or all of the deferred tax assets will not be realized.

The realizability of the deferred tax assets is evaluated by assessing the valuation allowance and by adjusting the amount of the allowance, if any, as necessary. The factors used to assess the likelihood of realization are the forecast of future taxable income.

ASC 740 also creates a single model to address uncertainty in tax positions, and clarifies the accounting for uncertainty in income taxes recognized in an enterprise's financial statements by prescribing the minimum recognition threshold a tax position is required to meet before being recognized in an enterprise's financial statements. It also provides guidance on derecognition, measurement, classification, interest and penalties, accounting in interim periods, disclosure and transition. The Company did not have any uncertain tax positions in 2012, 2011 or 2010, respectively.

The Company is required under ASC 740 to disclose its accounting policy for classifying interest and penalties, the amount of interest and penalties charged to expense each period, as well as the cumulative amounts recorded in the combined balance sheets. If and when they occur, the Company will classify any income tax-related penalties and interest accrued related to unrecognized tax benefits in taxes on income within the combined statements of operations.

Revenue Recognition and Promotional Allowances

The following table discloses the components of gaming revenue within the consolidated statements of operations for the years ended December 31, 2012, 2011 and 2010:

Year ended December 31,	2012	2011	2010
		(in thousands)	
Video lottery, net of cash incentives	$ 189,808	$ 210,349	$ 126,312
Table game	11,891	12,333	12,168
Poker	882	620	—
Total gaming revenue	$ 202,581	$ 223,302	$ 138,480

Revenues are recognized net of certain sales incentives in accordance with ASC 605-50, *Revenue Recognition—Customer Payments and Incentives*. The Company records cash incentives as a reduction of gaming revenue.

Notes to Combined Financial Statements of
Louisiana Casino Cruises, Inc. and Penn Cecil Maryland, Inc. (Continued)

Note 2—Summary of Significant Accounting Policies (Continued)

Video lottery gaming revenue is the aggregate net difference between gaming wins and losses, with liabilities recognized for funds deposited by customers before gaming play occurs, for "ticket-in, ticket-out" coupons in the customers' possession, and for accruals related to the anticipated payout of progressive jackpots. Progressive slot machines, which contain base jackpots that increase at a progressive rate based on the number of coins played, are charged to revenue as the amount of the jackpots increases.

Table game gaming revenue is the aggregate of table drop adjusted for the change in aggregate table chip inventory. Table drop is the total dollar amount of the currency, coins, chips, tokens, outstanding counter checks (markers), front money that are removed from the live gaming tables.

Food and beverage revenue is recognized as services are performed.

Revenues are recognized net of certain sales incentives in accordance with ASC 605-50, "Revenue Recognition—Customer Payments and Incentives." The Company records certain sales incentives and points earned in point-loyalty programs as a reduction of revenue.

The retail value of food and beverage and other services furnished to guests without charge is included in gross revenues and then deducted as promotional allowances. The amounts included in promotional allowances for the years ended December 31, 2012, 2011 and 2010 are as follows:

Year ended December 31,	2012	2011	2010
		(in thousands)	
Food and beverage	$ 6,807	$ 6,971	$ 6,268
Other	766	843	907
Total promotional allowances	$ 7,573	$ 7,814	$ 7,175

The estimated cost of providing such complimentary services, which is primarily included in food, beverage, and other expense, for the years ended December 31, 2012, 2011 and 2010 are as follows:

Year ended December 31,	2012	2011	2010
		(in thousands)	
Food and beverage	$ 3,319	$ 3,202	$ 2,296
Other	385	409	465
Total cost of complimentary services	$ 3,704	$ 3,611	$ 2,761

Gaming and Admission Taxes

The Company is subject to gaming and admission taxes based on gross gaming revenues in the jurisdictions in which it operates. The Company primarily recognizes gaming tax expense based on the statutorily required percentage of revenue that is required to be paid to state and local jurisdictions in the states were or in which wagering occurs. At Hollywood Casino Baton Rouge, the gaming admission tax is based on graduated tax rates. The Company records gaming and admission taxes at the Company's estimated effective gaming tax rate for the year, considering estimated taxable gaming revenue and the applicable rates. Such estimates are adjusted each interim period. If gaming tax rate change during the year, such changes are applied prospectively in the determination of gaming tax expense in future interim periods. For the years ended December 31, 2012, 2011 and 2010, these

**Notes to Combined Financial Statements of
Louisiana Casino Cruises, Inc. and Penn Cecil Maryland, Inc. (Continued)**

Note 2—Summary of Significant Accounting Policies (Continued)

expenses, which are recorded within gaming expense in the combined statements of operations, totaled $94.9 million, $105.4 million and $48.7 million, respectively.

Certain Risks and Uncertainties

The Company's operations are dependent on its continued licensing by state gaming commissions. The loss of a license, in any jurisdiction in which the Company operates, could have a material adverse effect on future results of operations.

The Company is dependent on the local market in which its casinos operate for a significant number of its patrons and revenues. If economic conditions in this area deteriorate or additional gaming licenses are awarded in these markets, the Company's results of operations could be adversely affected.

The Company is dependent on the economy of the U.S. in general, and any deterioration in the national economic, energy, credit and capital markets could have a material adverse effect on future results of operations.

The Company is dependent upon a stable gaming tax structure in the locations that it operates in. Any change in the tax structure could have a material adverse effect on future results of operations.

Note 3—Property and Equipment

Property and equipment, net, consists of the following:

December 31,	2012	2011
	(in thousands)	
Land and improvements	$ 28,193	$ 36,153
Building and improvements	109,248	110,023
Furniture, fixtures, and equipment	76,088	62,749
Construction in progress	87	644
Total property and equipment	213,616	209,569
Less accumulated depreciation	(94,662)	(81,478)
Property and equipment, net	$ 118,954	$ 128,091

Depreciation expense for property and equipment totaled $14.1 million, $14.6 million, and $10.8 million for the years ended December 31, 2012, 2011 and 2010, respectively.

Note 4—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

Notes to Combined Financial Statements of
Louisiana Casino Cruises, Inc. and Penn Cecil Maryland, Inc. (Continued)

Note 4—Commitments and Contingencies (Continued)

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.

Operating Lease Commitments

The Company is liable under numerous operating leases for equipment and other miscellaneous assets, which expire at various dates through 2015. Total rental expense under these agreements was $1.6 million, $1.6 million, and $0.4 million for the years ended December 31, 2012, 2011 and 2010, respectively.

The future minimum lease commitments relating to the base lease rent portion of noncancelable operating leases at December 31, 2012 are as follows (in thousands):

Year ending December 31,	
2013	$ 13
2014	13
2015	10
Total	$ 36

Note 5—Income Taxes

Deferred tax assets and liabilities are provided for the effects of temporary differences between the tax basis of an asset or liability and its reported amount in the combined balance sheets. These temporary differences result in taxable or deductible amounts in future years.

The components of the Company's deferred tax assets and liabilities are as follows:

Year ended December 31,	2012	2011
	(in thousands)	
Deferred tax assets:		
Accrued expenses	$ 14,401	$ 13,956
Net deferred tax assets	14,401	13,956
Deferred tax liabilities:		
Property, plant and equipment	(19,383)	(19,601)
Intangibles	(576)	—
Net deferred tax liabilities	(19,959)	(19,601)
Net	$ (5,558)	$ (5,645)
Reflected on combined balance sheets:		
Current deferred tax assets, net	$ 2,070	$ 1,910
Noncurrent deferred tax liabilities, net	(7,628)	(7,555)
Net deferred taxes	$ (5,558)	$ (5,645)

Notes to Combined Financial Statements of
Louisiana Casino Cruises, Inc. and Penn Cecil Maryland, Inc. (Continued)

Note 5—Income Taxes (Continued)

The provision for income taxes charged to operations for the years ended December 31, 2012, 2011 and 2010 was as follows:

Year ended December 31,	2012	2011 (in thousands)	2010
Current tax expense			
Federal	$ 12,215	$ 21,049	$ (1,403)
State	2,303	4,341	2,683
Total current	14,518	25,390	1,280
Deferred tax (benefit) expense			
Federal	65	(6,781)	9,982
State	(152)	266	(335)
Total deferred	(87)	(6,515)	9,647
Total provision	$ 14,431	$ 18,875	$ 10,927

The following table reconciles the statutory federal income tax rate to the actual effective income tax rate for 2012, 2011 and 2010:

Year ended December 31,	2012	2011	2010
Percent of pretax income			
Federal taxes	35.0%	35.0%	35.0%
State and local income taxes	3.0%	6.6%	6.3%
Permanent differences	0.1%	0.2%	0.2%
Other miscellaneous items	0.5%	-0.4%	0.1%
	38.6%	41.4%	41.6%

Year ended December 31,	2012	2011 (in thousands)	2010
Amount based upon pretax income			
Federal taxes	$ 13,073	$ 15,945	$ 9,190
State and local income taxes	1,126	3,016	1,643
Permanent differences	30	72	46
Other miscellaneous items	202	(158)	48
	$ 14,431	$ 18,875	$ 10,927

The Company has historically been included in the consolidated federal income tax return with Penn and Penn's other subsidiaries. However, the Company computes federal and state income taxes on a separate return basis. Taxes due are settled between the Company and Penn. The Company paid no federal income taxes directly to tax authorities and instead settles all intercompany balances with Penn on a continuing basis. These settlements include, among other things, the share of the federal income taxes allocated by Penn to the Company.

Notes to Combined Financial Statements of
Louisiana Casino Cruises, Inc. and Penn Cecil Maryland, Inc. (Continued)

Note 6—Related Party Transactions

Net Advances and Liabilities to Parent and Related Entities

The Company had cumulative net advances of $43.3 million and $25.3 million at December 31, 2012 and 2011, respectively. These advances are the result of operating cash flows generated by the Company in excess of intercompany allocations such as the management fee agreement (described below). These funds are used by the Company to fund capital improvements, management fees, insurance programs, other miscellaneous charges and certain income tax amounts reclassified from the current taxes payable. There are no stated repayment terms for these other assets.

The Company participates in Penn's property, general liability, workers' compensation, and other insurance programs. The Company's estimated share of these costs, which were allocated directly to the Company by Penn, was $2.6 million, $1.9 million, and $3.4 million for the years ended December 31, 2012, 2011, and 2010, respectively.

Management Fee Agreement

The Company has a corporate overhead assessment agreement with Penn, whereby, Penn provides various management services in consideration of a management fee equal to 3% of net revenues. The Company incurred and paid management fees of $6.3 million, $7.0 million and $4.3 million for the years ended December 31, 2012, 2011, and 2010, respectively.

Note 7—Supplemental Disclosures of Cash Flow Information

Hollywood Casino Baton Rouge had an intercompany note from Penn due to Penn's acquisition of the property. In January 2011, Hollywood Casino Baton Rouge fully repaid this obligation to Penn. Interest expense was assessed on this note based on Penn's estimated incremental borrowing costs. All interest expense was incurred and settled through intercompany charges from Penn on a continuing basis.

The Company pays no federal income taxes directly to tax authorities and instead settles all intercompany balances with Penn on a continuing basis. These settlements include, among other things, the share of the income taxes allocated by Penn to the Company. The amounts paid to Penn for the Company's allocated share of federal income taxes was $13.2 million, $15.1 million and $10.1 million for the years ended December 31, 2012, 2011 and 2010, respectively. The Company also made state income tax payments of $3.2 million, $3.3 million and $1.3 million, for the years ended December 31, 2012, 2011, and 2010 directly to state taxing authorities.

Note 8—Subsequent Events

Events subsequent to December 31, 2012 were evaluated through the date these financial statements were issued and no additional events were identified requiring further disclosure in these financial statements.

Combined Balance Sheets of
Louisiana Casino Cruises, Inc. and Penn Cecil Maryland, Inc.

(in thousands)

	June 30, 2013 (unaudited)	December 31, 2012
Assets		
Current assets		
Cash and cash equivalents	$ 18,400	$ 14,562
Receivables, net of allowance for doubtful accounts of $31 and $36 at June 30, 2013 and December 31, 2012, respectively	466	444
Prepaid expenses and other current assets	1,931	1,706
Deferred income taxes	1,766	2,070
Total current assets	22,563	18,782
Property and equipment, net	113,986	118,954
Other assets		
Receivable from Penn National Gaming, Inc.	43,695	43,318
Goodwill	75,521	75,521
Other intangible assets	9,577	9,577
Other assets	128	134
Total other assets	128,921	128,550
Total assets	$ 265,470	$ 266,286
Liabilities and stockholders' equity		
Current liabilities		
Accounts payable and accrued expenses	$ 6,443	$ 6,038
Accrued salaries and wages	2,521	3,507
Income taxes	3,706	11,538
Other current liabilities	1,606	1,245
Total current liabilities	14,276	22,328
Long-term liabilities		
Deferred income taxes	6,951	7,628
Total long-term liabilities	6,951	7,628
Stockholders' equity		
Additional paid-in capital	71,356	71,356
Retained earnings	172,887	164,974
Total stockholders' equity	244,243	236,330
Total liabilities and stockholders' equity	$ 265,470	$ 266,286

See accompanying notes to the combined financial statements.

Table of Contents

Combined Statements of Operations of
Louisiana Casino Cruises, Inc. and Penn Cecil Maryland, Inc.

(in thousands) (unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2013	2012	2013	2012
Revenues				
Gaming	$ 44,299	$ 57,885	$ 85,379	$ 122,241
Food, beverage and other	3,374	4,494	6,589	9,144
Revenues	47,673	62,379	91,968	131,385
Less promotional allowances	(1,601)	(2,127)	(3,247)	(4,224)
Net revenues	46,072	60,252	88,721	127,161
Operating expenses				
Gaming	24,342	32,032	47,481	68,278
Food, beverage and other	2,783	3,501	5,550	7,164
General and administrative	6,230	6,732	12,575	13,667
Depreciation	3,627	3,515	7,215	7,073
Total operating expenses	36,982	45,780	72,821	96,182
Income from operations	9,090	14,472	15,900	30,979
Other income (expenses)				
Interest income	1	1	1	2
Management fee	(1,381)	(1,807)	(2,661)	(3,815)
Total other expenses	(1,380)	(1,806)	(2,660)	(3,813)
Income from operations before income taxes	7,710	12,666	13,240	27,166
Taxes on income	3,011	5,048	5,327	10,882
Net income	$ 4,699	$ 7,618	$ 7,913	$ 16,284

See accompanying notes to the combined financial statements.

Combined Statements of Changes in Stockholders' Equity of
Louisiana Casino Cruises, Inc. and Penn Cecil Maryland, Inc.

(in thousands) (unaudited)

	Additional Paid-In Capital	Retained Earnings	Total Stockholders' Equity
Balance, December 31, 2011	$ 77,856	$ 142,055	$ 219,911
Cash contribution to parent	(6,500)	—	(6,500)
Net income	—	16,284	16,284
Balance, June 30, 2012	$ 71,356	$ 158,339	$ 229,695
Balance, December 31, 2012	$ 71,356	$ 164,974	$ 236,330
Net income	—	7,913	7,913
Balance, June 30, 2013	$ 71,356	$ 172,887	$ 244,243

See accompanying notes to the combined financial statements.

Combined Statements of Cash Flows of
Louisiana Casino Cruises, Inc. and Penn Cecil Maryland, Inc.

(in thousands) (unaudited)

	Six months ended June 30, 2013	Six months ended June 30, 2012
Operating activities		
Net income	$ 7,913	$ 16,284
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	7,215	7,073
Gain on sale of fixed assets	(30)	(51)
Deferred income taxes	(373)	(277)
(Increase) decrease:		
Accounts receivable	(22)	626
Prepaid expenses and other current assets	(225)	673
Other assets	6	—
Increase (decrease):		
Accounts payable and accrued expenses	405	473
Accrued salaries and wages	(986)	(1,016)
Income taxes	(7,832)	(12,513)
Other current liabilities	361	101
Net cash provided by operating activities	6,432	11,373
Investing activities		
Expenditures for property and equipment, net of reimbursements	(2,298)	(2,265)
Proceeds from sale of property and equipment	81	51
Net cash used in investing activities	(2,217)	(2,214)
Financing activities		
Net advances from parent	(377)	(3,964)
Cash contributions to parent	—	(6,500)
Net cash used in financing activities	(377)	(10,464)
Net increase (decrease) in cash and cash equivalents	3,838	(1,305)
Cash and cash equivalents at beginning of year	14,562	17,146
Cash and cash equivalents at end of year	$ 18,400	$ 15,841

See accompanying notes to the combined financial statements.

Notes to Combined Financial Statements of
Louisiana Casino Cruises, Inc. and Penn Cecil Maryland, Inc.

(Unaudited)

Note 1—Business and Basis of Presentation

Louisiana Casino Cruises, Inc. ("Hollywood Casino Baton Rouge") and Penn Cecil Maryland, Inc. ("Hollywood Casino Perryville"), which operate Hollywood Casino Baton Rouge and Hollywood Casino Perryville, are currently wholly-owned subsidiaries of Penn National Gaming, Inc. ("Penn"), a publicly held Pennsylvania corporation. On November 15, 2012, Penn announced that it was pursuing plans to separate the majority of its operating assets and real property assets into two separate publicly traded companies: an operating entity and, through a tax-free spin-off of its real estate assets to holders of its common stock (the "Spin-Off"), a newly formed publicly traded real estate investment trust ("REIT"), Gaming and Leisure Properties, Inc. ("GLPI") which is a newly formed company and currently owned by Penn. Following the Spin-Off, GLPI will hold directly or indirectly substantially all of the assets and liabilities associated with Penn's real property interests and real estate development business, as well as all of the interests in Hollywood Casino Baton Rouge and Hollywood Casino Perryville (which are together referred to in these notes as Company).

Hollywood Casino Baton Rouge was acquired by Penn in April 2001 as part of its acquisition of CRC Holdings, Inc. The facility is a dockside riverboat gaming facility which at June 30, 2013 featured approximately 28,000 square feet of gaming space with 963 gaming machines and 18 table games. The facility also includes a dockside building featuring a variety of amenities, including a steakhouse, a buffet and deli and various entertainment options.

Hollywood Casino Perryville was opened by Penn on September 27, 2010. At June 30, 2013, the facility offered approximately 34,000 square feet of gaming space with 1,158 slot machines. In January 2013, the facility had removed approximately 350 slot machines as a result of additional competition in the marketplace which resulted in a reduction to business volumes. Additionally, in November 2012, voters in the state of Maryland approved a referendum authorizing the ability to add table games to Maryland's five existing and planned casinos. Hollywood Casino Perryville opened 12 table games and an 8-table poker room on March 5, 2013.

The preparation of financial statements in conformity with generally accepted accounting principles 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.

Note 2—Summary of Significant Accounting Policies

Cash and Cash Equivalents

The Company considers all cash balances and highly liquid investments with original maturities of three months or less to be cash and cash equivalents.

Concentration of Credit Risk

Financial instruments that subject the Company to credit risk consist of cash and cash equivalents. At times, the Company has bank deposits that exceed federally insured limits.

Accounts are written off when management determines that an account is uncollectible. Recoveries of accounts previously written off are recorded when received. An allowance for doubtful accounts is determined to reduce the Company's receivables to their carrying value, which approximates fair value.

Notes to Combined Financial Statements of
Louisiana Casino Cruises, Inc. and Penn Cecil Maryland, Inc. (Continued)

(Unaudited)

Note 2—Summary of Significant Accounting Policies (Continued)

The allowance is estimated based on historical collection experience, specific review of individual customer accounts, and current economic and business conditions.

Property and Equipment

Property and equipment are stated at cost, less accumulated depreciation. Maintenance and repairs that neither add materially to the value of the asset nor appreciably prolong its useful life are charged to expense as incurred. Gains or losses on the disposal of property and equipment are included in the determination of income.

Depreciation of property and equipment is recorded using the straight-line method over the following estimated useful lives:

Land improvements	5 to 15 years
Building and improvements	5 to 40 years
Furniture, fixtures, and equipment	3 to 31 years

Leasehold improvements are depreciated over the shorter of the estimated useful life of the improvement or the related lease term.

The estimated useful lives are determined based on the nature of the assets as well as the Company's current operating strategy.

The Company reviews the carrying value of its property and equipment for possible impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable based on undiscounted estimated future cash flows expected to result from its use and eventual disposition. The factors considered by the Company in performing this assessment include current operating results, trends and prospects, as well as the effect of obsolescence, demand, competition and other economic factors. In estimating expected future cash flows for determining whether an asset is impaired, assets are grouped at the individual property level. In assessing the recoverability of the carrying value of property and equipment, the Company must make assumptions regarding future cash flows and other factors. If these estimates or the related assumptions change in the future, the Company may be required to record an impairment loss for these assets.

Goodwill and Other Intangible Assets

At June 30, 2013, the Company had $75.5 million in goodwill and $9.6 million in other intangible assets within its combined balance sheet, resulting from the Company's acquisition of Hollywood Casino Baton Rouge and payments for Hollywood Casino Perryville's gaming license.

Goodwill is tested annually, or more frequently if indicators of impairment exist, for impairment by comparing the fair value of the Hollywood Casino Baton Rouge reporting unit to its carrying amount. If the carrying amount exceeds its fair value in step 1 of the impairment test, then step 2 of the impairment test is performed to determine the implied value of goodwill. If the implied value of goodwill is less than the goodwill allocated, an impairment loss is recognized.

In accordance with Financial Accounting Standards Board Accounting Standards Codification ("ASC") 350, "Intangibles—Goodwill and Other," the Company considers its Hollywood Casino

Notes to Combined Financial Statements of
Louisiana Casino Cruises, Inc. and Penn Cecil Maryland, Inc. (Continued)

(Unaudited)

Note 2—Summary of Significant Accounting Policies (Continued)

Perryville gaming license as an indefinite-life intangible asset that does not require amortization based on the Company's future expectations to operate this casino indefinitely as well as the gaming industry's historical experience in renewing these intangible assets at minimal cost with various state gaming and racing commissions. Rather, the Company's gaming license is tested annually, or more frequently if indicators of impairment exist, for impairment by comparing the fair value of the recorded asset to its carrying amount. If the carrying amount of the indefinite-life intangible asset exceeds its fair value, an impairment loss is recognized.

Income Taxes

The Company accounts for income taxes in accordance with ASC 740, "Income Taxes" ("ASC 740"). Under ASC 740, deferred tax assets and liabilities are determined based on the differences between the financial statement carrying amounts and the tax bases of existing assets and liabilities and are measured at the prevailing enacted tax rates that will be in effect when these differences are settled or realized. ASC 740 also requires that deferred tax assets be reduced by a valuation allowance if it is more likely than not that some portion or all of the deferred tax assets will not be realized.

The realizability of the deferred tax assets is evaluated by assessing the valuation allowance and by adjusting the amount of the allowance, if any, as necessary. The factors used to assess the likelihood of realization are the forecast of future taxable income.

ASC 740 also creates a single model to address uncertainty in tax positions, and clarifies the accounting for uncertainty in income taxes recognized in an enterprise's financial statements by prescribing the minimum recognition threshold a tax position is required to meet before being recognized in an enterprise's financial statements. It also provides guidance on derecognition, measurement, classification, interest and penalties, accounting in interim periods, disclosure and transition. The Company did not have any uncertain tax positions at June 30, 2013 or December 31, 2012.

The Company is required under ASC 740 to disclose its accounting policy for classifying interest and penalties, the amount of interest and penalties charged to expense each period, as well as the cumulative amounts recorded in the combined balance sheets. If and when they occur, the Company will classify any income tax-related penalties and interest accrued related to unrecognized tax benefits in taxes on income within the combined statements of operations.

Notes to Combined Financial Statements of
Louisiana Casino Cruises, Inc. and Penn Cecil Maryland, Inc. (Continued)

(Unaudited)

Note 2—Summary of Significant Accounting Policies (Continued)

Revenue Recognition and Promotional Allowances

The following table discloses the components of gaming revenue within the consolidated statements of operations for the three and six months ended June 30, 2013 and 2012:

	Three months ended June 30,		Six months ended June 30,	
	2013	2012	2013	2012
	(in thousands)			
Video lottery, net of cash incentives	$ 37,697	$ 54,328	$ 75,049	$ 114,811
Table game	5,562	3,240	9,010	6,776
Poker	1,040	317	1,320	654
Total gaming revenue	$ 44,299	$ 57,885	$ 85,379	$ 122,241

Revenues are recognized net of certain sales incentives in accordance with ASC 605-50, *Revenue Recognition—Customer Payments and Incentives*. The Company records cash incentives as a reduction of gaming revenue.

Video lottery gaming revenue is the aggregate net difference between gaming wins and losses, with liabilities recognized for funds deposited by customers before gaming play occurs, for "ticket-in, ticket-out" coupons in the customers' possession, and for accruals related to the anticipated payout of progressive jackpots. Progressive slot machines, which contain base jackpots that increase at a progressive rate based on the number of coins played, are charged to revenue as the amount of the jackpots increases.

Table game gaming revenue is the aggregate of table drop adjusted for the change in aggregate table chip inventory. Table drop is the total dollar amount of the currency, coins, chips, tokens, outstanding counter checks (markers), front money that are removed from the live gaming tables.

Food and beverage revenue is recognized as services are performed.

Revenues are recognized net of certain sales incentives in accordance with ASC 605-50, "Revenue Recognition—Customer Payments and Incentives." The Company records certain sales incentives and points earned in point-loyalty programs as a reduction of revenue.

The retail value of food and beverage and other services furnished to guests without charge is included in gross revenues and then deducted as promotional allowances. The amounts included in promotional allowances for the three and six months ended June 30, 2013 and 2012 are as follows:

	Three months ended June 30,		Six months ended June 30,	
	2013	2012	2013	2012
	(in thousands)			
Food and beverage	$ 1,588	$ 1,939	$ 3,105	$ 3,822
Other	13	188	142	402
Total promotional allowances	$ 1,601	$ 2,127	$ 3,247	$ 4,224

**Notes to Combined Financial Statements of
Louisiana Casino Cruises, Inc. and Penn Cecil Maryland, Inc. (Continued)**

(Unaudited)

Note 2—Summary of Significant Accounting Policies (Continued)

The estimated cost of providing such complimentary services, which is primarily included in food, beverage, and other expense, for the three and six months ended June 30, 2013 and 2012 are as follows:

	Three months ended June 30,		Six months ended June 30,	
	2013	2012	2013	2012
	(in thousands)			
Food and beverage	$ 746	$ 912	$ 1,459	$ 1,775
Other	6	87	75	199
Total cost of complimentary services	$ 752	$ 999	$ 1,534	$ 1,974

Gaming and Admission Taxes

The Company is subject to gaming and admission taxes based on gross gaming revenues in the jurisdictions in which it operates. The Company primarily recognizes gaming tax expense based on the statutorily required percentage of revenue that is required to be paid to state and local jurisdictions in the states were or in which wagering occurs. At Hollywood Casino Baton Rouge, the gaming admission tax is based on graduated tax rates. The Company records gaming and admission taxes at the Company's estimated effective gaming tax rate for the year, considering estimated taxable gaming revenue and the applicable rates. Such estimates are adjusted each interim period. If gaming tax rate change during the year, such changes are applied prospectively in the determination of gaming tax expense in future interim periods. For the three and six months ended June 30, 2013, these expenses, which are primarily recorded within gaming expense in the combined statements of operations, totaled $19.6 million and $38.3 million, respectively, as compared to $27.2 million and $58.2 million for the three and six months ended June 30, 2012, respectively.

Certain Risks and Uncertainties

The Company's operations are dependent on its continued licensing by state gaming commissions. The loss of a license, in any jurisdiction in which the Company operates, could have a material adverse effect on future results of operations.

The Company is dependent on the local market in which its casinos operate for a significant number of its patrons and revenues. If economic conditions in this area deteriorate or additional gaming licenses are awarded in these markets, the Company's results of operations could be adversely affected.

The Company is dependent on the economy of the U.S. in general, and any deterioration in the national economic, energy, credit and capital markets could have a material adverse effect on future results of operations.

The Company is dependent upon a stable gaming tax structure in the locations that it operates in. Any change in the tax structure could have a material adverse effect on future results of operations.

Notes to Combined Financial Statements of
Louisiana Casino Cruises, Inc. and Penn Cecil Maryland, Inc. (Continued)

(Unaudited)

Note 3—Property and Equipment

Property and equipment, net, consists of the following:

	June 30, 2013	December 31, 2012
	(in thousands)	
Land and improvements	$ 28,156	$ 28,193
Building and improvements	109,633	109,248
Furniture, fixtures, and equipment	76,623	76,088
Construction in progress	441	87
Total property and equipment	214,853	213,616
Less accumulated depreciation	(100,867)	(94,662)
Property and equipment, net	$ 113,986	$ 118,954

Depreciation expense for property and equipment totaled $3.6 million and $7.2 million for the three and six months ended June 30, 2013, respectively, as compared to $3.5 million and $7.1 million for the three and six months ended June 30, 2012, respectively.

Note 4—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.

Operating Lease Commitments

The Company is liable under numerous operating leases for equipment and other miscellaneous assets, which expire at various dates through 2015. Total rental expense under these agreements was $0.4 million and $0.7 million for the three and six months ended June 30, 2013, respectively, as compared to $0.5 million and $0.9 million for the three and six months ended June 30, 2012, respectively.

Notes to Combined Financial Statements of
Louisiana Casino Cruises, Inc. and Penn Cecil Maryland, Inc. (Continued)

(Unaudited)

Note 4—Commitments and Contingencies (Continued)

The future minimum lease commitments relating to the base lease rent portion of noncancelable operating leases at June 30, 2013 are as follows (in thousands):

Within one year	$ 13
1-3 years	17
Total	$ 30

Note 5—Income Taxes

Deferred tax assets and liabilities are provided for the effects of temporary differences between the tax basis of an asset or liability and its reported amount in the combined balance sheets. These temporary differences result in taxable or deductible amounts in future years.

The components of the Company's deferred tax assets and liabilities are as follows:

	June 30, 2013	December 31, 2012
	(in thousands)	
Deferred tax assets:		
Accrued expenses	$ 13,829	$ 14,401
Net deferred tax assets	13,829	14,401
Deferred tax liabilities:		
Property, plant and equipment	(18,315)	(19,383)
Intangibles	(699)	(576)
Net deferred tax liabilities	(19,014)	(19,959)
Net	$ (5,185)	$ (5,558)
Reflected on combined balance sheets:		
Current deferred tax assets, net	$ 1,766	$ 2,070
Noncurrent deferred tax liabilities, net	(6,951)	(7,628)
Net deferred taxes	$ (5,185)	$ (5,558)

Notes to Combined Financial Statements of
Louisiana Casino Cruises, Inc. and Penn Cecil Maryland, Inc. (Continued)

(Unaudited)

Note 5—Income Taxes (Continued)

The provision for income taxes charged to operations for the three and six months ended June 30, 2013 and 2012 was as follows:

	Three months ended June 30,		Six months ended June 30,	
	2013	2012	2013	2012
	(in thousands)			
Current tax expense				
Federal	$ 3,047	$ 4,687	$ 4,849	$ 8,928
State	464	1,062	851	2,224
Total current	3,511	5,749	5,700	11,152
Deferred tax (benefit) expense				
Federal	(553)	(581)	(633)	(179)
State	53	(120)	260	(91)
Total deferred	(500)	(701)	(373)	(270)
Total provision	$ 3,011	$ 5,048	$ 5,327	$ 10,882

The following table reconciles the statutory federal income tax rate to the actual effective income tax rate for the three and six months ended June 30, 2013 and 2012:

	Three months ended June 30,		Six months ended June 30,	
	2013	2012	2013	2012
Percent of pretax income				
Federal taxes	35.0%	35.0%	35.0%	35.0%
State and local income taxes	4.4%	4.8%	5.4%	5.1%
Permanent differences	-0.1%	0.1%	0.1%	0.1%
Other miscellaneous items	-0.3%	-0.1%	-0.3%	-0.1%
	39.0%	39.8%	40.2%	40.1%

	Three months ended June 30,		Six months ended June 30,	
	2013	2012	2013	2012
	(in thousands)			
Amount based upon pretax income				
Federal taxes	$ 2,699	$ 4,432	$ 4,634	$ 9,508
State and local income taxes	336	612	722	1,386
Permanent differences	(3)	17	9	16
Other miscellaneous items	(21)	(13)	(38)	(28)
	$ 3,011	$ 5,048	$ 5,327	$ 10,882

The Company has historically been included in the consolidated federal income tax return with Penn and Penn's other subsidiaries. However, the Company computes federal and state income taxes

Notes to Combined Financial Statements of
Louisiana Casino Cruises, Inc. and Penn Cecil Maryland, Inc. (Continued)

(Unaudited)

Note 5—Income Taxes (Continued)

on a separate return basis. Taxes due are settled between the Company and Penn. The Company paid no federal income taxes directly to tax authorities and instead settles all intercompany balances with Penn on a continuing basis. These settlements include, among other things, the share of the federal income taxes allocated by Penn to the Company.

Note 6—Related Party Transactions

Net Advances and Liabilities to Parent and Related Entities

The Company had cumulative net advances of $43.7 million and $43.3 million at June 30, 2013 and December 31, 2012, respectively. These advances are the result of operating cash flows generated by the Company in excess of intercompany allocations such as the management fee agreement (described below). These funds are used by the Company to fund capital improvements, management fees, insurance programs, other miscellaneous charges and certain income tax amounts reclassified from the current taxes payable. There are no stated repayment terms for these other assets.

The Company participates in Penn's property, general liability, workers' compensation, and other insurance programs. The Company's estimated share of these costs, which were allocated directly to the Company by Penn, was $0.7 million and $1.4 million for the three and six months ended June 30, 2013, respectively, as compared to $0.7 million and $1.3 million for the three and six months ended June 30, 2012, respectively.

Management Fee Agreement

The Company has a corporate overhead assessment agreement with Penn, whereby, Penn provides various management services in consideration of a management fee equal to 3% of net revenues. The Company incurred and paid management fees of $1.4 million and $2.7 million for the three and six months ended June 30, 2013, respectively, as compared to $1.8 million and $3.8 million for the three and six months ended June 30, 2012, respectively.

Note 7—Supplemental Disclosures of Cash Flow Information

The Company pays no federal income taxes directly to tax authorities and instead settles all intercompany balances with Penn on a continuing basis. These settlements include, among other things, the share of the income taxes allocated by Penn to the Company. The amounts paid to Penn for the Company's allocated share of federal income taxes was $4.9 million and $6.7 million for the three and six months ended June 30, 2013, respectively, as compared to $3.3 million and $6.6 million for the three and six months ended June 30, 2012, respectively. The Company made state income tax payments of $0.7 million directly to state taxing authorities for the three and six months ended June 30, 2013, as compared to $2.0 million and $2.2 million for the three and six months ended June 30, 2012, respectively.

Note 8—Subsequent Events

Events subsequent to June 30, 2013 were evaluated through August 29, 2013 the date these financial statements were available to be issued and no additional events were identified requiring further disclosure in these financial statements.

Report of Independent Registered Public Accounting Firm

Board of Directors
Penn National Gaming, Inc. and subsidiaries

We have audited the accompanying schedule of real estate assets to be acquired by Gaming and Leisure Properties, Inc. as of December 31, 2012. This schedule is the responsibility of the Company's management. Our responsibility is to express an opinion on this schedule based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the schedule of real estate assets to be acquired by Gaming and Leisure Properties, Inc. is free of material misstatement. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the schedule of real estate assets, assessing the accounting principles used and significant estimates made by management, and evaluating the overall presentation of the schedule. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the schedule referred to above presents fairly, in all material respects, the real estate assets to be acquired by Gaming and Leisure Properties, Inc. at December 31, 2012, in conformity with U.S. generally accepted accounting principles.

/s/ ERNST & YOUNG LLP

Philadelphia, Pennsylvania
May 13, 2013

Schedule of Real Estate Assets to be Acquired by
Gaming and Leisure Properties, Inc.

(in thousands)

	December 31, 2012
Assets	
Land and Buildings, net of accumulated depreciation	$ 2,008,171
Total Assets	$ 2,008,171

See accompanying notes to the schedule of real estate assets to be acquired by
Gaming and Leisure Properties, Inc.

Notes to Schedule of Real Estate Assets to be Acquired by Gaming and Leisure Properties, Inc.

Note 1—Business and Basis of Presentation

Penn National Gaming, Inc. and subsidiaries (collectively, "Penn") is a diversified, multi-jurisdictional owner and manager of gaming and pari-mutuel properties. As of December 31, 2012, Penn owned, managed, or had ownership interests in twenty-nine facilities in the following nineteen jurisdictions: Colorado, Florida, Illinois, Indiana, Iowa, Kansas, Louisiana, Maine, Maryland, Mississippi, Missouri, Nevada, New Jersey, New Mexico, Ohio, Pennsylvania, Texas, West Virginia, and Ontario. On November 15, 2012, Penn announced that it was pursuing plans to separate the majority of its operating assets and real property assets into two publicly traded companies including an operating entity and, through a tax-free spin-off of its real estate assets to holders of its common stock (the "Spin-Off"), a newly formed publicly traded real estate investment trust ("REIT"), subject to required gaming regulatory body approvals.

Gaming and Leisure Properties, Inc., (the "Company" or "GLPI") was incorporated on February 13, 2013 and is currently a wholly-owned subsidiary of Penn that will hold directly or indirectly 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 the Hollywood Casino Baton Rouge and the Hollywood Casino Perryville, in connection with the Spin-Off discussed above. GLPI's primary business following the Spin-Off will consist of acquiring, financing, and owning real estate property to be leased to gaming operators in "triple net" lease arrangements. Initially, GLPI's sole tenant will be a subsidiary of Penn under a master lease agreement (the "Master Lease"). Following the Spin-Off, GLPI will be the first gaming-focused REIT, and expects to grow its portfolio by aggressively pursuing opportunities to acquire additional gaming facilities to lease to gaming operators, which may include Penn. GLPI also anticipates diversifying its portfolio over time, including by acquiring properties outside the gaming industry to lease to third parties.

The accompanying schedule of real estate assets to be acquired by GLPI reflects certain owned real estate of 19 gaming and related facilities that will be acquired by GLPI from Penn prior to the Spin-Off.

Note 2—Summary of Significant Accounting Policies

Basis of Presentation

The accompanying schedule of real estate assets to be acquired by GLPI reflects the assets directly attributable to Penn's real estate holdings to be owned by GLPI, with the exception of the operations of Louisiana Casino Cruises, Inc. and Penn Cecil Maryland, Inc. The schedule of real estate assets to be acquired by GLPI presented herein is combined on the basis of common control. The schedule of real estate assets to be acquired by GLPI is prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP"). The schedule of real estate assets to be acquired by GLPI has been derived from the accounting records of Penn using the historical basis of assets of Penn adjusted as necessary to conform to GAAP. Management believes the assumptions underlying the schedule of real estate assets to be acquired by GLPI are reasonable. However, the schedule of real estate assets to be acquired by GLPI included herein may not necessarily reflect GLPI's financial position in the future or what their financial position would have been had GLPI operated independently of Penn at the date presented.

Notes to Schedule of Real Estate Assets to be Acquired by
Gaming and Leisure Properties, Inc. (Continued)

Note 2—Summary of Significant Accounting Policies (Continued)

Land and Buildings

Land and buildings are stated at historical cost. Maintenance and repairs that neither add materially to the value of the asset nor appreciably prolong its useful life are charged to expense as incurred. Gains or losses on the disposal of property and equipment are included in the determination of income.

Depreciation is recorded using the straight-line method over the following estimated useful lives:

Land improvements	5 to 15 years
Building and improvements	5 to 40 years
Furniture, fixtures, and equipment	3 to 31 years

Leasehold improvements are depreciated over the shorter of the estimated useful life of the improvement or the related lease term.

The estimated useful lives are determined based on the nature of the assets as well as the Company's current operating strategy.

The Company reviews the carrying value of its property and equipment for possible impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable based on undiscounted estimated future cash flows expected to result from its use and eventual disposition. The factors considered by the Company in performing this assessment include current operating results, trends and prospects, as well as the effect of obsolescence, demand, competition and other economic factors. In assessing the recoverability of the carrying value of land and buildings, the Company must make assumptions regarding future cash flows and other factors. If these estimates or the related assumptions change in the future, the Company may be required to record an impairment loss for these assets.

Note 3—Land and Buildings

Land and buildings, net, consists of the following (in thousands):

	December 31, 2012
Land and improvements	$ 385,273
Building and improvements	2,026,028
Total land and building improvements	2,411,301
Less accumulated depreciation	(403,130)
Land and buildings, net	$ 2,008,171

Note 4—Concentration of Credit Risks

Concentrations of credit risks arise when a number of operators, tenants, or obligors related to the Company's investments are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations, including those to the Company, to be similarly affected by changes in economic conditions. Following the Spin-Off, substantially all of the Company's real estate properties will be leased to Penn, and all of

**Notes to Schedule of Real Estate Assets to be Acquired by
Gaming and Leisure Properties, Inc. (Continued)**

Note 4—Concentration of Credit Risks (Continued)

the Company's rental revenues will be derived from the Master Lease. Penn is a publicly traded company and is subject to the informational filing requirements of the Securities and Exchange Act of 1934, as amended, and is required to file periodic reports on Form 10-K and Form 10-Q with the SEC. As of December 31, 2012, Penn, through its subsidiaries, owned, managed or had ownership interests in twenty-nine facilities spread across nineteen jurisdictions. Penn's net revenues were $2.9 billion for the year ended December 31, 2012. Other than the Company's tenant concentration, management believes the current portfolio is reasonably diversified by geographical location and does not contain any other significant concentration of credit risks. The Company's portfolio of nineteen properties is diversified by location across thirteen jurisdictions.

Note 5—Subsequent Events

Events subsequent to December 31, 2012 were evaluated through the date this schedule of real estate assets to be acquired by GLPI was issued and no additional events were identified requiring further disclosure in this schedule of real estate assets to be acquired by GLPI.

**Schedule of Real Estate Assets to be Acquired by
Gaming and Leisure Properties, Inc.**

(in thousands)

	June 30, 2013 (unaudited)	December 31, 2012
Assets		
Land and Buildings, net of accumulated depreciation	$ 2,014,008	$ 2,008,171
Total Assets	$ 2,014,008	$ 2,008,171

See accompanying notes to the schedule of real estate assets to be acquired by
Gaming and Leisure Properties, Inc.

**Notes to Schedule of Real Estate Assets to be Acquired by
Gaming and Leisure Properties, Inc.**

Note 1—Business and Basis of Presentation

Penn National Gaming, Inc. and subsidiaries (collectively, "Penn") is a diversified, multi-jurisdictional owner and manager of gaming and pari-mutuel properties. As of June 30, 2013, Penn owned, managed, or had ownership interests in twenty-nine facilities in the following nineteen jurisdictions: Colorado, Florida, Illinois, Indiana, Iowa, Kansas, Louisiana, Maine, Maryland, Mississippi, Missouri, Nevada, New Jersey, New Mexico, Ohio, Pennsylvania, Texas, West Virginia, and Ontario. On November 15, 2012, Penn announced that it was pursuing plans to separate the majority of its operating assets and real property assets into two publicly traded companies including an operating entity and, through a tax-free spin-off of its real estate assets to holders of its common stock (the "Spin-Off"), a newly formed publicly traded real estate investment trust ("REIT"), subject to required gaming regulatory body approvals.

Gaming and Leisure Properties, Inc., (the "Company" or "GLPI") was incorporated on February 13, 2013 and is currently a wholly-owned subsidiary of Penn that will hold directly or indirectly 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 the Hollywood Casino Baton Rouge and the Hollywood Casino Perryville, in connection with the Spin-Off discussed above. GLPI's primary business following the Spin-Off will consist of acquiring, financing, and owning real estate property to be leased to gaming operators in "triple net" lease arrangements. Initially, GLPI's sole tenant will be a subsidiary of Penn under a master lease agreement (the "Master Lease"). Following the Spin-Off, GLPI will be the first gaming-focused REIT, and expects to grow its portfolio by aggressively pursuing opportunities to acquire additional gaming facilities to lease to gaming operators, which may include Penn. GLPI also anticipates diversifying its portfolio over time, including by acquiring properties outside the gaming industry to lease to third parties.

The accompanying schedule of real estate assets to be acquired by GLPI reflects certain owned real estate of 21 gaming and related facilities that will be acquired by GLPI from Penn prior to the Spin-Off.

Note 2—Summary of Significant Accounting Policies

Basis of Presentation

The accompanying schedule of real estate assets to be acquired by GLPI reflects the assets directly attributable to Penn's real estate holdings to be owned by GLPI, with the exception of the operations of Louisiana Casino Cruises, Inc. and Penn Cecil Maryland, Inc. The schedule of real estate assets to be acquired by GLPI presented herein is combined on the basis of common control. The schedule of real estate assets to be acquired by GLPI is prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP"). The schedule of real estate assets to be acquired by GLPI has been derived from the accounting records of Penn using the historical basis of assets of Penn adjusted as necessary to conform to GAAP. Management believes the assumptions underlying the schedule of real estate assets to be acquired by GLPI are reasonable. However, the schedule of real estate assets to be acquired by GLPI included herein may not necessarily reflect GLPI's financial position in the future or what their financial position would have been had GLPI operated independently of Penn at the date presented.

Notes to Schedule of Real Estate Assets to be Acquired by Gaming and Leisure Properties, Inc. (Continued)

Note 2—Summary of Significant Accounting Policies (Continued)

Land and Buildings

Land and buildings are stated at historical cost. Maintenance and repairs that neither add materially to the value of the asset nor appreciably prolong its useful life are charged to expense as incurred. Gains or losses on the disposal of property and equipment are included in the determination of income.

Depreciation is recorded using the straight-line method over the following estimated useful lives:

Land improvements	5 to 15 years
Building and improvements	5 to 40 years
Furniture, fixtures, and equipment	3 to 31 years

Leasehold improvements are depreciated over the shorter of the estimated useful life of the improvement or the related lease term.

The estimated useful lives are determined based on the nature of the assets as well as the Company's current operating strategy.

The Company reviews the carrying value of its property and equipment for possible impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable based on undiscounted estimated future cash flows expected to result from its use and eventual disposition. The factors considered by the Company in performing this assessment include current operating results, trends and prospects, as well as the effect of obsolescence, demand, competition and other economic factors. In assessing the recoverability of the carrying value of land and buildings, the Company must make assumptions regarding future cash flows and other factors. If these estimates or the related assumptions change in the future, the Company may be required to record an impairment loss for these assets.

Note 3—Land and Buildings

Land and buildings, net, consists of the following (in thousands):

	June 30, 2013 (unaudited)	December 31, 2012
Land and improvements	$ 382,828	$ 385,273
Building and improvements	2,080,370	2,026,028
Total land and building improvements	2,463,198	2,411,301
Less accumulated depreciation	(449,190)	(403,130)
Land and buildings, net	$ 2,014,008	$ 2,008,171

Note 4—Concentration of Credit Risks

Concentrations of credit risks arise when a number of operators, tenants, or obligors related to the Company's investments are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations, including those to the Company, to be similarly affected by changes in economic conditions. Following

Notes to Schedule of Real Estate Assets to be Acquired by Gaming and Leisure Properties, Inc. (Continued)

Note 4—Concentration of Credit Risks (Continued)

the Spin-Off, substantially all of the Company's real estate properties will be leased to Penn, and all of the Company's rental revenues will be derived from the Master Lease. Penn is a publicly traded company and is subject to the informational filing requirements of the Securities and Exchange Act of 1934, as amended, and is required to file periodic reports on Form 10-K and Form 10-Q with the SEC. As of June 30, 2013, Penn, through its subsidiaries, owned, managed or had ownership interests in twenty-nine facilities spread across nineteen jurisdictions. Penn's net revenues were $1.56 billion for the six-month period ended June 30, 2013, and $2.90 billion for the year ended December 31, 2012. Other than the Company's tenant concentration, management believes the current portfolio is reasonably diversified by geographical location and does not contain any other significant concentration of credit risks. The Company's portfolio of nineteen properties is diversified by location across thirteen jurisdictions.

Note 5—Subsequent Events

Events subsequent to June 30, 2013 were evaluated through August 29, 2013 the date this schedule of real estate assets to be acquired by GLPI was made available to be issued and no additional events were identified requiring further disclosure in this schedule of real estate assets to be acquired by GLPI.

Report of Independent Registered Public Accounting Firm

Board of Directors
Penn National Gaming, Inc. and subsidiaries

We have audited the accompanying consolidated balance sheet of Gaming and Leisure Properties, Inc. as of March 31, 2013. This balance sheet is the responsibility of the Company's management. Our responsibility is to express an opinion on this balance sheet based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. We were not engaged to perform an audit of the Company's internal controls over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the balance sheet, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated balance sheet referred to above presents fairly, in all material respects, the consolidated financial position of Gaming and Leisure Properties, Inc. at March 31, 2013, in conformity with U.S. generally accepted accounting principles.

/s/ ERNST & YOUNG LLP

Philadelphia, Pennsylvania
May 13, 2013

Gaming and Leisure Properties, Inc.

Consolidated Balance Sheet

March 31, 2013

(amounts in thousands, except share data)

Assets	
Cash	$ —
Total assets	$ —
Shareholder's Equity	
Common stock, $0.01 par value, 1,000 shares authorized, issued and outstanding	$ —
Additional paid capital	—
Total shareholder's equity	$ —

See accompanying notes to the consolidated balance sheet.

Gaming and Leisure Properties, Inc.

Notes to the Consolidated Balance Sheet

Note 1—Organization and Operations

Gaming and Leisure Properties, Inc., (the "Company" or "GLPI") is a newly formed Pennsylvania corporation that was incorporated on February 13, 2013 and is a wholly-owned subsidiary of Penn National Gaming, Inc. ("Penn") that will hold directly or indirectly 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 the Hollywood Casino Baton Rouge and the Hollywood Casino Perryville, in connection with their proposed spin-off (the "Spin-Off"). GLPI's primary business following the Spin-Off will consist of acquiring, financing, and owning real estate property to be leased to gaming operators in "triple net" lease arrangements. Initially, GLPI's sole tenant will be a subsidiary of Penn under a master lease agreement (the "Master Lease"). Following the Spin-Off, GLPI will be the first gaming-focused REIT, and expects to grow its portfolio by aggressively pursuing opportunities to acquire additional gaming facilities to lease to gaming operators, which may include Penn. GLPI also anticipates diversifying its portfolio over time, including by acquiring properties outside the gaming industry to lease to third parties.

Penn's plan to separate its real estate assets from its operating assets consists of the following key transactions:

- Reorganizing, through a series of internal corporate restructurings, such that:
  - Substantially all of Penn's owned real property at its casino operations will be held by GLPI; and
  - all of Penn's operations and other assets and liabilities will continue to be held by Penn;
- To govern their ongoing relationship, Penn and GLPI or their respective subsidiaries, as applicable, will enter into certain agreements on or prior to the Spin-Off. These agreements include: (i) a separation and distribution agreement, providing for certain organizational matters, the mechanics related to the Spin-Off as well as other ongoing obligations of Penn and GLPI, (ii) the Master Lease pursuant to which GLP Capital, L.P., as landlord, will lease to a subsidiary of Penn, as tenant, the assets related to the business of Penn, excluding Hollywood Casino Baton Rouge and Hollywood Casino Perryville (the "TRS Properties"), (iii) an agreement relating to tax matters, (iv) an agreement pursuant to which Penn will provide certain services to GLPI on a transitional basis and (v) an agreement relating to employee matters;
- For every share of Penn common stock and every 1/1,000th of a share of Penn Series C preferred stock that are owned by its shareholders on the record date, Penn will distribute one share of common stock of GLPI on the distribution date. Peter M. Carlino will exchange (i) shares of Penn common stock for shares of GLPI common stock prior to the Spin-Off and (ii) options to acquire Penn common stock for options to acquire GLPI common stock following the Spin-Off; and
- GLPI electing and qualifying to be taxed as a REIT for U.S. federal income tax purposes, which GLPI currently expects to occur commencing with its taxable year beginning on January 1, 2014.

With the exception of any earnings generated from the Company's taxable REIT subsidiaries, the Company generally will not be subject to U.S. federal income taxes on its taxable income to the extent that it annually distributes at least 90% of its taxable income to shareholders and maintains its intended qualification as a REIT.

Gaming and Leisure Properties, Inc.

Notes to the Consolidated Balance Sheet (Continued)

Note 2—Summary of Significant Accounting Policies

Basis of Presentation

The accompanying consolidated balance sheet of GLPI has been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP").

Use of Estimates

The preparation of the consolidated balance sheet in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts reported in the balance sheet and related notes. Actual results could differ from those estimates.

Summary of Significant Accounting Policies

Property and Equipment

Property and equipment are stated at historical cost. Maintenance and repairs that neither add materially to the value of the asset nor appreciably prolong its useful life are charged to expense as incurred. Gains or losses on the disposal of property and equipment are included in the determination of income.

Depreciation of property and equipment is recorded using the straight-line method over the following estimated useful lives:

Land improvements	5 to 15 years
Building and improvements	5 to 40 years
Furniture, fixtures, and equipment	3 to 31 years

Leasehold improvements are depreciated over the shorter of the estimated useful life of the improvement or the related lease term.

The estimated useful lives are determined based on the nature of the assets as well as the Company's current operating strategy.

The Company reviews the carrying value of its property and equipment for possible impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable based on undiscounted estimated future cash flows expected to result from its use and eventual disposition. The factors considered by the Company in performing this assessment include current operating results, trends and prospects, as well as the effect of obsolescence, demand, competition and other economic factors. In estimating expected future cash flows for determining whether an asset is impaired, assets are grouped at the individual property level. In assessing the recoverability of the carrying value of property and equipment, the Company must make assumptions regarding future cash flows and other factors. If these estimates or the related assumptions change in the future, the Company may be required to record an impairment loss for these assets.

Cash and Cash Equivalents

The Company considers all cash balances and highly liquid investments with original maturities of three months or less to be cash and cash equivalents.

Gaming and Leisure Properties, Inc.

Notes to the Consolidated Balance Sheet (Continued)

Note 3—Subsequent Events

Events subsequent to March 31, 2013 were evaluated through the date this consolidated balance sheet was issued and no additional events were identified requiring further disclosure in this consolidated balance sheet.

Gaming and Leisure Properties, Inc.

Consolidated Balance Sheets

(amounts in thousands, except share data)

	June 30, 2013 (unaudited)	March 31, 2013
Assets		
Cash	$ —	$ —
Total assets	$ —	$ —
Shareholder's Equity		
Common stock, $0.01 par value, 1,000 shares authorized, issued and outstanding	$ —	$ —
Additional paid capital	—	$ —
Total shareholder's equity	$ —	$ —

See accompanying notes to the consolidated balance sheets.

Gaming and Leisure Properties, Inc.

Notes to the Consolidated Balance Sheets

Note 1—Organization and Operations

Gaming and Leisure Properties, Inc., (the "Company" or "GLPI") is a newly formed Pennsylvania corporation that was incorporated on February 13, 2013 and is a wholly-owned subsidiary of Penn National Gaming, Inc. ("Penn") that will hold directly or indirectly 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 the Hollywood Casino Baton Rouge and the Hollywood Casino Perryville, in connection with their proposed spin-off (the "Spin-Off"). GLPI's primary business following the Spin-Off will consist of acquiring, financing, and owning real estate property to be leased to gaming operators in "triple net" lease arrangements. Initially, GLPI's sole tenant will be a subsidiary of Penn under a master lease agreement (the "Master Lease"). Following the Spin-Off, GLPI will be the first gaming-focused REIT, and expects to grow its portfolio by aggressively pursuing opportunities to acquire additional gaming facilities to lease to gaming operators, which may include Penn. GLPI also anticipates diversifying its portfolio over time, including by acquiring properties outside the gaming industry to lease to third parties.

Penn's plan to separate its real estate assets from its operating assets consists of the following key transactions:

- Reorganizing, through a series of internal corporate restructurings, such that:
  - Substantially all of Penn's owned real property at its casino operations will be held by GLPI; and
  - all of Penn's operations and other assets and liabilities will continue to be held by Penn;
- To govern their ongoing relationship, Penn and GLPI or their respective subsidiaries, as applicable, will enter into certain agreements on or prior to the Spin-Off. These agreements include: (i) a separation and distribution agreement, providing for certain organizational matters, the mechanics related to the Spin-Off as well as other ongoing obligations of Penn and GLPI, (ii) the Master Lease pursuant to which GLP Capital, L.P., as landlord, will lease to a subsidiary of Penn, as tenant, the assets related to the business of Penn, excluding Hollywood Casino Baton Rouge and Hollywood Casino Perryville (the "TRS Properties"), (iii) an agreement relating to tax matters, (iv) an agreement pursuant to which Penn will provide certain services to GLPI on a transitional basis and (v) an agreement relating to employee matters;
- For every share of Penn common stock and every 1/1,000th of a share of Penn Series C preferred stock that are owned by its shareholders on the record date, Penn will distribute one share of common stock of GLPI on the distribution date. Peter M. Carlino will exchange (i) shares of Penn common stock for shares of GLPI common stock prior to the Spin-Off and (ii) options to acquire Penn common stock for options to acquire GLPI common stock following the Spin-Off; and
- GLPI electing and qualifying to be taxed as a REIT for U.S. federal income tax purposes, which GLPI currently expects to occur commencing with its taxable year beginning on January 1, 2014.

With the exception of any earnings generated from the Company's taxable REIT subsidiaries, the Company generally will not be subject to U.S. federal income taxes on its taxable income to the extent that it annually distributes at least 90% of its taxable income to shareholders and maintains its intended qualification as a REIT.

Gaming and Leisure Properties, Inc.

Notes to the Consolidated Balance Sheets (Continued)

Note 2—Summary of Significant Accounting Policies

Basis of Presentation

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Use of Estimates

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The Company reviews the carrying value of its property and equipment for possible impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable based on undiscounted estimated future cash flows expected to result from its use and eventual disposition. The factors considered by the Company in performing this assessment include current operating results, trends and prospects, as well as the effect of obsolescence, demand, competition and other economic factors. In estimating expected future cash flows for determining whether an asset is impaired, assets are grouped at the individual property level. In assessing the recoverability of the carrying value of property and equipment, the Company must make assumptions regarding future cash flows and other factors. If these estimates or the related assumptions change in the future, the Company may be required to record an impairment loss for these assets.

Cash and Cash Equivalents

The Company considers all cash balances and highly liquid investments with original maturities of three months or less to be cash and cash equivalents.

Gaming and Leisure Properties, Inc.

Notes to the Consolidated Balance Sheets (Continued)

Note 3—Subsequent Events

Events subsequent to June 30, 2013 were evaluated through August 29, 2013, the date this consolidated balance sheet was available to be issued and no additional events were identified requiring further disclosure in this consolidated balance sheet.

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 31. Other Expenses of Issuance and Distribution

The following is a statement of the expenses estimated to be incurred by the Registrant in connection with the distribution of the securities registered under this Registration Statement:

Item	Amount
SEC Registration Fee	$ 366,143
Printing Fees and Expenses	$
NASDAQ Listing Fee	$
Legal Fees and Expenses	$
Accounting Fees and Expenses	$
Miscellaneous	$
Total	$

Item 32. Sales to Special Parties

On February 13, 2013, in connection with the initial capitalization of GLPI, we issued 1,000 shares of our common stock to CRC Holdings, Inc., a wholly-owned subsidiary of Penn for an aggregate purchase price of $10. CRC Holdings, Inc. will not hold these shares following the Spin-Off.

Item 33. Recent Sales of Unregistered Securities

On February 13, 2013, in connection with the initial capitalization of GLPI, we issued 1,000 shares of our common stock to CRC Holdings, Inc., a wholly-owned subsidiary of Penn for an aggregate purchase price of $10. CRC Holdings, Inc. will not hold these shares following the Spin-Off.

Item 34. Indemnification of Directors and Officers

Sections 1741 through 1750 of Subchapter D, Chapter 17, of the PBCL, contain provisions for mandatory and discretionary indemnification of a corporation's directors, officers and other personnel, and related matters. As described below, we intend to indemnify our directors, officers and other such personnel to the fullest extent permitted by the PBCL.

Our charter and bylaws require us to indemnify any person against all liability, loss and expense (including attorneys' fees, judgments, fines and amounts paid in settlement) actually and reasonably incurred by such person by reason of the fact that he is or was a director or officer of GLPI, or is or was serving at our request as a director or officer of another corporation or of a partnership, joint venture, trust or other enterprise or entity, including service with respect to an employee benefit plan, its participants or beneficiaries, to the full extent permitted by applicable law. Pennsylvania law permits us to provide similar indemnification to our employees and agents who are not directors or officers. The determination of whether an individual meets the applicable standard of conduct may be made by the disinterested directors, independent legal counsel or the shareholders. Pennsylvania law also permits indemnification in connection with a proceeding brought by us or in our right to procure a judgment in our favor. Insofar as indemnification for liabilities arising under the Securities Act of may be permitted to directors, officers, or persons controlling us pursuant to the foregoing provisions, we have been informed that in the opinion of the SEC such indemnification is against public policy as expressed in that Act and is therefore unenforceable.

We purchase and maintain insurance on behalf of any person who is or was a director or officer of GLPI or an employee or agent of GLPI, against any liability asserted against such person and incurred

by him or her in any such capacity, or arising out of his or her status as such, whether or not we would have the power to indemnify him or her against that liability. Accordingly, we maintain directors' and officers' liability insurance to provide directors and officers with insurance coverage for losses, including those that arise from claims based on breaches of duty, negligence, error and other wrongful acts and for violations with respect to the Securities Act.

Item 35. Treatment of Proceeds from Stock Being Registered

Not applicable.

Item 36. Financial Statements and Exhibits

(a) Financial Statements: See Index to Financial Statements.

(b) Exhibits: See Exhibit Index.

Item 37. Undertakings

The undersigned Registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

(i) To include any prospectus required by Section 10(a)(3) of the Securities Act of 1933;

(ii) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than a 20% change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement;

(iii) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement.

(2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial *bona fide* offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(4) That, for the purpose of determining liability of the registrant under the Securities Act of 1933 to any purchaser in the initial distribution of the securities:

The undersigned registrant undertakes that in a primary offering of securities of the undersigned registrant pursuant to this registration statement, regardless of the underwriting method used to sell the securities to the purchaser, if the securities are offered or sold to such purchaser by means of any of

the following communications, the undersigned registrant will be a seller to the purchaser and will be considered to offer or sell such securities to such purchaser:

(i) Any preliminary prospectus or prospectus of the undersigned registrant relating to the offering required to be filed pursuant to Rule 424;

(ii) Any free writing prospectus relating to the offering prepared by or on behalf of the undersigned registrant or used or referred to by the undersigned registrant;

(iii) The portion of any other free writing prospectus relating to the offering containing material information about the undersigned registrant or its securities provided by or on behalf of the undersigned registrant; and

(iv) Any other communication that is an offer in the offering made by the undersigned registrant to the purchaser.

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-11 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Wyomissing, Commonwealth of Pennsylvania, on September 23, 2013.

GAMING AND LEISURE PROPERTIES, INC.

By: /s/ PETER M. CARLINO

Peter M. Carlino
Chairman of the Board and Chief Executive Officer

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
/s/ PETER M. CARLINO Peter M. Carlino	Chief Executive Officer and Director (Principal Executive Officer)	September 23, 2013
/s/ WILLIAM J. CLIFFORD William J. Clifford	Chief Financial Officer (Principal Financial and Accounting Officer)	September 23, 2013

INDEX TO EXHIBITS

Exhibit	Description
2.1	Form of Separation and Distribution Agreement by and among Penn National Gaming, Inc. and Gaming and Leisure Properties, Inc.**
3.1	Form of Amended and Restated Certificate of Incorporation of Gaming and Leisure Properties, Inc.***
3.2	Form of Amended and Restated Bylaws of Gaming and Leisure Properties, Inc.***
5.1	Opinion of Pepper Hamilton LLP regarding the legality of the securities being issued*
8.1	Opinion of Wachtell, Lipton, Rosen & Katz regarding tax matters*
10.1	Form of Master Lease Agreement among GLP Capital, L.P. and Penn Tenant, LLC***
10.2	Form of Tax Matters Agreement among Penn National Gaming, Inc. and Gaming and Leisure Properties, Inc.**
10.3	Form of Transition Services Agreement among Penn National Gaming, Inc. and Gaming and Leisure Properties, Inc.***
10.4	Form of Employee Matters Agreement among Penn National Gaming, Inc. and Gaming and Leisure Properties, Inc.**
10.5	2013 Long Term Incentive Compensation Plan of Gaming and Leisure Properties, Inc.**
21.1	Subsidiaries of Gaming and Leisure Properties, Inc.**
23.1	Consent of Ernst & Young LLP**
23.2	Consent of Pepper Hamilton LLP (included in Exhibit 5.1)*
23.3	Consent of Wachtell, Lipton, Rosen & Katz (included in Exhibit 8.1)*
23.4	Consent of Duff & Phelps, LLC**
24.1	Power of Attorney (included in signature page)***
99.1	Consent of Wesley R. Edens to being named as a prospective director***
99.2	Consent of David A. Handler to being named as a prospective director***
99.3	Consent of E. Scott Urdang to being named as a prospective director***
99.4	Consent of Joseph W. Marshall, III to being named as a prospective director***

* To be filed by amendment

** Filed herewith

*** Previously filed

Exhibit 2.1

SEPARATION AND DISTRIBUTION AGREEMENT

BY AND BETWEEN

PENN NATIONAL GAMING, INC.

AND

GAMING AND LEISURE PROPERTIES, INC.

Dated [·], 2013

ARTICLE I DEFINITIONS		2
1.1	Certain Definitions	2
ARTICLE II THE REORGANIZATION		11
2.1	Transfer of Assets; Assumption of Liabilities	11
2.2	GLPI Assets	12
2.3	GLPI Liabilities	13
2.4	Transfer of Assets and Assumption of Liabilities from and after the Effective Time	14
2.5	Approvals and Notifications	14
2.6	Responsibility for GLPI Liabilities Retained by Penn	16
2.7	Disclaimer of Representations and Warranties	16
ARTICLE III THE DISTRIBUTION		17
3.1	Actions on or Prior to the Distribution Date	17
3.2	Conditions Precedent to Distribution	18
3.3	The Distribution	20
ARTICLE IV ACCESS TO INFORMATION		20
4.1	Agreement for Exchange of Information	20
4.2	Ownership of Information	21
4.3	Compensation for Providing Information	21
4.4	Record Retention	21
4.5	Liability	21
4.6	Other Agreements Providing for Exchange of Information	22
4.7	Production of Witnesses; Records; Cooperation	22
4.8	Privileged Matters	23
ARTICLE V RELEASE AND INDEMNIFICATION		24
5.1	Release of Pre-Distribution Claims	24
5.2	General Indemnification by GLPI	26
5.3	General Indemnification by Penn	26
5.4	Disclosure Indemnification	26
5.5	Contribution	26
5.6	Indemnification Obligations Net of Insurance Proceeds and Other Amounts	27

5.7 Procedures for Indemnification of Third Party Claims 27

5.8 Tax Procedures 29

5.9 Additional Matters 30

5.10 Remedies Cumulative; Limitations of Liability 31

5.11 Survival of Indemnities 32

ARTICLE VI OTHER AGREEMENTS 32

6.1 Further Assurances 32

6.2 Confidentiality 33

6.3 Insurance Matters 34

6.4 Allocation of Costs and Expenses 36

6.5 Litigation; Cooperation 36

6.6 Tax Matters 37

6.7 Employment Matters 37

6.8 Intellectual Property Matters 38

6.9 Compliance with Legal Requirements 41

ARTICLE VII DISPUTE RESOLUTION 41

7.1 General Provisions 41

7.2 Arbitration 41

ARTICLE VIII MISCELLANEOUS 43

8.1 Corporate Power 43

8.2 Governing Law; Jurisdiction 43

8.3 Survival of Covenants 43

8.4 Force Majeure 44

8.5 Notices 44

8.6 Termination 45

8.7 Severability 45

8.8 Entire Agreement 45

8.9 Assignment; No Third-Party Beneficiaries 45

8.10 Public Announcements 46

8.11 Specific Performance 46

8.12 Amendment 46

8.13 Rules of Construction 46

8.14 Counterparts 47

EXHIBITS

A Form of Transition Services Agreement

B Form of Tax Matters Agreement

C	Form of Employee Matters Agreement
D	Form of Amended and Restated Articles of Incorporation
E	Form of Amended and Restated Bylaws

SCHEDULES

Schedule 1.1(a)	GLPI Contracts
Schedule 2.1(a)	Plan of Reorganization
Schedule 2.2(a)(iv)	GLPI Assets
Schedule 2.2(b)	Penn Assets
Schedule 2.3(a)	GLPI Liabilities
Schedule 6.1(a)	Further Assurances
Schedule 6.4	Allocation of Certain Costs and Expenses
Schedule 6.5(a)	Assumed Actions
Schedule 6.5(b)	Transferred Actions
Schedule 6.8	Licensed Intellectual Property, Licensed Marks and TRS Properties
Schedule 6.9	Legal Requirements

SEPARATION AND DISTRIBUTION AGREEMENT

This SEPARATION AND DISTRIBUTION AGREEMENT, dated as of [·], 2013 (this "Agreement"), is by and between Penn National Gaming, Inc., a Pennsylvania corporation ("Penn"), and Gaming and Leisure Properties, Inc., a Pennsylvania corporation ("GLPI").

W I T N E S S E T H:

WHEREAS, the board of directors of Penn has determined that it is in the best interests of Penn to create and distribute the stock of a new publicly traded company which shall operate the GLPI Business, and such distribution is motivated, in substantial part, by the purpose of facilitating strategic expansion opportunities for the property ownership and development business of Penn by providing GLPI with the ability to (i) pursue transactions with gaming operators that compete with Penn that would not pursue transactions with Penn, (ii) diversify into different businesses in which Penn, as a practical matter, could not diversify, (iii) pursue certain transactions that Penn otherwise would be disadvantaged by or precluded from pursuing due to regulatory constraints, and (iv) fund acquisitions with its equity on significantly more favorable terms than those that would be available to Penn;

WHEREAS, GLPI has been incorporated solely for these purposes and has not engaged in activities except in preparation for its corporate reorganization and the distribution of its stock;

WHEREAS, the board of directors of Penn and the board of directors of GLPI have approved the transfer by Penn and its Subsidiaries of the GLPI Assets to GLPI and its Subsidiaries in actual or constructive exchange for (i) the assumption by GLPI and certain of its Subsidiaries of the GLPI Liabilities, (ii) the issuance by GLPI to Penn or its Subsidiaries of shares of the common stock, par value one one-hundredth of one dollar ($0.01) per share, of GLPI (the "GLPI Common Stock"), and (iii) the distribution by GLPI, directly or indirectly, to Penn of the GLPI Cash Payment, all as more fully described in this Agreement and the other Transaction Documents (together with certain related transactions, the "Reorganization");

WHEREAS, the board of directors of Penn has further approved the distribution (the "Spin-Off") of all of the issued and outstanding shares of GLPI Common Stock to the holders of the issued and outstanding common shares, par value one one-hundredth of one dollar ($0.01) per share, of Penn (the "Penn Common Shares") and the holders of Series C Convertible Preferred Stock ("Series C") as of the close of business on the Record Date;

WHEREAS, Peter M. Carlino will receive additional shares of GLPI Common Stock in exchange for Penn Common Shares that he will transfer to Penn immediately prior to the Spin-Off (together with the Spin-Off, the "Distribution");

WHEREAS, GLPI has filed with the SEC the Form S-11, which sets forth disclosure concerning GLPI and the Distribution;

WHEREAS, in connection with the Distribution, Penn and GLPI have entered into the Financing Arrangements;

WHEREAS, for U.S. federal income tax purposes, certain aspects of the Reorganization and the Distribution, together with certain related transactions, are intended to qualify for tax-free treatment under Sections 355 and 368(a)(1)(D) of the Code;

WHEREAS, Penn has received a private letter ruling from the IRS to the effect that, among other things, (i) certain aspects of the Reorganization and the Distribution, together with certain related transactions, qualify as a transaction (a) that is described in Sections 355 and 368(a)(1)(D) of the Code, (b) in which the GLPI Common Stock distributed is "qualified property" under Section 361(c) of the Code and (c) in which the holders of Penn Common Shares recognize no income or gain for U.S. federal income tax purposes under Section 355 of the Code and (ii) certain other steps of the Plan of Reorganization qualify as transactions that are described in Sections 355(a) and 368(a)(1)(D) of the Code (the "Private Letter Ruling");

WHEREAS, this Agreement is intended to be, and is hereby adopted as, a "plan of reorganization" within the meaning of Treas. Reg. 1.368-2(g); and

WHEREAS, it is appropriate and desirable to set forth the principal corporate transactions required to effect the Reorganization and the Distribution and to set forth certain other agreements that will, following the Distribution, govern certain matters relating to the Reorganization and the

Distribution and the relationship of Penn, GLPI and their respective Subsidiaries.

NOW, THEREFORE, in consideration of the premises and the representations, warranties, covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, the parties hereby agree as follows:

ARTICLE I

DEFINITIONS

1.1 Certain Definitions. For purposes of this Agreement, the following terms shall have the meanings specified in this Section 1.1:

"Action" means any demand, action, claim, dispute, suit, countersuit, arbitration, inquiry, subpoena, proceeding or investigation of any nature (whether criminal, civil, legislative, administrative, regulatory, prosecutorial or otherwise) by or before any federal, state, local, foreign or international Governmental Authority or any arbitration or mediation tribunal.

"Affiliate" (including, with a correlative meaning, "affiliated") means, when used with respect to a specified Person, a Person that directly or indirectly, through one (1) or more intermediaries, controls, is controlled by or is under common control with such specified Person. For the purpose of this definition and the definitions of "GLPI Group" and "Penn Group," "control" (including with correlative meanings, "controlled by" and "under common control with"), when used with respect to any specified Person shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities or other interests, by contract, agreement, obligation, indenture, instrument, lease, promise, arrangement, release, warranty,

commitment, undertaking or otherwise. It is expressly agreed that, from and after the Effective Time and for purposes of this Agreement and the other Transaction Documents, no member of the GLPI Group shall be deemed to be an Affiliate of any member of the Penn Group, and no member of the Penn Group shall be deemed to be an Affiliate of any member of the GLPI Group.

"Agreement" has the meaning set forth in the Recitals.

"Amended and Restated Articles of Incorporation" has the meaning set forth in Section 3.2(m).

"Amended and Restated Bylaws" has the meaning set forth in Section 3.2(m).

"Approvals or Notifications" means any consents, waivers, approvals, permits or authorizations to be obtained from, notices, registrations or reports to be submitted to, or other filings to be made with, any third Person, including any Governmental Authority.

"Assets" means, with respect to any Person, the assets, properties, claims and rights (including goodwill) of such Person, wherever located (including in the possession of vendors or other third Persons or elsewhere), of every kind, character and description, whether real, personal or mixed, tangible, intangible or contingent, in each case whether or not recorded or reflected or required to be recorded or reflected on the books and records or financial statements of such Person, including the following:

(a) all accounting and other books, records and files whether in paper, microfilm, microfiche, computer tape or disc, magnetic tape, electronic or any other form and including all architectural, structural, service manuals, engineering and mechanical plans, electrical, soil, wetlands, environmental, and similar reports, studies and audits in a Person's possession or control;

(b) all office, hotel, casino, barge, showroom, restaurant, bar, convention, meeting and other furniture, furnishings, fittings, appliances, equipment, equipment manuals, slot machines, gaming tables and gaming paraphernalia (including parts or inventories thereof), passenger/delivery vehicles, computer hardware and IT hardware systems, reservations terminals, software, point of sale equipment, two-way security radios and base station, machinery, spare parts, apparatus, appliances, draperies, art work, carpeting, keys, building materials, telephones and other communications equipment, televisions, maintenance equipment, tools, signs and signage, office supplies, engineering, maintenance and cleaning supplies and other supplies of all kinds, stationery and printing, linens (sheets, towels, blankets, napkins), uniforms, silverware, glassware, chinaware, pots, pans and utensils, and food, beverage, alcoholic beverage inventories and all other articles of tangible personal property;

(c) all interests in Real Property;

(d) (i) all interests in any capital stock or other equity interests of any Subsidiary or any other Person, (ii) all bonds, notes, debentures or other securities issued by any Subsidiary or any other Person, (iii) all loans, advances or other extensions of credit or capital

contributions to any Subsidiary or any other Person and (iv) all other investments in securities of any Person;

(e) all license agreements, leases of personal property, supplies, parts or services and other contracts, agreements or commitments;

(f) all deposits, letters of credit and performance and surety bonds;

(g) all written (including in electronic form) or oral technical information, data, specifications, research and development information, engineering drawings and specifications, operating and maintenance manuals, and materials and analyses prepared by consultants and other third Persons;

(h) all Intellectual Property and Technology;

(i) all Software;

(j) all cost information, sales data, customer lists, markers, supplier records, customer and supplier lists, customer and vendor data, correspondence and lists, product data and literature, artwork, design, formulations and specifications, bookings, contracts, reservations, advertising, marketing and promotional materials, telephone numbers, quality records and reports and other books, records, studies, surveys, reports, plans and documents;

(k) all prepaid expenses, trade accounts and other accounts and notes receivable;

(l) all rights under contracts or agreements, all claims or rights against any Person arising from the ownership of any Asset, all rights in connection with any bids or offers and all claims, choses in action or similar rights, whether accrued or contingent;

(m) all rights under insurance policies and all rights in the nature of insurance, indemnification or contribution;

(n) all licenses, permits, approvals and authorizations which have been issued by any Governmental Authority;

(o) all cash or cash equivalents, bank accounts, lock boxes and other deposit arrangements; and

(p) all interest rate, currency, commodity or other swap, collar, cap or other hedging or similar agreements or arrangements.

"Assumed Actions" has the meaning set forth in Section 6.5(a).

"Code" means the Internal Revenue Code of 1986, as amended.

"CPR" means the International Institute for Conflict Prevention & Resolution.

"CPR Arbitration Rules" has the meaning set forth in Section 7.2(a).

"Disclosure Documents" means any registration statement (including the Form S-11) filed with the SEC by or on behalf of any party or any of its controlled Affiliates, and also includes any information statement, prospectus, offering memorandum, offering circular, periodic report or similar disclosure document, whether or not filed with the SEC or any other Governmental Authority, in each case which describes the Reorganization or the GLPI Group or primarily relates to the transactions contemplated hereby.

"Dispute" has the meaning set forth in Section 7.1(a).

"Distribution" has the meaning set forth in the Recitals.

"Distribution Agent" means [·].

"Distribution Date" means [·], or such other time as determined by Penn in accordance with Section 3.3(b).

"Effective Time" means the time at which the Distribution occurs on the Distribution Date, which shall be deemed to be 12:01 a.m., New York City Time, on the Distribution Date.

"Employee Matters Agreement" means the Employee Matters Agreement in substantially the form attached hereto as Exhibit C, to be entered into by and between Penn and GLPI on or prior to the Distribution Date.

"Environmental Law" means any Law relating to pollution, protection or restoration of or prevention of harm to the environment or natural resources, including the use, handling, transportation, treatment, storage, disposal, release or discharge of Hazardous Materials or the protection of or prevention of harm to human health and safety.

"Exchange Act" means the United States Securities Exchange Act of 1934, as amended, and the rules and regulations of the SEC thereunder, all as the same shall be in effect at the time that reference is made.

"Financing Arrangements" has the meaning set forth in Section 3.2(j).

"Force Majeure" means, with respect to a party, an event beyond the control of such party (or any Person acting on its behalf), which by its nature could not reasonably have been foreseen by such party (or such Person), or, if it could have reasonably been foreseen, was unavoidable, and includes acts of God, storms, floods, riots, fires, sabotage, civil commotion or civil unrest, interference by civil or military authorities, acts of war (declared or undeclared) or armed hostilities or other national or international calamity or one (1) or more acts of terrorism or failure of energy sources. Notwithstanding the foregoing, the receipt by a party of an unsolicited takeover offer or other acquisition proposal, even if unforeseen or unavoidable, and such party's response thereto shall not be deemed an event of Force Majeure.

"Form S-11" means the registration statement on Form S-11 filed by GLPI with the SEC to effect the registration of GLPI Common Stock pursuant to the Securities Act in

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connection with the Distribution, as such registration statement may be amended or supplemented from time to time prior to the Effective Time.

"GLPI" has the meaning set forth in the Recitals.

"GLPI Assets" has the meaning set forth in Section 2.2(a).

"GLPI Balance Sheet" has the meaning set forth in Section 3.1(c).

"GLPI Business" means the business of owning or leasing the GLPI Real Property and owning and operating the GLPI Subsidiaries, provided, for the avoidance of doubt, that the GLPI Business shall not include the business of operating any casinos, racetracks or other facilities located at the GLPI Real Property other than the TRS Properties.

"GLPI Cash Payment" has the meaning set forth in Section 3.2(j).

"GLPI Common Stock" has the meaning set forth in the Recitals.

"GLPI Confidential Information" has the meaning set forth in Section 6.2(a).

"GLPI Contracts" means any contract, agreement, arrangement, commitment or understanding listed or described on Schedule 1.1(a) (or any applicable licenses, leases, addenda and similar arrangements thereunder as described on Schedule 1.1(a)) and any other contract, agreement, arrangement, commitment or understanding, whether or not in writing, that relates primarily to the GLPI Business.

"GLPI Disqualifying Action" has the meaning set forth in the Tax Matters Agreement.

"GLPI Group" means GLPI, each Subsidiary of GLPI and each other Person that is controlled directly or indirectly by GLPI, in each case immediately after the Effective Time; provided, however, that no director, officer, employee, agent or other representative of any of the foregoing who is a natural person shall be deemed to be a member of the GLPI Group.

"GLPI Indemnified Parties" has the meaning set forth in Section 5.3.

"GLPI Liabilities" has the meaning set forth in Section 2.3(a).

"GLPI Subsidiaries" means the entities intended to become Subsidiaries of GLPI in the Reorganization pursuant to the Plan of Reorganization.

"Governmental Authority" means any nation or government, any state, municipality or other political subdivision thereof, and any entity, body, agency, commission, department, board, bureau, court, tribunal or other instrumentality, whether federal, state, local, domestic, foreign or multinational, exercising executive, legislative, judicial, regulatory, administrative or other similar functions of, or pertaining to, government and any executive official thereof.

"Group" means the Penn Group or the GLPI Group, as the context requires.

"Hazardous Materials" means any chemical, material, substance, waste, pollutant, emission, discharge, release or contaminant that could result in liability under, or that is prohibited, limited or regulated by or pursuant to, any Environmental Law, and any natural or artificial substance (whether solid, liquid or gas, noise, ion, vapor or electromagnetic) which could cause harm to human health or the environment, including petroleum, petroleum products and byproducts, asbestos and asbestos-containing materials, urea formaldehyde foam insulation, electronic, medical or infectious wastes, polychlorinated biphenyls, radon gas, radioactive substances, chlorofluorocarbons and all other ozone-depleting substances.

"Indemnified Party" has the meaning set forth in Section 5.6(a).

"Indemnifying Party" has the meaning set forth in Section 5.6(a).

"Indemnity Payment" has the meaning set forth in Section 5.6(a).

"Information" means information, whether or not patentable or copyrightable, in written, oral, electronic or other tangible or intangible forms, stored in any medium, including studies, reports, records, books, contracts, instruments, surveys, discoveries, ideas, concepts, know-how, techniques, designs, specifications, drawings, blueprints, diagrams, models, prototypes, samples, flow charts, data, computer data, disks, diskettes, tapes, computer programs or other software, marketing plans, customer names, communications by or to attorneys (including attorney-client privileged communications), memoranda and other materials prepared by attorneys or under their direction (including attorney work product), and other technical, financial, employee or business information or data.

"Insurance Proceeds" means those monies (i) received by an insured from an insurance carrier, (ii) paid by an insurance carrier on behalf of the insured or (iii) received (including by way of set off) from any third Person in the nature of insurance, contribution or indemnification in respect of any Liability; in any such case net of any applicable premium adjustments (including reserves and retrospectively rated premium adjustments) and net of any costs or expenses incurred in the collection thereof.

"Intellectual Property" means all of the following whether arising under the Laws of the United States or of any other foreign or multinational jurisdiction: (i) patents, patent applications (including patents issued thereon) and statutory invention registrations, including reissues, divisions, continuations, continuations in part, substitutions, renewals, extensions and reexaminations of any of the foregoing, and all rights in any of the foregoing provided by international treaties or conventions, (ii) trademarks, service marks, trade names, service names, trade dress, logos and other source or business identifiers, including all goodwill associated with any of the foregoing, and any and all common law rights in and to any of the foregoing, registrations and applications for registration of any of the foregoing, all rights in and to any of the foregoing provided by international treaties or conventions, and all reissues, extensions and renewals of any of the foregoing, (iii) Internet domain names, (iv) copyrightable works, copyrights, moral rights, mask work rights, database rights and design rights, in each case, other than Software, whether or not registered, and all registrations and applications for registration of

any of the foregoing, and all rights in and to any of the foregoing provided by international treaties or conventions, (v) confidential and proprietary information, including trade secrets, invention disclosures, processes and know-how, in each case, other than Software, and (vi) intellectual property rights arising from or in respect of any Technology.

"IP License" has the meaning set forth in Section 6.8(a).

"IRS" means the United States Internal Revenue Service.

"Law" means any national, supranational, federal, state, provincial, local or similar law (including common law), statute, code, order, ordinance, rule, regulation, treaty (including any income tax treaty), license, permit, authorization, approval, consent, decree, injunction, binding judicial or administrative interpretation or other requirement, in each case, enacted, promulgated, issued or entered by a Governmental Authority.

"Leased Property" has the meaning set forth in the Master Lease.

"Liabilities" means any and all debts, guarantees, liabilities, costs, expenses, interest and obligations, whether accrued or fixed, absolute or contingent, matured or unmatured, reserved or unreserved, or determined or determinable, including those arising under any Law, claim (including any third Person product liability claim), demand, Action, whether asserted or unasserted, or order, writ, judgment, injunction, decree, stipulation, determination or award entered by or with any Governmental Authority and those arising under any contract, agreement, obligation, indenture, instrument, lease, promise, arrangement, release, warranty, commitment or undertaking, or any fines, damages or equitable relief that is imposed, in each case, including all costs and expenses relating thereto.

"Licensed Intellectual Property" has the meaning set forth in Section 6.8(a).

"Licensed Marks" means any rights under the trade marks and service marks listed on Schedule 6.8 and the goodwill represented thereby.

"Master Lease" means the Master Lease Agreement to be entered into by Penn and GLPI prior to or as of the Effective Time.

"NASDAQ" means the NASDAQ Stock Market.

"Penn" has the meaning set forth in the Recitals.

"Penn Assets" has the meaning set forth in Section 2.2(b).

"Penn Business" means the businesses and operations conducted prior to the Effective Time by any member of the Penn Group that are not included in the GLPI Business.

"Penn Common Shares" has the meaning set forth in the Recitals.

"Penn Confidential Information" has the meaning set forth in Section 6.2(b).

"Penn Disqualifying Action" has the meaning set forth in the Tax Matters Agreement.

"Penn Group" means Penn, each Subsidiary of Penn and each other Person that is controlled directly or indirectly by Penn, in each case immediately after the Effective Time; provided, however, that no director, officer, employee, agent or other representative of any of the foregoing who is a natural person shall be deemed a member of the Penn Group.

"Penn Indemnified Parties" has the meaning set forth in Section 5.2.

"Penn Liabilities" has the meaning set forth in Section 2.3(b).

"Person" means any individual, corporation, partnership, firm, joint venture, association, joint-stock company, trust, unincorporated organization, limited liability company, Governmental Authority or other entity.

"Plan of Reorganization" has the meaning set forth in Section 2.1(a).

"Private Letter Ruling" has the meaning set forth in the Recitals.

"Prospectus" means the prospectus, which will be part of the Form S-11, to be sent to each holder of Penn common stock in connection with the Distribution.

"Real Property" means all interests in real property of whatever nature, whether as owner, mortgagee or holder of a Security Interest in real property, lessor, sublessor, lessee, sublessee or otherwise, and including all buildings or barges located thereon, and all associated parking areas, fixtures and all other improvements located on thereon, and including all rights, benefits, privileges, tenements, hereditaments, covenants, conditions, restrictions, easements and other appurtenances on such a real property or otherwise appertaining to or benefitting the real property and/or the improvements situated thereon, including all mineral rights, development rights, air and water rights, subsurface rights, vested rights entitling, or prospective rights which may entitle the owner of the real property to related easements, land use rights, air rights, viewshed rights, density credits, water, sewer, electrical or other utility service, credits and/or rebates, strips and gores and any land lying in the bed of any street, road or alley, open or proposed, adjoining the real property, and all easements, rights of way and other appurtenances used or connected with the beneficial use or enjoyment of the real property.

"Record Date" means [·].

"Reorganization" has the meaning set forth in the Recitals.

"Representatives" has the meaning set forth in Section 6.2(a).

"Required Approvals" has the meaning set forth in Section 2.5(a).

"SEC" means the United States Securities and Exchange Commission.

"Securities Act" means the United States Securities Act of 1933, as amended, and the rules and regulations of the SEC thereunder, all as the same shall be in effect at the time that reference is made.

"Security Interest" means any mortgage, security interest, pledge, lien, charge, claim, option, right to acquire, voting or other restriction, right-of-way, covenant, condition, easement, encroachment, restriction on transfer, or other encumbrance of any other nature.

"Series C" has the meaning set forth in the Recitals.

"Software" means any and all (i) computer programs, including any and all software implementation of algorithms, models and methodologies, whether in source code, object code, human readable form or other form, (ii) databases and compilations, including any and all data and collections of data, whether machine readable or otherwise, (iii) descriptions, flow charts and other work products used to design, plan, organize and develop any of the foregoing, screens, user interfaces, report formats, firmware, development tools, templates, menus, buttons and icons, and (iv) documentation, including user manuals and other training documentation, relating to any of the foregoing.

"Special Damages" has the meaning set forth in Section 5.10.

"Subsidiary" means, with respect to any Person, any corporation, limited liability company, joint venture or partnership of which such Person (i) beneficially owns, either directly or indirectly, more than fifty percent (50%) of (A) the total combined voting power of all classes of voting securities of such Person, (B) the total combined equity interests or (C) the capital or profit interests, in the case of a partnership, or (ii) otherwise has the power to vote, either directly or indirectly, sufficient securities to elect a majority of the board of directors or similar governing body.

"Tax" has the meaning set forth in the Tax Matters Agreement.

"Tax Attributes" has the meaning set forth in the Tax Matters Agreement.

"Tax Matters Agreement" means the Tax Matters Agreement, in substantially the form attached hereto as Exhibit B, to be entered into by and between Penn and GLPI on or prior to the Distribution Date.

"Tax Return" has the meaning set forth in the Tax Matters Agreement.

"Technology" means all technology, designs, formulae, algorithms, procedures, methods, discoveries, processes, techniques, ideas, know-how, research and development, technical data, tools, materials, specifications, processes, inventions (whether patentable or unpatentable and whether or not reduced to practice), apparatus, creations, improvements, works of authorship in any media, confidential, proprietary or non-public information, and other similar materials, and all recordings, graphs, drawings, reports, analyses and other writings, and other tangible embodiments of the foregoing in any form whether or not listed herein, in each case, other than Software.

"Term" has the meaning set forth in Section 6.8(a).

"Third Party Claim" has the meaning set forth in Section 5.7(a).

"TPA" has the meaning set forth in Section 6.3(b)(i).

"Transaction Documents" means this Agreement, the Master Lease, the Transition Services Agreement, the Tax Matters Agreement, the Employee Matters Agreement and the Transfer Documents.

"Transactions" means, collectively, (i) the Reorganization, (ii) the Distribution and (iii) all other transactions contemplated by this Agreement or any other Transaction Document.

"Transfer Documents" means the documents executed by Penn, GLPI or their applicable Affiliates or Subsidiaries in connection with the transactions contemplated by Section 2.1(b) and Section 2.4(b).

"Transferred Actions" has the meaning set forth in Section 6.5(b).

"Transition Services Agreement" means the Transition Services Agreement in substantially the form attached hereto as Exhibit A, to be entered into by and between Penn and GLPI on or prior to the Distribution Date.

"TRS Properties" means the properties set forth on Schedule 6.8.

ARTICLE II

THE REORGANIZATION

2.1 Transfer of Assets; Assumption of Liabilities.

(a) Prior to the Distribution, in accordance with the plan and structure set forth on Schedule 2.1(a) (such plan and structure being referred to herein as the "Plan of Reorganization"), which Plan of Reorganization Penn shall effectuate on or prior to the Distribution, and to the extent not previously effected pursuant to the steps of the Plan of Reorganization that have been completed prior to the date hereof:

(i) Penn shall, and shall cause its applicable Subsidiaries to, assign, transfer, convey and deliver to GLPI or certain Persons designated by GLPI who are or will become members of the GLPI Group, and GLPI or such Persons shall accept from Penn and its applicable Subsidiaries, all of

Penn's and such Subsidiaries' respective direct or indirect right, title and interest in and to all GLPI Assets;

(ii) subject to Section 2.5(c), GLPI and certain Persons designated by GLPI who are or will become members of the GLPI Group shall accept, assume and agree faithfully to perform, discharge and fulfill all the GLPI Liabilities in accordance with their respective terms. GLPI and such Persons shall be responsible for all GLPI Liabilities,

regardless of when or where such GLPI Liabilities arose or arise, or whether the facts on which they are based occurred prior to or subsequent to the Distribution Date, regardless of where or against whom such GLPI Liabilities are asserted or determined (including any GLPI Liabilities arising out of claims made by Penn's or GLPI's respective directors, officers, employees, agents, Subsidiaries or Affiliates against any member of the Penn Group or the GLPI Group) or whether asserted or determined prior to the date hereof, and regardless of whether arising from or alleged to arise from negligence, recklessness, violation of Law, fraud or misrepresentation by any member of the Penn Group or the GLPI Group, or any of their respective directors, officers, employees, agents, Subsidiaries or Affiliates; and

(iii) GLPI shall make the GLPI Cash Payment.

(b) In furtherance of the assignment, transfer, conveyance and delivery of the GLPI Assets and the assumption of the GLPI Liabilities in accordance with Sections 2.1(a)(i) and 2.1(a)(ii), on the date that such GLPI Assets are assigned, transferred, conveyed or delivered or such GLPI Liabilities are assumed (i) Penn shall execute and deliver, and shall cause its Subsidiaries to execute and deliver, such bills of sale, quitclaim deeds, stock powers, certificates of title, assignments of contracts and other instruments of transfer, conveyance and assignment as and to the extent necessary to evidence the transfer, conveyance and assignment of all of Penn's and its Subsidiaries' (other than GLPI and its Subsidiaries) right, title and interest in and to the GLPI Assets to GLPI and its Subsidiaries, and (ii) GLPI shall execute and deliver, and shall cause its Subsidiaries to execute and deliver, such assumptions of contracts and other instruments of assumption as and to the extent necessary to evidence the valid and effective assumption of the GLPI Liabilities by GLPI and its Subsidiaries.

(c) If at any time or from time to time (whether prior to or after the Effective Time), any party hereto (or any member of such party's respective Group), shall receive or otherwise possess any Asset or Liability (including any Intellectual Property or Technology) that is allocated to any other Person pursuant to this Agreement or any other Transaction Document, such party shall, as applicable, promptly transfer or accept, or cause to be transferred or accepted, such Asset or Liability, as the case may be, to the Person entitled to such Asset or responsible for such Liability, as the case may be. Prior to any such transfer, the Person receiving, possessing or responsible for such Asset or Liability shall be deemed to be holding such Asset or Liability, as the case may be, in trust for any such other Person.

(d) GLPI hereby waives compliance by each and every member of the Penn Group with the requirements and provisions of any "bulk-sale" or "bulk-transfer" Laws of any jurisdiction that may otherwise be applicable with respect to the transfer or sale of any or all of the GLPI Assets to any member of the GLPI Group.

2.2 GLPI Assets.

(a) For purposes of this Agreement, "GLPI Assets" shall mean (without duplication):

(i) all Leased Property;

(ii) all issued and outstanding capital stock of, or other equity interests in, the GLPI Subsidiaries;

(iii) all GLPI Contracts;

(iv) the Assets listed or described on Schedule 2.2(a)(iv), the Assets reflected as assets of the GLPI Group on the GLPI Balance Sheet and all other Assets that are expressly provided by this Agreement or any other Transaction Document as Assets to be transferred to GLPI or any other member of the GLPI Group; and

(v) any and all Assets owned or held immediately prior to the Effective Time by Penn or any of its Subsidiaries that are used primarily in the GLPI Business (the intention of this clause (vii) is only to rectify any inadvertent omission of transfer or conveyance of any Assets that, had the parties given specific consideration to such Asset as of the date hereof, would have otherwise been classified as a GLPI Asset; no Asset shall be deemed to be a GLPI Asset solely as a result of this clause (v) if such Asset is within the category or type of Asset expressly covered by the terms of another Transaction Document unless the party claiming entitlement to such Asset can establish that the omission of the transfer or conveyance of such Asset was inadvertent, and no Asset shall be deemed a GLPI Asset solely as a result of this clause (v) unless a claim with respect thereto is made by GLPI on or prior to the second (2nd) anniversary of the Distribution Date).

Notwithstanding the foregoing, the GLPI Assets shall not in any event include any Assets governed by the Tax Matters Agreement.

(b) For the purposes of this Agreement, "Penn Assets" shall mean (without duplication), (i) any and all Assets of the Penn Group as of the Effective Time that are not expressly contemplated by this Agreement or any other Transaction Document to be GLPI Assets and (ii) those Assets listed or described on Schedule 2.2(b).

Notwithstanding the foregoing, the Penn Assets shall not in any event include any Assets governed by the Tax Matters Agreement.

2.3 GLPI Liabilities.

(a) For the purposes of this Agreement, "GLPI Liabilities" shall mean (without duplication):

(i) except as limited by any Transaction Document, including Section 32.4 of the Master Lease, all Liabilities to the extent relating to, arising out of or resulting from any GLPI Assets, whether arising before, at or after the Effective Time;

(ii) all Liabilities provided by this Agreement or any other Transaction Document to be assumed by GLPI;

(iii) all Liabilities reflected as liabilities or obligations of GLPI or its Subsidiaries in the GLPI Balance Sheet; and

(iv) those Liabilities set forth on Schedule 2.3(a);

provided, however, that GLPI Liabilities shall not include any Liabilities for Taxes that are governed by the Tax Matters Agreement.

(b) For the purposes of this Agreement, "Penn Liabilities" shall mean (without duplication) any and all Liabilities of Penn, GLPI and their respective Subsidiaries as of the Effective Time that are not expressly contemplated by this Agreement or any other Transaction Document to be GLPI Liabilities; provided, however, that Penn Liabilities shall not include any Liabilities for Taxes that are governed by the Tax Matters Agreement

2.4 Transfer of Assets and Assumption of Liabilities from and after the Effective Time.

(a) To the extent any Penn Asset is transferred or assigned to, or any Penn Liability is assumed by, a member of the GLPI Group at the Effective Time or is owned or held by a member of the GLPI Group after the Effective Time, and to the extent any GLPI Asset has not been transferred or assigned to, or any GLPI Liability has not been assumed by, a member of the GLPI Group at the Effective Time or is owned or held by a member of the Penn Group after the Effective Time, from and after the Effective Time:

(i) GLPI or Penn, as applicable, shall, and shall cause its applicable Subsidiaries to, promptly assign, transfer, convey and deliver to the other party or certain of its Subsidiaries designated by such party, and GLPI or Penn, or such Subsidiaries, as applicable, shall accept from Penn or GLPI and such applicable Subsidiaries, all of Penn's or GLPI's or such Subsidiaries' respective right, title and interest in and to such Penn or GLPI Assets; and

(ii) Penn or GLPI, as applicable, or certain Subsidiaries of Penn or GLPI designated by such party, shall promptly accept, assume and agree faithfully to perform, discharge and fulfill all such Liabilities of Penn or GLPI in accordance with their respective terms.

(b) In furtherance of the assignment, transfer, conveyance and delivery of Assets and the assumption of Liabilities set forth in this Section 2.4, and without any additional consideration therefor: (A) the applicable party shall execute and deliver, and shall cause its Subsidiaries to execute and deliver, such bills of sale, quitclaim deeds, stock powers, certificates of title, assignments of contracts and other instruments of transfer, conveyance and assignment as and to the extent necessary to evidence the transfer, conveyance and assignment of all of such party's and its Subsidiaries' right, title and interest in and to the applicable Assets to the other party and its Subsidiaries, and (B) the applicable party shall execute and deliver such assumptions of contracts and other instruments of assumption as and to the extent necessary to evidence the valid and effective assumption of the applicable Liabilities by such party.

2.5 Approvals and Notifications.

(a) To the extent that the transfer or assignment of any Asset, the assumption of any Liability, the Reorganization or the Distribution requires any Approvals or Notifications (the "Required Approvals"), the parties will use their commercially reasonable efforts to obtain

or make such Approvals or Notifications as soon as reasonably practicable; provided, however, that, except to the extent expressly provided in any of the other Transaction Documents, neither Penn nor GLPI shall be obligated to contribute capital or pay any consideration in any form (including providing any letter of credit, guaranty or other financial accommodation) to any Person in order to obtain or make such Approvals or Notifications.

(b) If and to the extent that the valid, complete and perfected transfer or assignment of any Assets or assumption of any Liabilities would be a violation of applicable Law or require any Approvals or Notifications in connection with the Reorganization, or the Distribution, that has not been obtained or made by the Effective Time then, unless the parties hereto mutually shall otherwise determine, the transfer or assignment of such Assets or the assumption of such Liabilities, as the case may be, shall be automatically deemed deferred and any such purported transfer, assignment or assumption shall be null and void until such time as all legal impediments are removed or such Approvals or Notifications have been obtained or made; provided, however, that if such legal impediments are not removed, or such Approvals or Notifications are not obtained or made, in each case by the second (2nd) anniversary of the Distribution Date, then, unless the parties hereto mutually shall otherwise determine, all Assets and Liabilities that are held by any member of the Penn Group or the GLPI Group, as the case may be, will be retained by such party indefinitely, and the parties shall execute mutually acceptable documentation to such effect in accordance with applicable Law.

(c) If any transfer or assignment of any GLPI Asset or any assumption of any GLPI Liabilities intended to be transferred, assigned or assumed hereunder, as the case may be, is not consummated on or prior to the Distribution Date, whether as a result of the provisions of Section 2.5(b) or for any other reason, then, insofar as reasonably possible, the member of the Penn Group retaining such GLPI Asset or such GLPI Liability, as the case may be, shall thereafter hold such GLPI Asset or GLPI Liability, as the case may be, for the use and benefit of the member of the GLPI Group entitled thereto (at the expense of the member of the GLPI Group entitled thereto) until such GLPI Asset or GLPI Liability is transferred to a member of the GLPI Group or until such GLPI Asset or GLPI Liability is retained by the member of the Penn Group pursuant to Section 2.5(b), whichever is sooner. In addition, for such period, the member of the Penn Group retaining such GLPI Asset or such GLPI Liability shall, insofar as reasonably possible and to the extent permitted by applicable Law, treat such GLPI Asset or GLPI Liability in the ordinary course of business in accordance with past practice and take such other actions as may be reasonably requested by the member of the GLPI Group to whom such GLPI Asset is to be transferred or assigned, or which will assume such GLPI Liability, as the case may be, in order to place such member of the GLPI Group in a substantially similar position as if such GLPI Asset or GLPI Liability had been transferred, assigned or assumed as contemplated hereby and so that all the benefits and burdens relating to such GLPI Asset or GLPI Liability, as the case may be, including use, risk of loss, potential for gain, and dominion, control and command over such GLPI Asset or GLPI Liability, as the case may be, is to inure from and after the Effective Time to the GLPI Group.

(d) If and when the Approvals or Notifications, the absence of which caused the deferral of transfer or assignment of any GLPI Asset or the deferral of assumption of any GLPI Liability pursuant to Section 2.5(b), are obtained or made, and, if and when any other legal impediments for the transfer or assignment of any GLPI Asset or the assumption of any GLPI

Liability have been removed, the transfer or assignment of the applicable GLPI Asset or the assumption of the applicable GLPI Liability, as the case may be, shall be effected in accordance with the terms of this Agreement and/or the applicable Transaction Document.

(e) Any member of the Penn Group retaining a GLPI Asset or GLPI Liability due to the deferral of the transfer or assignment of such GLPI Asset or the deferral of the assumption of such GLPI Liability, as the case may be, shall not be obligated, in connection with the foregoing and unless the parties have executed documentation providing for such asset or liability to be retained by such party pursuant to Section 2.5(b), to expend any money unless the necessary funds are advanced (or otherwise made available) by GLPI or the member of the GLPI Group entitled to the GLPI Asset or GLPI Liability, other than reasonable out-of-pocket expenses, attorneys' fees and recording or similar fees, all of which shall be promptly reimbursed by GLPI or the member of the GLPI Group entitled to such GLPI Asset or GLPI Liability.

2.6 Responsibility for GLPI Liabilities Retained by Penn. If Penn or GLPI is unable to obtain, or to cause to be obtained, any consent, substitution, approval, amendment or release required to transfer a GLPI Liability to a member or members of the GLPI Group, then until the second (2nd) anniversary of the Effective Time, the applicable member of the Penn Group shall continue to be bound by such agreement, lease, license or other obligation or Liability and, unless not permitted by the terms thereof or by Law, GLPI shall, as agent or subcontractor for such member of the Penn Group, as the case may be, pay, perform and discharge fully all the obligations or other Liabilities of such member of the Penn Group that constitute GLPI Liabilities, as the case may be, thereunder from and after the Effective Time. GLPI shall indemnify each Penn Indemnified Party, and hold each of them harmless, against any Liabilities arising in connection therewith; provided, that pursuant hereto GLPI shall have no obligation to indemnify any Penn Indemnified Party that has engaged in any knowing and intentional violation of Law, breach of contract, tort, fraud or misrepresentation in connection therewith. Penn shall cause each member of the Penn Group without further consideration, to pay and remit, or cause to be paid or remitted, to GLPI, promptly all money, rights and other consideration received by it or any member of the Penn Group in respect of such performance (unless any such consideration is an Penn Asset). If and when any such consent, substitution, approval, amendment or release shall be obtained or the obligations under such agreement, lease, license or other obligations or Liabilities shall otherwise become assignable or able to be novated, Penn shall promptly assign, or cause to be assigned, all its obligations and other Liabilities thereunder or any obligations of any member of the Penn Group to GLPI without payment of further consideration and GLPI shall, without the payment of any further consideration, assume such obligations in accordance with the terms of this Agreement and/or the applicable Transaction Document.

2.7 Disclaimer of Representations and Warranties. EACH OF PENN (ON BEHALF OF ITSELF AND EACH MEMBER OF THE PENN GROUP) AND GLPI (ON BEHALF OF ITSELF AND EACH MEMBER OF THE GLPI GROUP) UNDERSTANDS AND AGREES THAT, EXCEPT AS EXPRESSLY SET FORTH HEREIN OR IN ANY OTHER TRANSACTION DOCUMENT, NO PARTY TO THIS AGREEMENT, ANY OTHER TRANSACTION DOCUMENT OR ANY OTHER AGREEMENT OR DOCUMENT CONTEMPLATED BY THIS AGREEMENT, OR OTHERWISE, IS REPRESENTING OR WARRANTING TO ANY OTHER PARTY HERETO OR THERETO IN ANY WAY AS TO THE ASSETS, BUSINESSES OR LIABILITIES TRANSFERRED OR ASSUMED AS

CONTEMPLATED HEREBY OR THEREBY, AS TO ANY APPROVALS OR NOTIFICATIONS REQUIRED IN CONNECTION HEREWITH OR THEREWITH, AS TO THE VALUE OR FREEDOM FROM ANY SECURITY INTERESTS OF, OR ANY OTHER MATTER CONCERNING, ANY ASSETS OF SUCH PARTY, OR AS TO THE ABSENCE OF ANY DEFENSES OR RIGHT OF SETOFF OR FREEDOM FROM COUNTERCLAIM WITH RESPECT TO ANY ACTION OR OTHER ASSET, INCLUDING ANY ACCOUNTS RECEIVABLE, OF ANY PARTY, OR AS TO THE LEGAL SUFFICIENCY OF ANY ASSIGNMENT, DOCUMENT, CERTIFICATE OR INSTRUMENT DELIVERED HEREUNDER TO CONVEY TITLE TO ANY ASSET OR THING OF VALUE UPON THE EXECUTION, DELIVERY AND FILING HEREOF OR THEREOF. EXCEPT AS MAY EXPRESSLY BE SET FORTH IN THIS AGREEMENT OR IN ANY TRANSACTION DOCUMENT, ALL SUCH ASSETS ARE BEING TRANSFERRED ON AN "AS IS," "WHERE IS" BASIS (AND, IN THE CASE OF ANY REAL PROPERTY, BY MEANS OF A QUITCLAIM OR SIMILAR FORM DEED OR CONVEYANCE) AND THE RESPECTIVE TRANSFEREES SHALL BEAR THE ECONOMIC AND LEGAL RISKS THAT (I) ANY CONVEYANCE SHALL PROVE TO BE INSUFFICIENT TO VEST IN THE TRANSFEREE GOOD TITLE, FREE AND CLEAR OF ANY SECURITY INTEREST, AND (II) ANY NECESSARY APPROVALS OR NOTIFICATIONS ARE NOT OBTAINED OR MADE OR THAT ANY REQUIREMENTS OF LAWS OR JUDGMENTS ARE NOT COMPLIED WITH.

ARTICLE III

THE DISTRIBUTION

3.1 Actions on or Prior to the Distribution Date. Prior to the Distribution, the following shall occur:

(a) *Prospectus; Listing*. Penn shall make the Prospectus available to the holders of Penn common stock as of the Record Date. GLPI shall prepare, file with the SEC and use commercially reasonable efforts to cause to become effective the Form S-11 and amendments thereto and the Form S-8 and amendments thereto required to effect the transactions contemplated by this Agreement or any of the Transaction Documents. Penn and GLPI shall take all such actions as may be necessary or appropriate under the securities or "blue sky" Laws of states or other political subdivisions of the United States and shall use commercially reasonable efforts to comply with all applicable foreign securities Laws in connection with the transactions contemplated by this Agreement and the other Transaction Documents. GLPI shall prepare, file and pursue an application to permit listing of the GLPI Common Stock on the NASDAQ.

(b) *The Distribution Agent*. Penn shall enter into a distribution agent agreement with the Distribution Agent or otherwise provide instructions to the Distribution Agent regarding the Distribution.

(c) *GLPI Balance Sheet*. Penn shall prepare a pro forma combined balance sheet of GLPI and its Subsidiaries as of the Effective Time, or the latest time prior to the Effective Time that is reasonably practicable (the "GLPI Balance Sheet").

(d) *Efforts*. The parties agree to use commercially reasonable efforts to take, or cause to be taken, all actions, and to do, or cause to be done, all things reasonably necessary, proper or advisable to satisfy or cause to be satisfied each of the conditions set forth in Section 3.2.

3.2 Conditions Precedent to Distribution. In no event shall the Distribution occur unless each of the following conditions shall have been satisfied (or waived by Penn, in whole or in part, in its sole discretion):

(a) each of the other Transaction Documents shall have been duly executed and delivered by the parties thereto;

(b) the Reorganization shall have been completed in accordance with the Plan of Reorganization;

(c) (i) the Private Letter Ruling shall not have been revoked or modified in any material respect and (ii) Penn shall have received (A) an opinion of Wachtell, Lipton, Rosen & Katz substantially to the effect that, with respect to certain requirements for tax-free treatment under Section 355 of the Code on which the IRS will not rule, such requirements will be satisfied, (B) an opinion of KPMG LLP substantially to the effect that, with respect to certain requirements for tax-free treatment under Section 355 of the Code on which the IRS will not rule, such requirements will be satisfied, (C) an opinion of Wachtell, Lipton, Rosen & Katz, to the effect that GLPI will qualify to be taxed as a real estate investment trust under the Sections 856 through 859 of the Code following the Distribution, and (D) an opinion of KPMG LLP, to the effect that GLPI will qualify to be taxed as a real estate investment trust under the Sections 856 through 859 of the Code following the Distribution;

(d) the Form S-11 filed with the SEC shall have been declared effective by the SEC, no stop order suspending the effectiveness of the Form S-11 shall be in effect, no proceedings for such purpose shall be pending before or threatened by the SEC, and the Prospectus shall have been mailed to holders of Penn Common Shares as of the Record Date;

(e) prior to the Distribution Date, such Registration Statements on Form S-8 as are necessary and appropriate to register the equity awards of GLPI contemplated by the Form S-11 to be available for granting to directors and employees of GLPI and Penn shall have been filed with the SEC;

(f) all actions and filings necessary or appropriate under applicable federal, state or foreign securities or "blue sky" Laws and the rules and regulations thereunder shall have been taken and, where applicable, become effective or been accepted;

(g) the GLPI Common Stock to be delivered in the Distribution shall have been accepted for listing on NASDAQ, subject to compliance with applicable listing requirements;

(h) no order, injunction or decree issued by any court of competent jurisdiction or other legal restraint or prohibition preventing consummation of the Distribution or

any of the transactions related thereto, including the Reorganization, shall be threatened, pending or in effect;

(i) any material consents and governmental authorizations to complete the Distribution, including all Required Approvals, shall have been obtained and be in full force and effect;

(j) in connection with the Reorganization, (i) GLPI shall have entered into the financing transactions described in the Form S-11 and contemplated to occur on or prior to the Distribution Date, and Penn shall have entered into the financing transactions to be entered into in connection with the Plan of Reorganization (the "Financing Arrangements") and the respective financings thereunder shall have been consummated, (ii) GLPI shall have transferred to the applicable member of the Penn Group, no later than immediately prior to the Distribution, as contemplated by the Plan of Reorganization, the proceeds of GLPI debt issued to one or more banks (in an amount equal to [·] dollars) in exchange for Penn's transfer of the GLPI Assets to GLPI pursuant to this Agreement (the "GLPI Cash Payment") and (iii) the Financing Arrangements shall be in full force and effect immediately prior to the Distribution;

(k) on or prior to the Distribution, the persons specified in the Prospectus shall have been duly elected as members of GLPI's board of directors;

(l) Penn and the other parties to Penn's agreements with Peter M. Carlino, FIF V PFD LLC and Centerbridge Capital Partners, L.P. and certain of their respective affiliates, in each case as described in the Form S-11, shall have fulfilled all of their respective obligations under such agreements that are contemplated by such agreements to be fulfilled prior to the Distribution, and each such agreement shall be in full force and effect immediately prior to the Distribution;

(m) (i) Penn and GLPI shall each have taken all necessary action that may be required to provide for the adoption by GLPI of the Amended and Restated Articles of Incorporation of GLPI in substantially the form attached hereto as Exhibit [·] (the "Amended and Restated Articles of Incorporation"), and the Amended and Restated Bylaws of GLPI in substantially the form attached hereto as Exhibit [·] (the "Amended and Restated Bylaws") and (ii) GLPI shall have filed the Amended and Restated Articles of Incorporation of GLPI with the Secretary of State of the Commonwealth of Pennsylvania;

(n) at or prior to the Effective Time, Penn and GLPI shall have taken all actions as may be necessary to approve the stock-based employee benefit plans of GLPI in order to satisfy the applicable rules and regulations of the NASDAQ; and

(o) no other condition shall fail to be satisfied and no event or development shall have occurred or exist that, in the judgment of the board of directors of Penn, in its sole discretion, makes it inadvisable to effect the Reorganization, the Distribution or the other transactions contemplated hereby or in connection herewith.

Notwithstanding Section 3.1(c) or any other provision hereof, each of the foregoing conditions is for the sole benefit of Penn and shall not give rise to or create any duty on the part of Penn or its board of directors to waive or not to waive any such condition or to effect the Reorganization

and the Distribution, or in any way limit Penn's rights of termination set forth in this Agreement. Any determination made by Penn prior to the Distribution concerning the satisfaction or waiver of any or all of the conditions set forth in this Section 3.2 shall be conclusive and binding on the parties.

3.3 The Distribution.

(a) Subject to the terms and conditions set forth in this Agreement, including Section 3.3(b), (i) on or prior to the Distribution Date, Penn shall deliver to the Distribution Agent for the benefit of holders of record of Penn Common Shares and Series C on the Record Date book-entry transfer authorizations for such number of the issued and outstanding shares of GLPI Common Stock necessary to effect the Distribution, (ii) the Distribution shall be effective at the Effective Time and (iii) Penn shall instruct the Distribution Agent to distribute, on or as soon as practicable after the Effective Time, (A) to each holder of record of Penn Common Shares as of the Record Date, by means of a pro rata distribution, [one (1)] share of GLPI Common Stock for every one (1) Penn Common Share so held and (B) to each holder of record of Series C as of the Record Date, by means of a pro rata distribution, [one (1)] share of GLPI Common Stock for every 1/1,000th (one one-thousandth) of a share of Series C. Following the Distribution Date, GLPI agrees to provide all book-entry transfer authorizations for shares of GLPI Common Stock that Penn or the Distribution Agent shall require in order to effect the Distribution.

(b) NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THIS AGREEMENT, PENN SHALL, IN ITS SOLE AND ABSOLUTE DISCRETION, DETERMINE THE DISTRIBUTION DATE AND ALL TERMS OF THE DISTRIBUTION, INCLUDING THE FORM, STRUCTURE AND TERMS OF ANY TRANSACTIONS AND/OR OFFERINGS TO EFFECT THE DISTRIBUTION AND THE TIMING OF AND CONDITIONS TO THE CONSUMMATION THEREOF. IN ADDITION, PENN MAY AT ANY TIME AND FROM TIME TO TIME UNTIL THE COMPLETION OF THE DISTRIBUTION DECIDE TO ABANDON THE DISTRIBUTION OR MODIFY OR CHANGE THE TERMS OF THE DISTRIBUTION, INCLUDING BY ACCELERATING OR DELAYING THE TIMING OF THE CONSUMMATION OF ALL OR PART OF THE DISTRIBUTION.

(c) The Parties agree that this Agreement constitutes a "plan of reorganization" within the meaning of Treasury Regulation Section 1.368-2(g).

ARTICLE IV

ACCESS TO INFORMATION

4.1 Agreement for Exchange of Information. After the Effective Time (or such earlier time as the parties may agree) and until the seventh (7th) anniversary of the date of this Agreement, each of Penn and GLPI, on behalf of its respective Group, agrees to provide, or cause to be provided, to the other Group, as soon as reasonably practicable after written request therefor, any Information in the possession or under the control of such respective Group which the requesting party reasonably needs; provided, however, that in the event that any party

determines that any such provision of Information could be commercially detrimental, violate any Law or agreement, or waive any attorney-client privilege, the parties shall take all reasonable measures to permit the compliance with such obligations in a manner that avoids any such harm or consequence.

4.2 Ownership of Information. Any Information owned by one Group that is provided to a requesting party pursuant to Section 4.1 shall be deemed to remain the property of the providing party, except where such Information is an Asset of the requesting party pursuant to the provisions of this Agreement or any other Transaction Document. Unless specifically set forth herein, nothing contained in this Agreement shall be construed as granting or conferring rights of license or otherwise in any Information requested or provided pursuant to Section 4.1.

4.3 Compensation for Providing Information. The party requesting Information agrees to reimburse the other party for the reasonable out-of-pocket costs and expenses, if any of creating, gathering and copying such Information to the extent that such costs are incurred in connection with such other party's provision of Information in response to the requesting party.

4.4 Record Retention.

(a) To facilitate the possible exchange of Information pursuant to this Article IV and other provisions of this Agreement after the Effective Time, the parties agree to use their commercially reasonable efforts to retain all Information in their respective possession or control in accordance with the policies or ordinary course practices of Penn in effect on the Distribution Date (including any Information that is subject to a "Litigation Hold" issued by either party prior to the Distribution Date) or such other policies or practices as may be reasonably adopted by the appropriate party after the Effective Time.

(b) Except in accordance with its, or its applicable Subsidiaries', policies and ordinary course practices, no party will destroy, or permit any of its Subsidiaries to destroy, any Information that would, in accordance with such policies or ordinary course practices, be archived or otherwise filed in a centralized filing system by such party or its applicable Subsidiaries; in furtherance of the foregoing, no party will destroy, or permit any of its Subsidiaries to destroy, any Information required to be retained by applicable Law.

(c) In the event of either party's or any of its Subsidiaries' inadvertent failure to comply with its applicable document retention policies as required under this Section 4.4, such party shall be liable to the other party solely for the amount of any monetary fines or penalties imposed or levied against such other party by a Governmental Authority (which fines or penalties shall not include any Liabilities asserted in connection with the claims underlying the applicable Action, other than fines or penalties resulting from any claim of spoliation) as a result of such other party's inability to produce Information caused by such inadvertent failure and, notwithstanding Sections 5.2 and 5.3, shall not be liable to such other party for any other Liabilities.

4.5 Liability. No party shall have any liability to any other party in the event that any Information exchanged or provided pursuant to this Agreement which is an estimate or forecast,

or which is based on an estimate or forecast, is found to be inaccurate in the absence of willful misconduct by the party providing such Information.

4.6 Other Agreements Providing for Exchange of Information.

(a) The rights and obligations granted under this Article IV are subject to any specific limitations, qualifications or additional provisions on the sharing, exchange, retention or confidential treatment of Information set forth in any other Transaction Document, including Section 23.1(c) of the Master Lease.

(b) Any party that receives, pursuant to a request for Information in accordance with this Article IV, Information that is not relevant to its request shall (i) either destroy such Information or return it to the providing party and (ii) deliver to the providing party a certificate certifying that such Information was destroyed or returned, as the case may be, which certificate shall be signed by an officer of the requesting party holding the title of vice president or above.

(c) When any Information provided by one Group to the other (other than Information provided pursuant to Section 4.4) is no longer needed for the purposes contemplated by this Agreement or any other Transaction Document or is no longer required to be retained by applicable Law, the receiving party will promptly after request of the other party either return to the other party all Information in a tangible form (including all copies thereof and all notes, extracts or summaries based thereon) or certify to the other party that it has destroyed such Information (and such copies thereof and such notes, extracts or summaries based thereon).

4.7 Production of Witnesses; Records; Cooperation.

(a) After the Effective Time, except in the case of an adversarial Action by one party against another party, each party hereto shall use its commercially reasonable efforts to make available to each other party, upon written request, the former, current and future directors, officers, employees, other personnel and agents of the members of its respective Group as witnesses and any books, records or other documents within its control or which it otherwise has the ability to make available, to the extent that any such person (giving consideration to business demands of such directors, officers, employees, other personnel and agents) or books, records or other documents may reasonably be required in connection with any Action in which the requesting party may from time to time be involved, regardless of whether such Action is a matter with respect to which indemnification may be sought hereunder. The requesting party shall bear all reasonable out-of-pocket costs and expenses in connection therewith.

(b) If an Indemnifying Party chooses to defend or to seek to compromise or settle any Third Party Claim, the Indemnified Party shall use commercially reasonable efforts to make available to such Indemnifying Party, upon written request, the former, current and future directors, officers, employees, other personnel and agents of the members of its respective Group as witnesses and any books, records or other documents within its control or which it otherwise has the ability to make available, to the extent that any such persons (giving consideration to business demands of such directors, officers, employees, other personnel and agents) or books, records or other documents may reasonably be required in connection with such defense,

settlement or compromise, or the prosecution, evaluation or pursuit thereof, as the case may be, and shall otherwise cooperate in such defense, settlement or compromise, or such prosecution, evaluation or pursuit, as the case may be. The Indemnifying Party shall bear all reasonable out-of-pocket costs and expenses in connection therewith.

(c) For the avoidance of doubt, the provisions of this Section 4.7 are in furtherance of the provisions of Section 4.1 and shall not be deemed to in any way limit or otherwise modify the parties' rights and obligations under Section 4.1.

4.8 Privileged Matters.

(a) The parties recognize that legal and other professional services that have been and will be provided prior to the Effective Time have been and will be rendered for the collective benefit of each of the members of the Penn Group and the GLPI Group, and that each of the members of the Penn Group and the GLPI Group should be deemed to be the client with respect to such services for the purposes of asserting all privileges which may be asserted under applicable Law in connection therewith.

(b) The parties agree as follows:

(i) Penn shall be entitled, in perpetuity, to control the assertion or waiver of all privileges in connection with any privileged Information that relates solely to the Penn Business and not to the GLPI Business, whether or not the privileged Information is in the possession or under the control of any member of the Penn Group or any member of the GLPI Group. Penn shall also be entitled, in perpetuity, to control the assertion or waiver of all privileges in connection with any privileged Information that relates solely to any Penn Liabilities resulting from any Actions that are now pending or may be asserted in the future, whether or not the privileged Information is in the possession or under the control of any member of the Penn Group or any member of the GLPI Group; and

(ii) GLPI shall be entitled, in perpetuity, to control the assertion or waiver of all privileges in connection with any privileged Information that relates solely to the GLPI Business and not to the Penn Business, whether or not the privileged Information is in the possession or under the control of any member of the GLPI Group or any member of the Penn Group. GLPI shall also be entitled, in perpetuity, to control the assertion or waiver of all privileges in connection with any privileged Information that relates solely to any GLPI Liabilities resulting from any Actions that are now pending or may be asserted in the future, whether or not the privileged Information is in the possession or under the control of any member of the GLPI Group or any member of the Penn Group.

(c) Subject to the restrictions set forth in this Section 4.8, the parties agree that they shall have a shared privilege, each with equal right to assert or waive any such shared privilege, with respect to all privileges not allocated pursuant to Section 4.8(b) and all privileges relating to any Actions or other matters that involve both the Penn Group and the GLPI Group and in respect of which both parties have Liabilities under this Agreement, and that no such shared privilege or immunity may be waived by either party without the consent of the other party.

(d) In the event of any Actions between Penn and GLPI, or any members of their respective Groups, either party may waive a privilege in which the other party or member of such other party's Group has a shared privilege, without obtaining consent pursuant to Section 4.8(c); provided, that such waiver of a shared privilege shall be effective only as to the use of Information with respect to the Action between the parties and/or the applicable members of their respective Groups, and shall not operate as a waiver of the shared privilege with respect to any third Person.

(e) If any dispute arises between Penn and GLPI, or any members of their respective Groups, regarding whether a privilege should be waived to protect or advance the interests of either the Penn Group or the GLPI Group, each party agrees that it shall (i) negotiate with the other party in good

faith, (ii) endeavor to minimize any prejudice to the rights of the other party and (iii) not unreasonably withhold, condition or delay consent to any request for waiver by the other party. Further, each party specifically agrees that it will not withhold its consent to the waiver of a privilege for any purpose except to protect its own legitimate interests.

(f) In furtherance of the parties' agreement under this Section 4.8, Penn and GLPI shall, and shall cause applicable members of their respective Group to, maintain their respective separate and joint privileges, including by executing joint defense and common interest agreements where necessary or useful for this purpose.

ARTICLE V

RELEASE AND INDEMNIFICATION

5.1 Release of Pre-Distribution Claims.

(a) Except as provided in (i) Section 5.1(c) and (ii) any Transaction Document, effective as of the Effective Time, GLPI does hereby, for itself and each other member of the GLPI Group, their respective Affiliates, successors and assigns, and all Persons who at any time prior to the Effective Time have been directors, officers, agents or employees of any member of the GLPI Group (in each case, in their respective capacities as such), release and forever discharge Penn and the other members of the Penn Group, their respective Affiliates, successors and assigns, and all Persons who at any time prior to the Effective Time have been shareholders, directors, officers, agents or employees of any member of the Penn Group (in each case, in their respective capacities as such), and their respective heirs, executors, administrators, successors and assigns, from any and all Liabilities whatsoever, whether at Law or in equity (including any right of contribution), whether arising under any contract or agreement, by operation of Law or otherwise, existing or arising from any acts or events occurring or failing to occur or alleged to have occurred or to have failed to occur or any conditions existing or alleged to have existed on or before the Effective Time, including in connection with the transactions and all other activities to implement the Reorganization, the Distribution and any of the other transactions contemplated hereunder and under the other Transaction Documents.

(b) Except as provided in (i) Section 5.1(c) and (ii) any Transaction Document, effective as of the Effective Time, Penn does hereby, for itself and each other member of the Penn Group, their respective Affiliates, successors and assigns, and all Persons

who at any time prior to the Effective Time have been shareholders, directors, officers, agents or employees of any member of the Penn Group (in each case, in their respective capacities as such), release and forever discharge GLPI, the other members of the GLPI Group, their respective Affiliates, successors and assigns, and all Persons who at any time prior to the Effective Time have been directors, officers, agents or employees of any member of the GLPI Group (in each case, in their respective capacities as such), and their respective heirs, executors, administrators, successors and assigns, from any and all Liabilities whatsoever, whether at Law or in equity (including any right of contribution), whether arising under any contract or agreement, by operation of Law or otherwise, existing or arising from any acts or events occurring or failing to occur or alleged to have occurred or to have failed to occur or any conditions existing or alleged to have existed on or before the Effective Time, including in connection with the transactions and all other activities to implement the Reorganization, the Distribution and any of the other transactions contemplated hereunder and under the other Transaction Documents.

(c) Nothing contained in Section 5.1(a) or Section 5.1(b) shall impair any right of any Person to enforce this Agreement or any other Transaction Document, in each case in accordance with its terms. In addition, nothing contained in Section 5.1(a) or Section 5.1(b) shall release any member of a Group from:

(i) any Liability, contingent or otherwise, assumed, transferred, assigned or allocated to the Group of which such Person is a member in accordance with, or any other Liability of any member of any Group under, this Agreement or any other Transaction Document; or

(ii) any Liability that the parties may have with respect to indemnification or contribution pursuant to this Agreement or any of the other Transaction Documents.

Further, nothing contained in Section 5.1(a) shall release Penn from indemnifying any director, officer or employee of GLPI who was or is a director, officer or employee of Penn or any of its Affiliates, to the extent such director, officer or employee is or becomes a named defendant in any Action with respect to which he or she was or is entitled to such indemnification pursuant to then existing obligations, it being understood that if the underlying obligation giving rise to such Action is a GLPI Liability, GLPI shall indemnify Penn for such Liability (including Penn's costs to indemnify the director, officer or employee) in accordance with the provisions set forth in this Article V.

(d) GLPI shall not make, and shall not permit any member of the GLPI Group to make, any claim or demand, or commence any Action asserting any claim or demand, including any claim of contribution or any indemnification, against Penn or any member of the Penn Group, or any other Person released pursuant to Section 5.1(a), with respect to any Liabilities released pursuant to Section 5.1(a). Penn shall not, and shall not permit any member of the Penn Group, to make any claim or demand, or commence any Action asserting any claim or demand, including any claim of contribution or any indemnification against GLPI or any member of the GLPI Group, or any other Person released pursuant to Section 5.1(b), with respect to any Liabilities released pursuant to Section 5.1(b).

(e) It is the intent of each of Penn and GLPI, by virtue of the provisions of this Section 5.1, to provide for a full and complete release and discharge of all Liabilities existing or arising from all acts and events occurring or failing to occur or alleged to have occurred or to have failed to occur and all conditions existing or alleged to have existed on or before the Effective Time, between or among GLPI or any member of the GLPI Group and their respective directors, officers, agents or employees, on the one hand, and Penn or any member of the Penn Group and their respective directors, officers, agents or employees, on the other hand (including any contractual agreements or arrangements existing or alleged to exist between or among any such members on or before the Distribution Date), except as expressly set forth in Section 5.1(c).

5.2 General Indemnification by GLPI. Except as provided in Section 5.6, GLPI shall, and shall cause the other members of the GLPI Group to, indemnify, defend and hold harmless each member of the Penn Group and each of their respective directors, officers and employees, and each of the heirs, executors, successors and assigns of any of the foregoing (collectively, the "Penn Indemnified Parties"), from and against (i) any and all Liabilities of the Penn

Indemnified Parties relating to, arising out of or resulting from any GLPI Liability and (ii) except as provided in Section 5.1, any and all Liabilities of the Penn Indemnified Parties relating to, arising out of or resulting from GLPI's breach of this Agreement or any other Transaction Document other than the Master Lease.

5.3 General Indemnification by Penn. Except as provided in Section 5.6, Penn shall indemnify, defend and hold harmless each member of the GLPI Group and each of their respective directors, officers and employees, and each of the heirs, executors, successors and assigns of any of the foregoing (collectively, the "GLPI Indemnified Parties"), from and against (i) any and all Liabilities of the GLPI Indemnified Parties relating to, arising out of or resulting from any Penn Liability and (ii) except as provided in Section 5.1, any and all Liabilities of the GLPI Indemnified Parties relating to, arising out of or resulting from Penn's breach of this Agreement or any other Transaction Document other than the Master Lease.

5.4 Disclosure Indemnification. GLPI agrees to indemnify and hold harmless the Penn Indemnified Parties and each Person, if any, who controls any member of the Penn Group within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act from and against any and all Liabilities arising out of or based upon any untrue statement or alleged untrue statement of a material fact contained in the Form S-11 or any amendment thereof or any other Disclosure Document, or arising out of or based upon any omission or alleged omission to state a material fact required to be stated therein or necessary to make the statements therein not misleading.

5.5 Contribution. If the indemnification provided for in this Article V is unavailable to, or insufficient to hold harmless, an indemnified party under Section 5.4 hereof in respect of any Liabilities referred to therein, then each indemnifying party shall contribute to the amount paid or payable by such indemnified party as a result of such Liabilities (or actions in respect thereof) in such proportion as is appropriate to reflect the relative fault of the indemnifying party and the indemnified party in connection with the actions which resulted in Liabilities as well as any other relevant equitable considerations. The relative fault of such indemnifying party and indemnified party shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or omission or alleged omission to state a material fact

relates to information supplied by such indemnifying party or indemnified party, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. For the purposes of this Section 5.5, the information relating to Penn after the Effective Time set forth in the Form S-11 shall be the only "information supplied by" Penn and all other information shall be deemed "information supplied by" GLPI.

5.6 Indemnification Obligations Net of Insurance Proceeds and Other Amounts.

(a) Any Liability subject to indemnification or contribution pursuant to this Article V will be net of Insurance Proceeds that actually reduce the amount of the Liability or Loss, as applicable. Accordingly, the amount which any party (an "Indemnifying Party") is required to pay to any Person entitled to indemnification under this Article V (an "Indemnified Party") will be reduced by any Insurance Proceeds theretofore actually recovered by or on behalf of the Indemnified Party in respect of the related Liability, as applicable. If an Indemnified Party receives a payment (an "Indemnity Payment") required by this Agreement from an Indemnifying Party in respect of any Liability and subsequently receives Insurance Proceeds, then the Indemnified Party will pay to the Indemnifying Party an amount equal to such Insurance Proceeds but not exceeding the amount of the Indemnity Payment paid by the Indemnifying Party in respect of such Liability.

(b) An insurer who would otherwise be obligated to pay any claim shall not be relieved of the responsibility with respect thereto or, solely by virtue of the indemnification provisions hereof, have any subrogation rights with respect thereto. The Indemnified Party shall use its commercially reasonable efforts to seek to collect or recover any third-party Insurance Proceeds (other than Insurance Proceeds under an arrangement where future premiums are adjusted to reflect prior claims in excess of prior premiums) to which the Indemnified Party is entitled in connection with any Liability for which the Indemnified Party seeks indemnification pursuant to this Article V; provided, that the Indemnified Party's inability to collect or recover any such Insurance Proceeds shall not limit the Indemnifying Party's obligations hereunder.

(c) Any indemnity payment under this Article V shall be increased to take into account any inclusion in income of the Indemnified Party arising from the receipt of such indemnity payment and shall be decreased to take into account any reduction in income of the Indemnified Party arising from such indemnified Liability or Loss, as applicable. For purposes hereof, any inclusion or reduction shall be determined (i) using the highest marginal rates applicable to the Indemnified Party in effect at the time of the determination and (ii) assuming that the Indemnified Party will be liable for Taxes at such rate and has no Tax Attributes (as such term is defined in the Tax Matters Agreement) at the time of the determination.

5.7 Procedures for Indemnification of Third Party Claims.

(a) If an Indemnified Party receives written notice that a Person (including any Governmental Authority) that is not a member of the Penn Group or the GLPI Group has asserted any claim or commenced any Action (collectively, a "Third Party Claim") that may implicate an Indemnifying Party's obligation to indemnify pursuant to Sections 5.2, 5.3 or 5.4, or any other Section of this Agreement or any other Transaction Document, the Indemnified Party shall provide the Indemnifying Party written notice thereof as promptly as practicable (and no

later than twenty (20) days or sooner, if the nature of the Third Party Claim so requires) after becoming aware of the Third Party Claim. Such notice shall describe the Third Party Claim in reasonable detail and include copies of all notices and documents (including court papers) received by the Indemnified Party relating to the Third Party Claim. Notwithstanding the foregoing, the failure of an Indemnified Party to provide notice in accordance with this Section 5.7(a) shall not relieve an Indemnifying Party of its indemnification obligations under this Agreement, except to the extent to which the Indemnifying Party is actually prejudiced by the Indemnified Party's failure to provide notice in accordance with this Section 5.7(a).

(b) Subject to this Section 5.7(b) and Section 5.7(c), an Indemnifying Party may elect to control the defense of (and seek to settle or compromise), at its own expense and with its own counsel, any Third Party Claim. Within thirty (30) days after the receipt of notice from an Indemnified Party in accordance with Section 5.7(a) (or sooner, if the nature of the Third Party Claim so requires), the Indemnifying Party shall notify the Indemnified Party whether the Indemnifying Party will assume responsibility for defending the Third Party Claim and shall specify any reservations or exceptions to its defense. After receiving notice of an Indemnifying Party's election to assume the defense of a Third Party Claim, whether with or without any reservations or exceptions with respect to such defense, an Indemnified Party shall have the right to employ separate counsel and to participate in (but not control) the defense, compromise, or settlement thereof, but the Indemnified Party shall be responsible for the fees and expenses of its counsel and, in any event, shall cooperate with the Indemnifying Party in such defense and make available to the Indemnifying Party, at the Indemnifying Party's expense, all witnesses, information and materials in such

Indemnified Party's possession or under such Indemnified Party's control relating thereto as are reasonably required by the Indemnifying Party. If an Indemnifying Party has elected to assume the defense of a Third Party Claim, whether with or without any reservations or exceptions with respect to such defense, then such Indemnifying Party shall be solely liable for all fees and expenses incurred by it in connection with the defense of such Third Party Claim and shall not be entitled to seek any indemnification or reimbursement from the Indemnified Party for any such fees or expenses incurred during the course of its defense of such Third Party Claim, regardless of any subsequent decision by the Indemnifying Party to reject or otherwise abandon its assumption of such defense.

(c) Notwithstanding Section 5.7(b), if any Indemnified Party shall in good faith determine that there is an actual conflict of interest (whether legal, business or otherwise) if counsel for the Indemnifying Party represented both the Indemnified Party and Indemnifying Party, then the Indemnified Party shall have the right to employ separate counsel and to participate in (but not control) the defense, compromise, or settlement thereof, and the Indemnifying Party shall bear the reasonable fees and expenses of one (1) separate counsel for all Indemnified Parties.

(d) If an Indemnifying Party elects not to assume responsibility for defending a Third Party Claim, or fails to notify an Indemnified Party of its election within thirty (30) days after the receipt of notice from an Indemnified Party as provided in Section 5.7(b), the Indemnified Party may defend the Third Party Claim at the cost and expense of the Indemnifying Party. If the Indemnified Party is conducting the defense against any such Third Party Claim, the Indemnifying Party shall cooperate with the Indemnified Party in such defense and make available to the Indemnified Party, at the Indemnifying Party's expense, all witnesses,

information and materials in such Indemnifying Party's possession or under such Indemnifying Party's control relating thereto as are reasonably required by the Indemnified Party.

(e) Without the prior written consent of any Indemnifying Party, which consent shall not be unreasonably withheld, conditioned or delayed, no Indemnified Party may settle or compromise, or seek to settle or compromise, any Third Party Claim; provided, however, in the event that the Indemnifying Party elects not to assume responsibility for defending a Third Party Claim or fails to notify the Indemnified Party of its election within thirty (30) days after the receipt of notice from the Indemnified Party as provided in Section 5.7(b), the Indemnified Party shall have the right to settle or compromise such Third Party Claim in its sole discretion. Without the prior written consent of any Indemnified Party, which consent shall not be unreasonably withheld, conditioned or delayed, no Indemnifying Party shall consent to the entry of any judgment or enter into any settlement of any pending or threatened Third Party Claim for which the Indemnified Party is seeking or may seek indemnity pursuant to this Section 5.7 unless such judgment or settlement is solely for monetary damages, does not impose any expense or obligation on the Indemnified Party, does not involve any finding or determination of wrongdoing or violation of law by the Indemnified Party and provides for a full, unconditional and irrevocable release of that Indemnified Party from all liability in connection with the Third Party Claim.

5.8 Tax Procedures.

(a) With respect to any period in which GLPI has made or will make an election to be taxed as a real estate investment trust within the meaning of Section 856 of the Code (a "REIT"), notwithstanding any other provisions in this Agreement, any payments to be made by Penn to any member of the GLPI Group pursuant to Section 5.3 or 5.6 for any calendar year shall not exceed the sum of (i) the amount that it is determined will not be gross income of GLPI for purposes of the requirements of Sections 856(c)(2) and (3) of the Code for any period in which GLPI has made any election to be taxed as a REIT, with such determination to be set forth in an opinion of outside tax counsel selected by GLPI, which opinion shall be reasonably satisfactory to GLPI plus (ii) such additional amount that is estimated can be paid to GLPI in such taxable year without causing GLPI to fail to meet the requirements of Sections 856(c)(2) and (3) of the Code, determined (x) as if the payment of such amount did not constitute income described in Sections 856(c)(2)(A) through (I) and 856(c)(3)(A) through (I) of the Code ("Qualifying Income") and (y) by taking into account any other payments to GLPI during such taxable year that do not constitute Qualifying Income, which determination shall be (A) made by independent tax accountants to GLPI, and (B) submitted to and approved by GLPI's outside tax counsel, and (iii) in the event that GLPI receives a ruling from the IRS to the effect that GLPI's receipt of the additional amount otherwise to be paid under this Agreement either would constitute Qualifying Income or would be excluded from gross income of GLPI for purposes of Sections 856(c)(2) and (3) of the Code (the "Specified REIT Requirements"), the aggregate payments otherwise required to be made pursuant to Section 5.3 or 5.6 (determined without regard to this Section 5.8(a)) less the amount otherwise previously paid under clauses (i) and (ii) above.

(b) Penn shall place the full amount of any payments otherwise to be made by Penn pursuant to Section 5.3 or 5.6 in a mutually agreed escrow account upon mutually

acceptable terms (which shall provide that (i) the amount in the escrow account shall be treated as the property of Penn, unless it is released from such escrow account to any GLPI Indemnified Party, (ii) all income earned upon the amount in the escrow account shall be treated as the property of Penn and reported, as and to the extent required by applicable Law, by the escrow agent to the IRS, or any other taxing authority, on IRS Form 1099 or 1042S (or other appropriate form) as income earned by Penn whether or not said income has been distributed during such taxable year and (iii) any portion thereof shall not be released to any GLPI Indemnified Party unless and until Penn receives any of the following: (A) a letter from GLPI's independent tax accountants indicating the amount that it is estimated can be paid at that time to the GLPI Indemnified Parties without causing GLPI to fail to meet the Specified REIT Requirements for the taxable year in which the payment would be made, which determination shall be made by such independent tax accountants or (B) an opinion of outside tax counsel selected by GLPI, such opinion to be reasonably satisfactory to GLPI, to the effect that, based upon a change in applicable Law after the date on which payment was first deferred hereunder, receipt of the additional amount otherwise to be paid pursuant to Section 5.3 or 5.6 either would be excluded from gross income of GLPI for purposes of the Specified REIT Requirements or would constitute Qualifying Income, in either of which events Penn shall pay to the applicable GLPI Indemnified Parties the lesser of the unpaid amounts due pursuant to Section 5.3 or 5.6 (determined without regard to this Section 5.8) or the maximum amount stated in the letter referred to in clause (iii)(A) above.

(c) Any amount held in escrow pursuant to Section 5.8(b) for five years shall be released from such escrow to be used as determined by Penn in its sole and absolute discretion.

(d) GLPI shall bear all costs and expenses with respect to the escrow.

(e) Penn shall cooperate in good faith to amend this Section 5.8 at the reasonable request of GLPI in order to (i) maximize the portion of such payment that may be distributed to GLPI hereunder without causing GLPI to fail to meet the requirements of Sections 856(c)(2) and (3) of the Code, (ii) improve GLPI's chances of securing a favorable ruling described in this Section 5.8, or (iii) assist GLPI in obtaining a favorable opinion from its outside tax

counsel or determination from its tax accountants as described in this Section 5.8. GLPI shall reimburse Penn for all reasonable costs and expenses of such cooperation.

5.9 Additional Matters.

(a) Indemnification or contribution payments in respect of any Liabilities for which an Indemnified Party is entitled to indemnification or contribution under this Article V shall be paid by the Indemnifying Party to the Indemnified Party as such Liabilities are incurred upon demand by the Indemnified Party, including reasonably satisfactory documentation setting forth the basis for the amount of such indemnification or contribution payment, including documentation with respect to calculations made and consideration of any Insurance Proceeds that actually reduce the amount of such Liabilities. The indemnity and contribution agreements contained in this Article V shall remain operative and in full force and effect, regardless of (i) any investigation made by or on behalf of any Indemnified Party, (ii) the knowledge by the

Indemnified Party of Liabilities for which it might be entitled to indemnification or contribution hereunder and (iii) any termination of this Agreement.

(b) Any claim for indemnification under this Agreement which does not result from a Third Party Claim shall be asserted by written notice given by the Indemnified Party to the applicable Indemnifying Party. Such Indemnifying Party shall have a period of thirty (30) days after the receipt of such notice within which to respond thereto. If such Indemnifying Party does not respond within such thirty (30)-day period, such Indemnifying Party shall be deemed to have refused to accept responsibility to make payment. If such Indemnifying Party does not respond within such thirty (30)-day period or rejects such claim in whole or in part, such Indemnified Party shall be free to pursue such remedies as may be available to such party as contemplated by this Agreement and the other Transaction Documents without prejudice to its continuing rights to pursue indemnification or contribution hereunder.

(c) If payment is made by or on behalf of any Indemnifying Party to any Indemnified Party in connection with any Third Party Claim, such Indemnifying Party shall be subrogated to and shall stand in the place of such Indemnified Party as to any events or circumstances in respect of which such Indemnified Party may have any right, defense or claim relating to such Third Party Claim against any claimant or plaintiff asserting such Third Party Claim or against any other Person. Such Indemnified Party shall cooperate with such Indemnifying Party in a reasonable manner, and at the cost and expense of such Indemnifying Party, in prosecuting any subrogated right, defense or claim.

(d) In an Action in which the Indemnifying Party is not a named defendant, if either the Indemnified Party or Indemnifying Party shall so request, the parties shall endeavor to substitute the Indemnifying Party for the named defendant if they conclude that substitution is desirable and practical. If such substitution or addition cannot be achieved for any reason or is not requested, the named defendant shall allow the Indemnifying Party to manage the Action as set forth in this section, and the Indemnifying Party shall fully indemnify the named defendant against all costs of defending the Action (including court costs, sanctions imposed by a court, attorneys' fees, experts fees and all other external expenses), the costs of any judgment or settlement, and the cost of any interest or penalties relating to any judgment or settlement.

(e) For all Tax purposes other than for purposes of Section 355(g) of the Code, Penn and GLPI agree to treat (i) any payment required by this Agreement (other than payments with respect to interest accruing after the Effective Time) as either a contribution by Penn to GLPI or a distribution by GLPI to Penn, as the case may be, occurring immediately prior to the Effective Time or as a payment of an assumed or retained Liability, and (ii) any payment of interest as taxable or deductible, as the case may be, to the party entitled under this Agreement to retain such payment or required under this Agreement to make such payment, in either case except as otherwise required by applicable Law.

5.10 Remedies Cumulative; Limitations of Liability. The rights provided in this Article V shall be cumulative and, subject to the provisions of Article VII, shall not preclude assertion by any Indemnified Party of any other rights or the seeking of any and all other remedies against any Indemnifying Party. Notwithstanding the foregoing, neither GLPI or its Affiliates, on the one hand, nor Penn or its Affiliates, on the other hand, shall be liable to the

other for any special, indirect, punitive, exemplary, remote, speculative or similar damages in excess of compensatory damages (collectively, "Special Damages") of the other arising in connection with the Transactions (provided, that any such liability with respect to a Third Party Claim shall be considered direct damages).

5.11 Survival of Indemnities. The rights and obligations of each of Penn and GLPI and their respective Indemnified Parties under this Article V shall survive the sale or other transfer by any party of any Assets or businesses or the assignment by it of any Liabilities.

ARTICLE VI

OTHER AGREEMENTS

6.1 Further Assurances.

(a) In addition to the actions specifically provided for elsewhere in this Agreement, each of the parties hereto will cooperate with each other and use (and will cause their respective Subsidiaries and Affiliates to use) commercially reasonable efforts, prior to, on and after the Distribution Date, to take, or to cause to be taken, all actions, including the actions listed on Schedule 6.1(a), and to do, or to cause to be done, all things reasonably necessary on its part under applicable Law or contractual obligations to consummate and make effective the transactions contemplated by this Agreement and the other Transaction Documents.

(b) Without limiting the foregoing, prior to, on and after the Distribution Date, each party hereto shall cooperate with the other parties, and without any further consideration, but at the expense of the requesting party from and after the Effective Time, to execute and deliver, or use its commercially reasonable efforts to cause to be executed and delivered, all instruments, including instruments of conveyance, assignment and transfer, and to obtain or make any Approvals or Notifications from or with any Governmental Authority or any other Person under any permit, license, agreement, indenture or other instrument, and to take all such other actions as such party may reasonably be requested to take by any other party hereto from time to time, consistent with the terms of this Agreement and the other Transaction Documents, in order to effectuate the provisions and purposes of this Agreement and the other Transaction Documents and the transfers of the GLPI Assets and the assignment and assumption of the GLPI Liabilities and the other transactions contemplated hereby and thereby. Without limiting the foregoing, each party will, at the reasonable request, cost and expense of any other party, take such other actions as may be reasonably necessary to

vest in such other party good and marketable title to the Assets allocated to such party under this Agreement or any of the other Transaction Documents, free and clear of any Security Interest except as contemplated by any of the Financing Arrangements or any Transaction Document.

(c) At or prior to the Effective Time, Penn and GLPI in their respective capacities as direct and indirect shareholders of their respective Subsidiaries, shall each ratify any actions that are reasonably necessary or desirable to be taken by GLPI or any other Subsidiary of Penn or GLPI, as the case may be, to effectuate the transactions contemplated by this Agreement.

6.2 Confidentiality.

(a) From and after the Effective Time, subject to Section 6.2(c) and except as contemplated by or otherwise provided in this Agreement or any other Transaction Document, Penn shall not, and shall cause its Affiliates and officers, directors, employees, and other agents and representatives, including attorneys, agents, customers, suppliers, contractors, consultants and other representatives of any Person providing financing (collectively, "Representatives"), not to, directly or indirectly, disclose, reveal, divulge or communicate to any Person other than Representatives of such party or of its Affiliates who reasonably need to know such information in providing services to any member of the Penn Group, any GLPI Confidential Information. If any disclosures are made to any member of the Penn Group in connection with any services provided to a member of the GLPI Group under this Agreement or any other Transaction Document, then the GLPI Confidential Information so disclosed shall be used only as required in connection with the receipt of such services. Penn shall use the same degree of care to prevent and restrain the unauthorized use or disclosure of the GLPI Confidential Information by any of its Representatives as it currently uses for its own confidential information of a like nature, but in no event less than a reasonable standard of care. For purposes of this Section 6.2(a), any Information, material or documents relating to the GLPI Business currently or formerly conducted, or proposed to be conducted, by any member of the GLPI Group furnished to, or in possession of, Penn, irrespective of the form of communication, and all notes, analyses, compilations, forecasts, data, translations, studies, memoranda or other documents prepared by Penn or its officers, directors and Affiliates, that contain or otherwise reflect such information, material or documents is hereinafter referred to as "GLPI Confidential Information." GLPI Confidential Information does not include, and there shall be no obligation hereunder with respect to, information that (i) is or becomes generally available to the public, other than as a result of a disclosure by Penn not otherwise permissible hereunder, (ii) Penn can demonstrate was or became available to Penn from a source other than GLPI or its Affiliates or (iii) is developed independently by Penn without reference to the GLPI Confidential Information; provided, however, that, in the case of clause (ii), the source of such information was not known by Penn to be bound by a confidentiality agreement with, or other contractual, legal or fiduciary obligation of confidentiality to, GLPI or any member of the GLPI Group with respect to such information.

(b) From and after the Effective Time, subject to Section 6.2(c) and except as contemplated by this Agreement or any other Transaction Document, GLPI shall not, and shall cause its Affiliates and their respective Representatives, not to, directly or indirectly, disclose, reveal, divulge or communicate to any Person other than Representatives of such party or of its Affiliates who reasonably need to know such information in providing services to GLPI or any member of the GLPI Group, any Penn Confidential Information. If any disclosures are made to any member of the GLPI Group in connection with any services provided to a member of the GLPI Group under this Agreement or any other Transaction Document, then the Penn Confidential Information so disclosed shall be used only as required in connection with the receipt of such services. The GLPI Group shall use the same degree of care to prevent and restrain the unauthorized use or disclosure of the Penn Confidential Information by any of their Representatives as they use for their own confidential information of a like nature, but in no event less than a reasonable standard of care. For purposes of this Section 6.2(b), any Information, material or documents relating to the businesses currently or formerly conducted, or

proposed to be conducted, by Penn or any of its Affiliates (other than any member of the GLPI Group) furnished to, or in possession of, any member of the GLPI Group, irrespective of the form of communication, and all notes, analyses, compilations, forecasts, data, translations, studies, memoranda or other documents prepared by GLPI, any member of the GLPI Group or their respective officers, directors and Affiliates, that contain or otherwise reflect such information, material or documents is hereinafter referred to as "Penn Confidential Information." Penn Confidential Information does not include, and there shall be no obligation hereunder with respect to, information that (i) is or becomes generally available to the public, other than as a result of a disclosure by any member of the GLPI Group not otherwise permissible hereunder, (ii) GLPI can demonstrate was or became available to GLPI from a source other than Penn and its respective Affiliates or (iii) is developed independently by such member of the GLPI Group without reference to the Penn Confidential Information; provided, however, that, in the case of clause (ii), the source of such information was not known by GLPI to be bound by a confidentiality agreement with, or other contractual, legal or fiduciary obligation of confidentiality to, Penn or its Affiliates with respect to such information.

(c) If Penn or its Affiliates, on the one hand, or GLPI or its Affiliates, on the other hand, are requested or required (by oral question, interrogatories, requests for information or documents, subpoena, civil investigative demand or similar process) by any Governmental Authority or pursuant to applicable Law to disclose or provide any GLPI Confidential Information or Penn Confidential Information (other than with respect to any such information furnished pursuant to the provisions of Article IV of this Agreement), as applicable, the Person receiving such request or demand shall use commercially reasonable efforts to provide the other party with written notice of such request or demand as promptly as practicable under the circumstances so that such other party shall have an opportunity to seek an appropriate protective order. The party receiving such request or demand agrees to take, and cause its representatives to take, at the requesting party's expense, all other reasonable steps necessary to obtain confidential treatment by the recipient. Subject to the foregoing, the party that received such request or demand may thereafter disclose or provide any GLPI Confidential Information or Penn Confidential Information, as the case may be, to the extent required by such Law (as so advised by counsel) or by lawful process or such Governmental Authority.

(d) Each of Penn and GLPI acknowledges that it and the other members of its Group may have in their possession confidential or proprietary information of third Persons that was received under confidentiality or non-disclosure agreements with such third Person prior to the Distribution Date. Penn and GLPI each agrees that it will hold, and will cause the other members of its Group and their respective Representatives to hold, in strict confidence the confidential and proprietary information of third Persons to which it or any other member of its respective Group has access, in accordance with the terms of any agreements entered into prior to the Distribution Date between or among one (1) or more members of the applicable party's Group and such third Persons to the extent disclosed to such party.

6.3 Insurance Matters.

(a) GLPI acknowledges and agrees, on its own behalf and on behalf of each of the GLPI Subsidiaries, that, from and after the Effective Time, neither GLPI nor any of the GLPI Subsidiaries shall have any rights to or under any of Penn's or the Penn Subsidiaries'

insurance policies, other than any insurance policies acquired prior to the Effective Time directly by and in the name of a member of GLPI or any of the GLPI Subsidiaries or as expressly provided in this Section 6.3 or in the Employee Matters Agreement.

(b) Notwithstanding Section 6.3(a), from the Effective Time through December 31, 2013, the TRS Properties shall continue to be covered by Penn's or a Penn Subsidiary's existing property insurance policies, it being understood that GLPI shall promptly reimburse Penn or such Penn Subsidiary for any premiums or other costs associated with such coverage. In addition, from and after the Effective Time, with respect to any Liability incurred by GLPI or any of the GLPI Subsidiaries prior to the Effective Time (or, solely with respect to any property insurance policies relating to the TRS Properties, prior to December 31, 2013), Penn shall provide GLPI with access to, and GLPI may make claims under insurance policies purchased by Penn if and to the extent that the terms of such policies provide such coverage to GLPI or the GLPI Subsidiaries, and subject to the terms and conditions of such insurance policies, including any limits on coverage or scope, any deductibles or self-insured retentions and other fees and expenses, and subject to the following additional conditions:

(i) GLPI shall report claims under such policies directly to the applicable insurance company or its Third-Party Administrator ("TPA") as applicable, as promptly as practicable, and shall provide a copy of all such claim reports to the Corporate Risk Management Department of Penn, and if Penn disagrees with any matter covered in such claims reports, Penn may notify the applicable insurance company, and shall provide a copy of such communication to GLPI;

(ii) GLPI shall exclusively bear and be responsible for (and Penn shall have no obligation to repay or reimburse GLPI or any of the GLPI Subsidiaries for) and pay the applicable insurers or TPA as required under the applicable insurance policies and TPA agreements for any and all costs as a result of having access to, or making claims under, any insurance provided pursuant to this Section 6.3(b), including any deductibles and self-insured retentions associated with such claims, retrospective, retroactive or prospective premium adjustments associated with the applicable insurance policies, catastrophic coverage charges, overhead, claim handling and administrative costs, Taxes, surcharges, state assessments, reinsurance costs, other related costs and claim payments, relating to all open, closed, re-opened claims covered by the applicable policies, whether such claims are made by GLPI, its employees or third Parties, and GLPI shall indemnify, hold harmless and reimburse Penn and the Penn Subsidiaries for any deductibles and self-insured retentions incurred by Penn or the Penn Subsidiaries to the extent resulting from any access to, any claims made by GLPI or any of the GLPI Subsidiaries under, any insurance provided pursuant to this Section 6.3(b), including any indemnity payments, settlements, judgments, legal fees and allocated claims expenses and claim handling fees, whether such claims are made by GLPI, any GLPI Subsidiary, their respective employees or third Parties;

(iii) GLPI shall exclusively bear (and Penn shall have no obligation to repay or reimburse GLPI or any of the GLPI Subsidiaries for) and shall be liable for all uninsured, uncovered, unavailable or uncollectible amounts of all such claims made by GLPI or any of the GLPI Subsidiaries under the policies as provided for in this Section 6.3(b); and

(iv) Neither GLPI nor any GLPI Subsidiary, in connection with making a claim under any insurance policy of Penn or any Penn Subsidiary pursuant to this Section 6.3(b), shall take any action that would be reasonably likely to: (A) have an adverse impact on the then-current relationship between Penn or any Penn Subsidiary, on the one hand, and the applicable insurance company, on the other hand or (B) otherwise compromise, jeopardize or interfere with the rights of Penn or any Penn Subsidiary under the applicable insurance policy.

At all times, the Parties shall, and shall cause their respective Subsidiaries to, cooperate with reasonable requests for information by the other Party or the insurance companies regarding any such insurance policy claim.

(c) Any payments, costs and adjustments required pursuant to Section 6.3(b) shall be billed by Penn, on behalf of itself and the Penn Subsidiaries, to GLPI on a monthly basis and GLPI, on behalf of itself and the GLPI Subsidiaries, shall pay such payments, costs and adjustments to Penn within sixty (60) days from receipt of invoice. If Penn incurs costs to enforce GLPI's obligations under this Section 6.3, GLPI agrees to indemnify Penn for such enforcement costs, including reasonable attorneys' fees.

(d) At the Effective Time, GLPI shall have in effect all insurance programs required to comply with GLPI's statutory and contractual obligations and such other insurance policies as reasonably necessary or customary for companies operating a business similar to the GLPI Business. Such insurance programs include general liability, commercial auto liability, workers' compensation, employers liability, product liability, employment practices liability, employee dishonesty/crime, directors' and officers' liability and fiduciary liability. GLPI shall obtain a property insurance program on or prior to December 31, 2013, and, notwithstanding Section 6.3(a), between the Effective Date and December 31, 2013, the property insurance of Penn shall provide coverage (determined in the sole discretion of Penn) for GLPI and the GLPI Subsidiaries.

(e) Neither Penn nor any of the Penn Subsidiaries shall have any obligation to secure extended reporting for any claims under any of Penn's or the Penn Subsidiaries' claims-made or occurrence-reported liability policies for any acts or omissions by GLPI or any GLPI Subsidiary incurred prior to the Effective Time.

(f) This Agreement shall not be considered as an attempted assignment of any policy of insurance or as a contract of insurance and shall not be construed to waive any right or remedy of either Penn or any Penn Subsidiary in respect of any of the Penn insurance policies and programs or any other contract or policy of insurance.

6.4 Allocation of Costs and Expenses. Penn and GLPI shall be responsible for the costs and expenses set forth on Schedule 6.4 according the allocation provided therein.

6.5 Litigation; Cooperation.

(a) As of the Effective Time, GLPI shall assume and thereafter, except as provided in Article V, be responsible for the administration of all Liabilities that may result from the Assumed Actions and all fees and costs relating to the defense of the Assumed Actions, including attorneys' fees and costs incurred after the Effective Time. "Assumed Actions" means

those Actions (in which any member of the Penn Group or any Affiliate of a member of the Penn Group is a defendant or the party against whom the claim or investigation is directed) primarily relating to the GLPI Business, including the Actions listed on Schedule 6.5(a).

(b) Penn shall transfer the Transferred Actions to GLPI, and GLPI shall receive and have the benefit of all of the proceeds of such Transferred Actions. "Transferred Actions" means those Actions (in which any member of the Penn Group or any Affiliate of a member of the Penn Group is a plaintiff or claimant) primarily relating to the GLPI Business, including the Actions listed on Schedule 6.5(b).

(c) (i) Penn agrees that at all times from and after the Effective Time if a Third Party Claim relating primarily to the Penn Business is commenced naming both Penn and GLPI as defendants thereto, then Penn shall use its commercially reasonable efforts to cause GLPI to be removed from such Third Party Claim; provided, that, if Penn is unable to cause GLPI to be removed from such Third Party Claim, Penn and GLPI shall cooperate and consult to the extent necessary or advisable with respect to such Third Party Claim.

(ii) GLPI agrees that at all times from and after the Effective Time if a Third Party Claim relating primarily to the GLPI Business is commenced naming both Penn and GLPI as defendants thereto, then GLPI shall use its commercially reasonable efforts to cause Penn to be removed from such Third Party Claim; provided, that, if GLPI is unable to cause Penn to be removed from such Third Party Claim, Penn and GLPI shall cooperate and consult to the extent necessary or advisable with respect to such Third Party Claim.

(iii) Penn and GLPI agree that at all times from and after the Effective Time if a Third Party Claim which does not relate primarily to the GLPI Business or the Penn Business is commenced naming both Penn (or any member of the Penn Group) and GLPI (or any member of the GLPI Group) as defendants thereto, then Penn and GLPI shall cooperate fully with each other, maintain a joint defense (in a manner that would preserve for both parties and their respective Affiliates any attorney-client privilege, joint defense or other privilege with respect thereto) and consult each other to the extent necessary or advisable with respect to such Third Party Claim.

6.6 Tax Matters. Penn and GLPI shall enter into the Tax Matters Agreement on or prior to the Distribution Date. To the extent that any representations, warranties, covenants or agreements between the parties with respect to Taxes or other Tax matters are set forth in the Tax Matters Agreement, such Taxes and other Tax matters shall be governed exclusively by the Tax Matters Agreement and not by this Agreement.

6.7 Employment Matters. Penn and GLPI shall enter into the Employee Matters Agreement on or prior to the Distribution Date. To the extent that any representations, warranties, covenants or agreements between the parties with respect to employment matters are set forth in the Employee Matters Agreement, such employment matters shall be governed exclusively by the Employee Matters Agreement and not by this Agreement.

6.8 Intellectual Property Matters.

(a) Penn hereby grants to GLPI a perpetual, non-exclusive license to use the Intellectual Property that is set forth on Schedule 6.8 (the "Licensed Intellectual Property") solely in connection with the ownership, management, development, operation of and promotion of the TRS Properties, including the offering or sale by GLPI of products bearing the Licensed Marks (the "IP License"). For a period of two years commencing on the date of this Agreement (the "Term"), the IP License shall be royalty-free. The royalty to be paid for the continued use of the IP License after the Term shall reflect the fair market value thereof, determined according to the procedures set forth on Schedule 6.8.

(b) GLPI shall have the right to sublicense the Licensed Intellectual Property to any member of the GLPI Group (solely for so long as such entity remains a member of the GLPI Group), provided, however, that any sublicense granted hereunder shall contain provisions whereby the sublicensee agrees to assume, observe and perform all of the obligations of GLPI and be bound by all of the restrictions under this Agreement applicable to the use of the Licensed Intellectual Property.

(c)

(i) GLPI recognizes and acknowledges the exclusive right, title and interest of Penn in and to the ownership of the Licensed Intellectual Property, including the Licensed Marks. GLPI agrees to assign and hereby assigns any and all rights in the Licensed Intellectual Property (including any and all rights in the Licensed Marks) it might acquire during or after the Term to Penn and agrees to execute and undertake during or after the Term and after termination of the IP License all documents and all actions reasonably necessary to effect the clarification or perfection of ownership of all Licensed Intellectual Property in and to Penn and to allow Penn to apply for registrations of the Licensed Intellectual Property and to maintain any registrations issued thereon.

(ii) All rights in and to the Licensed Intellectual Property not specifically granted to GLPI herein are expressly reserved by Penn. GLPI neither has nor under any circumstances shall be deemed to have any ownership, right, title or interest in or to any Licensed Intellectual Property.

(iii) All goodwill associated with or identified by the Licensed Intellectual Property shall inure directly and exclusively to the benefit of, and is the sole property of Penn and all use (whether authorized or unauthorized) of any other indicia of source, mark, logo or slogan by GLPI in the course of promoting or marketing the Licensed Intellectual Property shall likewise inure directly and exclusively to the benefit and shall be the sole property of Penn.

(iv) During the Term and thereafter, GLPI shall not: (A) challenge the validity of Penn's ownership of, or right to license, the Licensed Intellectual Property or any registration, or application for registration thereof; (B) represent in any manner that it has any title or right to the ownership, registration or use of the Licensed Intellectual Property except as set forth in this Agreement; (C) challenge the right of Penn to grant the licenses granted herein;

or (D) interfere in any manner with nor attempt to prohibit the use or registration by Penn of any Licensed Intellectual Property.

(v) GLPI acknowledges that certain of the Licensed Intellectual Property may have been and may potentially be misappropriated by third Persons. Penn provides neither any guarantee nor assurance that Penn will be able to cause cessation of such misappropriation nor any assurance that such third Persons may fail in an ability to claim superiority of rights with respect to the subject Licensed Intellectual Property.

(vi) Nothing contained in this Agreement shall be construed to confer upon GLPI any right or license to have any of the Licensed Intellectual Property registered in the name of GLPI, any member of the GLPI Group or any third Person or to vest in GLPI, any member of the GLPI Group or any third Person any right, title or interest in and to the Licensed Intellectual Property. GLPI shall not, directly or indirectly, register or cause to be registered in any country or governmental subdivision any trademark, trade name, service mark, trade dress, Internet domain name, other universal resource locator, patent, mask work or copyright consisting of, embodied in, relating to, arising out of or similar to any of the Licensed Intellectual Property. GLPI shall not knowingly damage, do any act or fail to do any act, which could be reasonably anticipated to damage, dilute, or materially modify any of the Licensed Intellectual Property or knowingly permit a third Person to do so.

(vii) GLPI shall immediately notify Penn in writing of any infringement, misappropriation, dilution or other claim of right, title, or interest (or any suspected activity with respect to any of the foregoing) with respect to any of the Licensed Intellectual Property of which GLPI knows or otherwise becomes aware.

(viii) (A) GLPI shall use the Licensed Marks without any accompanying words or symbols of any nature (save as required by the provisions hereof) unless first approved in writing by Penn and GLPI shall not modify the Licensed Marks or conjoin the Licensed Marks with any other name, service mark, trade name or trademark whatsoever, unless otherwise approved by Penn, in Penn's reasonable discretion, in writing; (B) Penn agrees to include on all uses of the Licensed Intellectual Property all notices and legends reasonably requested by Penn.

(ix) GLPI shall neither file any application for registration or other recognition of any name incorporating or embodying in any manner the Licensed Marks, or variant thereof, as a fictitious business name nor use the Licensed Marks, or any variant thereof, as part of its formal entity name (including any corporate, partnership, limited-liability company, limited-liability partnership, limited partnership or any other formal entity name) or permit any member of the GLPI Group or any third Person to do so, unless Penn grants such use of the Licensed Marks, in its reasonable discretion.

(d)

(i) GLPI agrees to use the Licensed Intellectual Property in good faith and in a dignified manner, in a manner consistent with Penn's high standards of, and reputation for quality, in a manner consistent with the standards of quality of the TRS Properties

immediately prior to the Effective Time, and in accordance with generally accepted trademark practice wherever the Licensed Marks are used. GLPI agrees to use commercially reasonable efforts to protect the Licensed Intellectual Property and the goodwill associated therewith.

(ii) GLPI covenants that the nature and quality of the products and services provided at the TRS Properties and all promotional, advertising or other material relating to the any such products and services, and all representations of the Licensed Intellectual Property, shall be of good quality comparable to the quality of similar goods and services presently sold or provided by the TRS Properties immediately prior to the Effective Date and shall conform to any applicable brand rules of Penn in effect as of the Effective Time. With respect to any additional services or products that may be provided by the TRS Properties, GLPI agrees that the nature and quality of such products and services shall be equal to and commensurate with that of existing products and services offered by the TRS Properties immediately prior to the Effective Time.

(iii) GLPI covenants that no promotional, advertising or other material that utilizes any of the Licensed Intellectual Property (including the "Hollywood" name or logo) shall display such Licensed Intellectual Property without also prominently indicating the full name of the applicable property (i.e., "Hollywood Casino Baton Rouge" or "Hollywood Casino Perryville").

(iv) In furtherance of the provisions of Section 8.9, GLPI covenants that it shall not assign or otherwise transfer any interest in the Licensed Intellectual Property to any third party without Penn's prior written consent. For purposes of this paragraph, it shall be deemed a transfer if any person other than GLPI acquires at least 25% of the voting control of GLPI, or of any GLPI Subsidiary that directly or indirectly owns one or more TRS Properties. Penn agrees that, in the event of a change of control or sale of all or substantially all of the assets of GLPI or of any GLPI Subsidiary that directly or indirectly owns one or more of the TRS Properties, for no additional consideration Penn will grant a license to use the Licensed Intellectual Property for a term of one year from the date of such change in control or transfer on the same terms as are applicable to GLPI pursuant to this Section 6.8 to such GLPI Subsidiary or the acquiror, as applicable, at such Person's election.

(v) Solely for the purposes of ensuring compliance with this Section 6.8, Penn's duly authorized representatives shall have the right to inspect the quality of the products and services provided at the TRS Properties, and GLPI shall permit, subject to applicable Law, such representatives of Penn to have reasonable access to all areas of the TRS Properties for such inspection purposes during regular business hours and on reasonable notice and in a manner that will cause minimal disruption to GLPI's business.

6.9 Compliance with Legal Requirements. After the Effective Time, GLPI covenants and agrees that it will comply in all material respects with all legal requirements and regulations applicable to it that have been enacted by a Governmental Authority as a condition to or otherwise in connection with the Distribution, including those set forth on Schedule 6.9.

ARTICLE VII

DISPUTE RESOLUTION

7.1 General Provisions.

(a) Any dispute, controversy or claim arising out of or relating to this Agreement or the other Transaction Documents (other than the Master Lease), or the validity, interpretation, breach or termination thereof (a "Dispute"), shall be resolved in accordance with the procedures set forth in this Article VII, which shall be the sole and exclusive procedures for the resolution of any such Dispute unless otherwise specified in the applicable Transaction Document or in this Article VII below.

(b) Commencing with a request contemplated by Section 7.2 set forth below, all communications between the parties or their representatives in connection with the attempted resolution of any Dispute shall be deemed to have been delivered in furtherance of a Dispute settlement and shall be exempt from discovery and production, and shall not be admissible into evidence for any reason (whether as an admission or otherwise), in any arbitral or other proceeding for the resolution of any Dispute.

(c) THE PARTIES EXPRESSLY WAIVE AND FOREGO ANY RIGHT TO (I) SPECIAL DAMAGES, AS DEFINED HEREIN (PROVIDED, THAT LIABILITY FOR ANY SUCH SPECIAL DAMAGES, AS DEFINED HEREIN, WITH RESPECT TO ANY THIRD PARTY CLAIM SHALL BE CONSIDERED DIRECT DAMAGES) AND (II) TRIAL BY JURY.

(d) The specific procedures set forth in this Article VII below, including the time limits referenced therein, may be modified by agreement of both of the parties in writing.

(e) All applicable statutes of limitations and defenses based upon the passage of time shall be tolled while the procedures specified in this Article VII are pending. The parties will take any necessary or appropriate action required to effectuate such tolling.

7.2 Arbitration.

(a) In the event of any Dispute, either party may (i) pursuant to its rights under Section 8.11, submit a request for interim injunctive relief to the arbitral tribunal appointed pursuant to Section 7.2(b) (provided, that, if the tribunal shall not have been constituted, either party may seek interim relief either before a special arbitrator, as provided for in Rule 14 of the CPR Arbitration Rules, or before any court of competent jurisdiction) if, in the reasonable opinion of such party, such interim injunctive relief is necessary to preserve its rights pending resolution of the Dispute, and (ii) submit such Dispute to be finally resolved by binding

arbitration, in each case, pursuant to the CPR Rules for Non-Administered Arbitration as then in effect (the "CPR Arbitration Rules").

(b) The neutral organization for purposes of the CPR Arbitration Rules will be the CPR. The arbitral tribunal will be composed of one arbitrator to be mutually agreed by the parties or, if the parties are unable to agree on an arbitrator, the arbitrator will be appointed by CPR from a list of eight (8) proposed neutrals submitted by the CPR each of whom shall have at least ten (10) years' experience in arbitrating commercial disputes. Each party may strike no more than three (3) neutrals from the list submitted by CPR.

(c) Arbitration will take place in Wyomissing, Pennsylvania. Along with the arbitrator appointed, the parties will agree to a mutually convenient date and time to conduct the arbitration, but in no event will the hearing(s) be scheduled less than six (6) months from submission of the Dispute to arbitration unless the parties agree otherwise in writing; provided, that, if injunctive or other interim relief contemplated by Section 7.2(d) below is requested, the hearing(s) will be expedited in accordance with any order entered by the court, tribunal or special arbitrator adjudicating that request.

(d) The arbitral tribunal will have the right to award, on an interim basis, or include in the final award, any relief which it deems proper in the circumstances, including money damages (with interest on unpaid amounts from the due date), injunctive relief (including specific performance) and attorneys' fees and costs; provided, that the arbitral tribunal will not award any relief not specifically requested by the parties and, in any event, will not award Special Damages. Upon constitution of the arbitral tribunal following any grant of interim relief by a special arbitrator or court pursuant to Sections 7.2(a) and 8.11, the tribunal may affirm or disaffirm that relief, and the parties will seek modification or rescission of the order entered by the special arbitrator or court as necessary to accord with the tribunal's decision.

(e) The parties agree to be bound by the provisions of Rule 13 of the Federal Rules of Civil Procedure with respect to compulsory counterclaims (as the same may be amended from time to time); provided, that any such compulsory counterclaim shall be filed within thirty (30) days of the filing of the original claim.

(f) So long as either party has a timely claim to assert, the agreement to arbitrate Disputes set forth in this Section 7.2 will continue in full force and effect subsequent to, and notwithstanding the completion, expiration or termination of, this Agreement.

(g) A party obtaining an order of interim injunctive relief may enter judgment upon such award in any court of competent jurisdiction. The final award in an arbitration pursuant to this Article VII shall be conclusive and binding upon the parties, and a party obtaining a final award may enter judgment upon such award in any court of competent jurisdiction.

(h) It is the intent of the parties that the agreement to arbitrate Disputes set forth in this Section 7.2 shall be interpreted and applied broadly such that all reasonable doubts as to arbitrability of a Dispute shall be decided in favor of arbitration.

(i) If a Dispute includes both arbitrable and nonarbitrable claims, counterclaims or defenses, the parties shall arbitrate all such arbitrable claims, counterclaims or defenses and shall concurrently litigate, subject to and in accordance with Section 8.2, all such nonarbitrable claims, counterclaims or defenses.

(j) The parties agree that any Dispute submitted to arbitration shall be governed by, and construed and interpreted in accordance with, Section 8.2 and, except as otherwise provided in this Article VII or mutually agreed to in writing by the parties, the Federal Arbitration Act, 9 U.S.C. §§ 1 et seq., shall govern any arbitration between the parties pursuant to this Section 7.2.

(k) Each party shall bear (i) its own fees, costs and expenses and shall bear an equal share of the expenses of the arbitration, including the fees, costs and expenses of the arbitrator; provided, in the case of any Disputes relating to the parties' rights and obligations with respect to indemnification under Article V, the substantially prevailing party shall be entitled to reimbursement by the other party of its reasonable out-of-pocket fees and expenses (including attorneys' fees) incurred in connection with the arbitration.

ARTICLE VIII

MISCELLANEOUS

8.1 Corporate Power. Penn represents on behalf of itself and on behalf of other members of the Penn Group, and GLPI represents on behalf of itself and on behalf of other members of the GLPI Group, as follows:

(a) each such Person has the requisite corporate power and authority and has taken all corporate action necessary in order to execute, deliver and perform each of this Agreement and each other Transaction Document to which it is a party and to consummate the transactions contemplated hereby and thereby; and

(b) this Agreement and each Transaction Document to which it is a party has been duly executed and delivered by it and constitutes a valid and binding agreement of it enforceable in accordance with the terms thereof.

8.2 Governing Law; Jurisdiction. This Agreement and, unless expressly provided therein, each other Transaction Document, shall be governed by and construed and interpreted in accordance with the Laws of the Commonwealth of Pennsylvania irrespective of the choice of Laws principles of the Commonwealth of Pennsylvania. In addition, with respect to this Agreement (other than arbitrable Disputes governed by Section 7.2) and, unless expressly provided therein, each other Transaction Document, Penn and GLPI agree that any legal action or proceeding shall be brought or determined exclusively in a state or federal court located within the County of Berks in the Commonwealth of Pennsylvania.

8.3 Survival of Covenants. Except as expressly set forth in any other Transaction Document, the covenants and other agreements contained in this Agreement and each other Transaction Document, and liability for the breach of any obligations contained herein or therein,

shall survive each of the Reorganization and the Distribution and shall remain in full force and effect.

8.4 Force Majeure. No party hereto (or any Person acting on its behalf) shall have any liability or responsibility for failure to fulfill any obligation (other than a payment obligation) under this Agreement or, unless otherwise expressly provided therein, any other Transaction Document, so long as and to the extent to which the fulfillment of such obligation is prevented, frustrated, hindered or delayed as a consequence of circumstances of Force Majeure. A party claiming the benefit of this provision shall, as soon as reasonably practicable after the occurrence of any such event, (i) notify the other parties of the nature and extent of any such Force Majeure condition and (ii) use due diligence to remove any such causes and resume performance under this Agreement as soon as feasible.

8.5 Notices. All notices, requests, claims, demands and other communications under this Agreement and, to the extent applicable and unless otherwise provided therein, under each of the other Transaction Documents shall be in writing and shall be given or made (and shall be deemed to have been duly given or made upon receipt) by delivery in person, by overnight courier service, by facsimile or electronic transmission with receipt confirmed (followed by delivery of an original via overnight courier service) or by registered or certified mail (postage prepaid, return receipt requested) to the respective parties at the following addresses (or at such other address for a party as shall be specified in a notice given in accordance with this Section 8.5):

If to Penn, to:

Penn National Gaming, Inc.
825 Berkshire Boulevard, Suite 200
Wyomissing, Pennsylvania 19610
Attention: Chief Executive Officer
Facsimile: (610) 373-4966

with a copy to:

Ballard Spahr LLP
1735 Market Street, 51st Floor
Philadelphia, Pennsylvania 19103
Attention: Justin P. Klein, Esq.
Facsimile: (215) 864-9166

if to GLPI:

Gaming and Leisure Properties, Inc.
825 Berkshire Boulevard, Suite 400
Wyomissing, Pennsylvania 19610
Attention: Chief Executive Officer
Facsimile: [·]

with a copy to:

Pepper Hamilton LLP
300 Two Logan Square
Eighteenth and Arch Streets
Philadelphia, Pennsylvania 19103
Attention: Barry M. Abelson, Esq.
Facsimile: (215) 981-4750

8.6 Termination. Notwithstanding any provision to the contrary, this Agreement may be terminated and the Distribution abandoned at any time prior to the Effective Time by and in the sole discretion of Penn without the prior approval of any Person, including GLPI. In the event of such termination, this Agreement shall become void and no party, or any of its officers and directors shall have any liability to any Person by reason of this Agreement. After the Effective Time, this Agreement may not be terminated except by an agreement in writing signed by each of the parties to this Agreement.

8.7 Severability. If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced under any Law or as a matter of public policy, all other conditions and provisions of this Agreement shall remain in full force and effect. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties to this Agreement shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated by this Agreement be consummated as originally contemplated to the greatest extent possible.

8.8 Entire Agreement. Except as otherwise expressly provided in this Agreement, this Agreement (including the Schedules and Exhibits hereto) constitutes the entire agreement of the parties hereto with respect to the subject matter of this Agreement and supersedes all prior agreements and undertakings, both written and oral, between or on behalf of the parties hereto with respect to the subject matter of this Agreement.

8.9 Assignment; No Third-Party Beneficiaries. This Agreement shall not be assigned by either party without the prior written consent of the other party hereto. Except as provided in Article V with respect to Indemnified Parties, this Agreement is for the sole benefit of the parties to this Agreement and members of their respective Group and their permitted successors and assigns and nothing in this Agreement, express or implied, is intended to or shall confer upon

any other Person any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

8.10 Public Announcements. From and after the Effective Time, Penn and GLPI agree that they shall make no public statement that would be inconsistent with any of the representations or assumptions underlying the Private Letter Ruling or that would otherwise in any manner compromise or undermine the tax treatment of any of the Transactions without the prior written consent of the other, except as may be required by applicable Law, court process or by obligations pursuant to any listing agreement with any national securities exchange or national securities quotation system.

8.11 Specific Performance. Subject to the provisions of Article VII, in the event of any actual or threatened default in, or breach of, any of the terms, conditions and provisions of this Agreement or any other Transaction Document, the party or parties who are or are to be thereby aggrieved shall have the right to specific performance and injunctive or other equitable relief (on an interim or permanent basis) of its rights under this Agreement or such Transaction Document, in addition to any and all other rights and remedies at law or in equity, and all such rights and remedies shall be cumulative. The parties agree that the remedies at law for any breach or threatened breach, including monetary damages, may be inadequate compensation for any loss and that any defense in any action for specific performance that a remedy at law would be adequate is waived. Any requirements for the securing or posting of any bond with such remedy are waived by each of the parties to this Agreement.

8.12 Amendment. No provision of this Agreement may be amended or modified except by a written instrument signed by all the parties to this Agreement. No waiver by any party of any provision of this Agreement shall be effective unless explicitly set forth in writing and executed by the party so waiving. The waiver by any party of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any other subsequent breach.

8.13 Rules of Construction. Interpretation of this Agreement shall be governed by the following rules of construction: (i) words in the singular shall be held to include the plural and vice versa and words of one gender shall be held to include the other gender as the context requires, (ii) references to the terms Article, Section, paragraph, clause, Exhibit and Schedule are references to the Articles, Sections, paragraphs, clauses, Exhibits and Schedules of this Agreement unless otherwise specified, (iii) the terms "hereof," "herein," "hereby," "hereto," and derivative or similar words refer to this entire Agreement, including the Schedules and Exhibits hereto, (iv) references to "$" shall mean U.S. dollars, (v) the word "including" and words of similar import when used in this Agreement shall mean "including without limitation," unless otherwise specified, (vi) the word "or" shall not be exclusive, (vii) references to "written" or "in writing" include in electronic form, (viii) unless the context requires otherwise, references to "party" shall mean Penn or GLPI, as appropriate, and references to "parties" shall mean Penn and GLPI, (ix) provisions shall apply, when appropriate, to successive events and transactions, (x) the table of contents and headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement, (xi) Penn and GLPI have each participated in the negotiation and drafting of this Agreement and if an ambiguity or question of interpretation should arise, this Agreement shall be construed as if drafted jointly by the parties hereto and no presumption or burden of proof shall arise favoring or

burdening either party by virtue of the authorship of any of the provisions in this Agreement or any interim drafts of this Agreement, and (xii) a reference to any Person includes such Person's successors and permitted assigns.

8.14 Counterparts. This Agreement may be executed in one (1) or more counterparts, and by the different parties to each such agreement in separate counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Agreement by facsimile or portable document format (PDF) shall be as effective as delivery of a manually executed counterpart of any such Agreement.

[*The remainder of this page is intentionally left blank.*]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed on the date first written above by their respective duly authorized officers.

PENN NATIONAL GAMING, INC.

By: ____________________________
Name:
Title:

GAMING AND LEISURE PROPERTIES, INC.

By: ____________________________
Name:
Title:

Signature Page to Separation and Distribution Agreement

Exhibit 10.2

TAX MATTERS AGREEMENT

DATED AS OF [·], 2013

BY AND AMONG

PENN NATIONAL GAMING, INC.

AND

GAMING AND LEISURE PROPERTIES, INC.

TAX MATTERS AGREEMENT

THIS TAX MATTERS AGREEMENT, dated as of [·], 2013 (this "Agreement"), is by and between Penn National Gaming, Inc., a Pennsylvania corporation ("Penn"), and Gaming and Leisure Properties, Inc., a Pennsylvania corporation ("GLPI"). Each of Penn and GLPI is sometimes referred to herein as a "Party" and, collectively, as the "Parties."

WHEREAS, Penn is engaged, directly and indirectly, in the Penn Business and the GLPI Business;

WHEREAS, the board of directors of Penn has determined that it is in the best interests of Penn to create and distribute the stock of a new publicly traded company which shall operate the GLPI Business, and such distribution is motivated, in substantial part, by the purpose of facilitating strategic expansion opportunities for the property ownership and development business of Penn by providing GLPI with the ability to (i) pursue transactions with gaming operators that compete with Penn that would not pursue transactions with Penn, (ii) diversify into different businesses in which Penn, as a practical matter, could not diversify, (iii) pursue certain transactions that Penn otherwise would be disadvantaged by or precluded from pursuing due to regulatory constraints, and (iv) fund acquisitions with its equity on significantly more favorable terms than those that would be available to Penn;

WHEREAS, Penn and GLPI have entered into the Separation Agreement, dated as of [·], 2013 (the "Separation Agreement"), pursuant to which (i) Penn will, and will cause its Subsidiaries to, transfer the GLPI Assets to GLPI and its Subsidiaries in actual or constructive exchange for (a) the assumption by GLPI and certain of its Subsidiaries of the GLPI Liabilities, (b) the issuance by GLPI to Penn of shares of the common stock, par value one one-hundredth of one dollar ($0.01) per share, of GLPI (the "GLPI Common Stock"), and (c) the distribution by GLPI, directly or indirectly, to Penn of the proceeds of GLPI debt issued to one or more banks pursuant to the Financing Arrangements (the "Debt Proceeds", such distribution, the "GLPI Cash Payment" and, the transactions described in this clause (i), together with certain related transactions, the "Reorganization"); (ii) Penn will use the Debt Proceeds to repay historic third-party indebtedness (the "Debt Repayment"); and (iii) Penn will distribute all of the issued and outstanding shares of GLPI Common Stock to the holders of the issued and outstanding shares, par value one one-hundredth of one dollar ($0.01) per share, of Penn ("Penn Common Stock") and the holders of Series C Convertible Preferred Stock (the "Spin-Off") and Peter M. Carlino will receive additional shares of GLPI Common Stock in exchange for shares of Penn Common Stock that he will transfer to Penn immediately prior to the Spin-Off (together with the Spin-Off, the "Distribution");

WHEREAS, prior to consummation of the Reorganization and the Distribution, Penn was the common parent corporation of an affiliated group of corporations, including GLPI, within the meaning of Section 1504 of the Code;

WHEREAS, the Parties intend that, for U.S. federal income tax purposes, certain steps of the Transactions (as defined below) shall qualify as tax-free transactions pursuant to Sections 332, 355, 361(c), 368(a) and related provisions of the Code; and

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WHEREAS, the Parties wish to (a) provide for the payment of Tax liabilities and entitlement to refunds thereof, allocate responsibility for, and cooperation in, the filing of Tax Returns, and provide for certain other matters relating to Taxes and (b) set forth certain covenants and indemnities relating to the preservation of the tax-free status of certain steps of the Transactions.

NOW, THEREFORE, in consideration of the foregoing and the terms, conditions, covenants and provisions of this Agreement, each of the Parties mutually covenants and agrees as follows:

ARTICLE I

DEFINITIONS

Section 1.01 General. As used in this Agreement, the following terms shall have the following meanings:

"Accounting Firm" has the meaning set forth in Section 8.01(b).

"Adjustment" means an adjustment of any item of income, gain, loss, deduction, credit or any other item affecting Taxes of a taxpayer pursuant to a Final Determination.

"Agreement" has the meaning set forth in the preamble to this Agreement.

"Benefited Party" has the meaning set forth in Section 4.01(b).

“Closing Date” means the date on which the Distribution is consummated.

“Code” means the Internal Revenue Code of 1986, as amended.

“Common Parent” means (i) for U.S. federal Income Tax purposes, the “common parent corporation” of an “affiliated group” (in each case, within the meaning of Section 1504 of the Code) filing a U.S. federal consolidated Income Tax Return, or (ii) for state, local or foreign income Tax purposes, the common parent (or the equivalent thereof) of a Tax Group.

“Counsel” means Wachtell, Lipton, Rosen & Katz.

“CRC” means CRC Holdings, Inc., a Florida corporation.

“Debt Proceeds” has the meaning set forth in the recitals to this Agreement.

“Debt Repayment” has the meaning set forth in the recitals to this Agreement.

“Disqualifying Action” means a Penn Disqualifying Action or a GLPI Disqualifying Action.

“Distribution” has the meaning set forth in the recitals to this Agreement.

“Distribution Tax Opinion” means the opinions of Counsel and Special Tax Advisor with respect to certain Tax aspects of the Distribution.

“Due Date” means (i) with respect to a Tax Return, the date (taking into account all valid extensions) on which such Tax Return is required to be filed under applicable Law and (ii) with respect to a payment of Taxes, the date on which such payment is required to be made to avoid the incurrence of interest, penalties or additions to Tax.

“Effective Time” has the meaning set forth in the Separation Agreement.

“Employee Matters Agreement” has the meaning set forth in the Separation Agreement.

“Extraordinary Transaction” means any action that is not in the Ordinary Course of Business, but shall not include any action described in or contemplated by the Transaction Documents or that is undertaken pursuant to the Transactions.

“Fifty-Percent or Greater Interest” has the meaning ascribed to such term for purposes of Section 355(d) and (e) of the Code.

“Final Determination” means the final resolution of liability for any Tax for any taxable period, by or as a result of (i) a final decision, judgment, decree or other order by any court of competent jurisdiction that can no longer be appealed, (ii) a final settlement with the IRS, a closing agreement or accepted offer in compromise under Sections 7121 or 7122 of the Code, or a comparable agreement under the Laws of other jurisdictions, which resolves the entire Tax liability for any taxable period, (iii) any allowance of a refund or credit in respect of an overpayment of Tax, but only after the expiration of all periods during which such refund or credit may be recovered by the jurisdiction imposing the Tax, or (iv) any other final resolution, including by reason of the expiration of the applicable statute of limitations or the execution of a pre-filing agreement with the IRS or other Taxing Authority.

“Financing Arrangements” has the meaning set forth in the Separation Agreement.

“First Contribution” means the contribution (as part of the Reorganization) by CRC to GLPI of any GLPI Asset held directly by CRC in actual or constructive exchange for (i) the assumption by GLPI of any GLPI Liabilities from CRC, (ii) the issuance of shares of GLPI Common Stock to CRC, and (iii) the distribution by GLPI to CRC of a portion of the Debt Proceeds.

“GLPI” has the meaning set forth in the preamble to this Agreement.

“GLPI Active Business” and “GLPI Active Businesses” means the business of operating and owning the gaming, restaurant, and retail aspects of the Hollywood Casino Baton Rouge and the business of operating and owning the Hollywood Casino Perryville.

“GLPI Business” has the meaning set forth in the Separation Agreement.

“GLPI Cash Payment” has the meaning set forth in the recitals to this Agreement.

“GLPI Common Stock” has the meaning set forth in the recitals to this Agreement.

“GLPI Disqualifying Action” means (i) any action (or the failure to take any action) within its control by GLPI or any GLPI Entity (including entering into any agreement, understanding or

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arrangement or any negotiations with respect to any transaction or series of transactions), (ii) any event (or series of events) within the control of GLPI or any GLPI entity after the Effective Time involving the capital stock of GLPI, any assets of GLPI or any assets of any GLPI Entity, or (iii) any breach by GLPI or any GLPI Entity of any representation, warranty or covenant made by them in this Agreement that, in each case, causes or is reasonably expected to cause the Tax-Free Status of the Transactions to be lost; provided, however, that the term “GLPI Disqualifying Action” shall not include any action described in or contemplated by the Transaction Documents or that is undertaken pursuant to the Transactions, in each case, to the extent such action does not constitute a breach by GLPI or any GLPI Entity of any representation, warranty or covenant made by them in the Transaction Documents.

“GLPI Entity” means any Subsidiary of GLPI immediately after the Effective Time.

"GLPI Group" means, individually or collectively, as applicable, GLPI and any GLPI Entity.

"GLPI Indemnified Parties" has the meaning set forth in the Separation Agreement.

"GLPI Taxes" means, without duplication, (i) any Taxes attributable solely to, or arising solely with respect to, assets or activities of the GLPI Business (excluding (x) any Transaction Taxes, (y) any Mixed Business Income Taxes, and (z) any Taxes to the extent payable by Penn pursuant to Section 2.01(a)), (ii) any Taxes attributable to a GLPI Disqualifying Action, and (iii) any Mixed Business Income Taxes for the post-closing portion of a Straddle Period in respect of a Mixed Business Income Tax Return governed by Section 2.02(a)(ii). For the avoidance of doubt, GLPI Taxes shall not include any Taxes attributable to a Penn Disqualifying Action.

"Group" means the Penn Group or the GLPI Group, or both, as the context requires.

"Income Tax Return" means any Tax Return in respect of Income Taxes.

"Income Taxes" means any Taxes based upon, measured by, or calculated with respect to: (i) net income or profits or net receipts (including, but not limited to, any capital gains, minimum Tax or any Tax on items of Tax preference, but not including sales, use, real or personal property, or transfer or similar Taxes) or (ii) multiple bases (including corporate franchise, doing business and occupation Taxes) if one or more bases upon which such Tax may be based, measured by, or calculated with respect to, is described in clause (i).

"Indemnified Party" means the Party which is entitled to seek indemnification from the other Party pursuant to the provisions of Article III.

"Indemnifying Party" means the Party from which the other Party is entitled to seek indemnification pursuant to the provisions of Article III.

"Information" has the meaning set forth in Section 7.01.

"Information Request" has the meaning set forth in Section 7.01.

"Internal Distribution" means, taken together, (i) the distribution by CRC to PNH of (a) all the outstanding shares of GLPI Common Stock and (b) a portion of the Debt Proceeds, and (ii) the

distribution by PNH to Penn of (a) all the outstanding shares of GLPI Common Stock and (b) a portion of the Debt Proceeds; in each case, as part of the Reorganization.

"IRS" means the U.S. Internal Revenue Service.

"IRS Ruling" means the U.S. federal income Tax ruling letter, and any supplements thereto, issued to Penn by the IRS in connection with the Transactions.

"IRS Ruling Request" means the letter filed by Penn with the IRS on June 28, 2011, requesting rulings from the IRS regarding certain tax consequences of the Transactions and any amendment or supplement to such ruling request letter, including any letter submitted to the IRS in connection with the IRS Ruling Request after the issuance of the IRS Ruling.

"Law" means any U.S. or non-U.S. federal, national, supranational, state, provincial, local or similar statute, law, ordinance, regulation, rule, code, administrative pronouncement, order, requirement or rule of law (including common law).

"Mixed Business Income Tax Return" means any Income Tax Return (other than a Penn Consolidated Return), including any consolidated, combined or unitary Income Tax Return, that reflects or reports Income Taxes that relate to at least one asset or activity that is part of the Penn Business, on the one hand, and at least one asset or activity that is part of the GLPI Business, on the other hand.

"Mixed Business Income Taxes" means any U.S. federal, state or local, or foreign Income Taxes attributable to any Mixed Business Income Tax Return.

"Mixed Business Non-Income Tax Return" means any Non-Income Tax Return that reflects or reports Non-Income Taxes that relate to at least one asset or activity that is part of the Penn Business, on the one hand, and at least one asset or activity that is part of the GLPI Business, on the other hand.

"Non-Income Tax Return" means any Tax Return in respect of Non-Income Taxes.

"Non-Income Taxes" means any Taxes other than Income Taxes.

"Notified Action" has the meaning set forth in Section 6.03(a).

"Ordinary Course of Business" means an action taken by a Person only if such action is taken in the ordinary course of the normal day-to-day operations of such Person.

"Party" and "Parties" have the meaning set forth in the preamble to this Agreement.

"Past Practice" means past practices, accounting methods, elections and conventions.

"Penn" has the meaning set forth in the preamble to this Agreement.

"Penn Business" has the meaning set forth in the Separation Agreement.

"Penn Common Stock" has the meaning set forth in the recitals to this Agreement.

"Penn Consolidated Return" means the U.S. federal Income Tax Return required to be filed by Penn as the Common Parent.

"Penn Disqualifying Action" means (i) any action (or the failure to take any action) within its control by Penn or any Penn Entity (including entering into any agreement, understanding or arrangement or any negotiations with respect to any transaction or series of transactions), (ii) any event (or series of events) within the control of Penn or any Penn entity involving the capital stock of Penn, any assets of Penn or any assets of any Penn Entity, or (iii) any breach by Penn or any Penn Entity of any representation, warranty or covenant made by them in this Agreement, in each case, that causes or is reasonably expected to cause the Tax-Free Status of the Transactions to be lost; provided, however, the term "Penn Disqualifying Action" shall not include any action described in or contemplated by the Transaction Documents or that is undertaken pursuant to the Transactions, in each case, to the extent such action does not constitute a breach by Penn or any Penn Entity of any representation, warranty or covenant made by them in the Transaction Documents.

"Penn Entity" means any Subsidiary of Penn immediately after the Effective Time.

"Penn Group" means, individually or collectively, as the case may be, Penn and any Penn Entity.

"Penn Indemnified Parties" has the meaning set forth in the Separation Agreement.

"Penn Taxes" means any Taxes of Penn or any Subsidiary (or former Subsidiary) of Penn for any Pre-Closing Period; provided, however, "Penn Taxes" shall not include any GLPI Taxes.

"Person" has the meaning set forth in the Separation Agreement.

"PNH" means Penn National Holdings, LLC, a Delaware limited liability company.

"Post-Closing Period" means any taxable period (or portion thereof) beginning after the Closing Date, including for the avoidance of doubt, the portion of any Straddle Period beginning after the Closing Date.

"Pre-Closing Period" means any taxable period (or portion thereof) ending on or before the Closing Date, including for the avoidance of doubt, the portion of any Straddle Period ending at the end of the day on the Closing Date.

"Preparing Party" has the meaning set forth in Section 2.04(b).

"Proposed Acquisition Transaction" means a transaction or series of transactions (or any agreement, understanding or arrangement, within the meaning of Section 355(e) of the Code and Treasury Regulation Section 1.355-7, or any other regulations promulgated under Section 355(e), to enter into a transaction or series of transactions), whether such transaction is supported by GLPI management or shareholders, is a hostile acquisition, or otherwise, as a result of which GLPI would merge or consolidate with any other Person or as a result of which one or more Persons would (directly or indirectly) acquire, or have the right to acquire, from GLPI and/or one or more holders of outstanding shares of GLPI capital stock, as the case may be, a number of shares of GLPI capital stock that would, when combined with any other direct or indirect changes in

ownership of GLPI capital stock pertinent for purposes of Section 355(e) of the Code, comprise 40% or more of (i) the value of all outstanding shares of stock of GLPI as of the date of such transaction, or in the case of a series of transactions, the date of the last transaction of such series, or (ii) the total combined voting power of all outstanding shares of voting stock of GLPI as of the date of such transaction, or in the case of a series of transactions, the date of the last transaction of such series. Notwithstanding the foregoing, a Proposed Acquisition Transaction shall not include (x) the adoption by GLPI of a shareholder rights plan or (y) issuances by GLPI that satisfy Safe Harbor VIII (relating to acquisitions in connection with a person's performance of services) or Safe Harbor IX (relating to acquisitions by a retirement plan of an employer) of Treasury Regulation Section 1.355-7(d). For purposes of determining whether a transaction constitutes an indirect acquisition, any recapitalization resulting in a shift of voting power or any redemption of shares of stock shall be treated as an indirect acquisition of shares of stock by the non-exchanging shareholders. This definition, and the application thereof, is intended to monitor compliance with Section 355(e) of the Code and shall be interpreted accordingly. Any clarification of, or change in, the statute or regulations promulgated under Section 355(e) of the Code shall be incorporated in this definition and its interpretation.

"Protective Section 336(e) Election" has the meaning set forth in Section 6.04.

"Refund" means any refund (or credit in lieu thereof) of Taxes (including any overpayment of Taxes that can be refunded or, alternatively, applied to other Taxes payable), including any interest paid on or with respect to such refund of Taxes; provided, however, that for purposes of this Agreement, the amount of any Refund required to be paid to another Party shall be reduced by the net amount of any Income Taxes imposed on, related to, or attributable to, the receipt or accrual of such Refund.

"Reorganization" has the meaning set forth in the recitals to this Agreement.

"Restriction Period" has the meaning set forth in Section 6.02(b).

"Reviewing Party" has the meaning set forth in Section 2.04(b).

"Second Contribution" means the contribution (as part of the Reorganization) by Penn to GLPI of all of the GLPI Assets held directly by Penn in actual or constructive exchange for (i) the assumption by GLPI of GLPI Liabilities of Penn, (ii) the issuance by GLPI to Penn of shares of GLPI Common Stock, and (iii) a portion of the GLPI Cash Payment.

"Section 6.02(d) Acquisition Transaction" means any transaction or series of transactions that is not a Proposed Acquisition Transaction but would be a Proposed Acquisition Transaction if the percentage reflected in the definition of Proposed Acquisition Transaction were 25% instead of 40%.

"Separation Agreement" has the meaning set forth in the recitals.

"Single Business Income Tax Return" means any Income Tax Return, including any consolidated, combined or unitary Tax Return, that reflects or reports Tax Items relating to the Penn Business, on the one hand, or the GLPI Business, on the other (but not both), whether or not the Person

charged by Law to file such Tax Return is engaged in the business to which the Tax Return relates.

"Single Business Non-Income Tax Return" means any Non-Income Tax Return, including any consolidated, combined or unitary Tax Return, that reflects or reports Tax Items relating to the Penn Business, on the one hand, or the GLPI Business, on the other (but not both), whether or not the Person charged by Law to file such Tax Return is engaged in the business to which the Tax Return relates.

"Single Business Tax Return" means any Single Business Income Tax Return or Single Business Non-Income Tax Return.

"Special Tax Advisor" means KPMG LLP.

"Spin-Off" has the meaning set forth in the recitals to this Agreement.

"Straddle Period" means any taxable period that begins on or before and ends after the Closing Date.

"Subsidiary" has the meaning set forth in the Separation Agreement.

"Tax" means (i) all taxes, charges, fees, duties, levies, imposts, or other similar assessments, imposed by any U.S. federal, state or local or foreign governmental authority, including, but not limited to, net income, gross income, gross receipts, excise, real property, personal property, sales, use, service, service use, license, lease, capital stock, transfer, recording, franchise, business organization, occupation, premium, environmental, windfall profits, profits, customs, duties, payroll, wage, withholding, social security, employment, unemployment, insurance, severance, workers compensation, excise, stamp, alternative minimum, estimated, value added, ad valorem, escheat, and other taxes, charges, fees, duties, levies, imposts, or other similar assessments, (ii) any interest, penalties or additions attributable thereto and (iii) all liabilities in respect of any items described in clauses (i) or (ii) payable by reason of assumption, transferee or successor liability, operation of Law or Treasury Regulation Section 1.1502-6(a) (or any predecessor or successor thereof or any analogous or similar provision under Law).

"Tax Attributes" means net operating losses, capital losses, investment tax credit carryovers, earnings and profits, foreign tax credit carryovers, overall foreign losses, previously taxed income, separate limitation losses, any other losses, deductions, credits or other comparable items, and asset basis, that could affect a Tax liability for a past or future taxable period.

"Tax-Free Status of the Transactions" means the tax-free treatment accorded to certain of the Transactions as set forth in the IRS Ruling and the Distribution Tax Opinion.

"Tax Group" means any U.S. federal, state, local or foreign affiliated, consolidated, combined, unitary or similar group or fiscal unity that joins in the filing of a single Tax Return.

"Tax Item" means any item of income, gain, loss, deduction, credit, recapture of credit or any other item which increases or decreases Taxes paid or payable.

"Tax Materials" means (i) the IRS Ruling, (ii) the Distribution Tax Opinion, (iii) each submission to the IRS in connection with the IRS Ruling, including the IRS Ruling Request, (iv) the representation letter from Penn and GLPI addressed to Counsel and Special Tax Advisor supporting the Distribution Tax Opinion, (v) the representation letter from Peter M. Carlino, addressed to Counsel and Special Tax Advisor supporting the Distribution Tax Opinion, and (vi) any other materials delivered or deliverable by Penn or GLPI in connection with the rendering by Counsel and Special Tax Advisor of the Distribution Tax Opinion and the issuance by the IRS of the IRS Ruling.

"Tax Matter" has the meaning set forth in Section 7.01.

"Tax Package" means all relevant Tax-related information relating to the operations of the Penn Business or the GLPI Business, as applicable, that is reasonably necessary to prepare and file the applicable Tax Return.

"Tax Proceeding" means any audit, assessment of Taxes, pre-filing agreement, other examination by any Taxing Authority, proceeding, appeal of a proceeding or litigation relating to Taxes, whether administrative or judicial, including proceedings relating to competent authority determinations.

"Tax Return" means any return, report, certificate, form or similar statement or document (including any related or supporting information or schedule attached thereto and any information return, or declaration of estimated Tax) required to be supplied to, or filed with, a Taxing Authority in connection with the payment, determination, assessment or collection of any Tax or the administration of any Laws relating to any Tax and any amended Tax return or claim for refund.

"Taxing Authority" means any governmental authority or any subdivision, agency, commission or entity thereof or any quasi-governmental or private body having jurisdiction over the assessment, determination, collection or imposition of any Tax (including the IRS).

"Transaction Documents" has the meaning set forth in the Separation Agreement.

"Transaction Taxes" means any Taxes imposed on or by reason of the Transactions, other than any such Taxes caused by a Disqualifying Action. For the avoidance of doubt, Transaction Taxes include Taxes by reason of deferred intercompany transactions triggered by the Transactions.

"Transactions" means the Reorganization (including the First Contribution, the Internal Distribution, the Second Contribution, and certain related transactions), the Debt Repayment, the Distribution and the other transactions contemplated by the Transaction Documents.

"Transfer Taxes" means all sales, use, transfer, real property transfer, intangible, recordation, registration, documentary, stamp or similar Taxes imposed with respect to the Transactions.

"Treasury Regulations" means the final and temporary (but not proposed) income Tax regulations promulgated under the Code, as such regulations may be amended from time to time (including corresponding provisions of succeeding regulations).

"Unqualified Tax Opinion" means a "will" opinion, without substantive qualifications, of a nationally recognized law or accounting firm, which firm is reasonably acceptable to Penn, to the effect that a transaction will not affect the Tax-Free Status of the Transactions.

"U.S." means the United States of America.

Section 1.02 Additional Definitions. Capitalized terms not defined in this Agreement shall have the meanings ascribed to them in the Separation Agreement.

ARTICLE II

PREPARATION, FILING AND PAYMENT OF TAXES SHOWN DUE ON TAX RETURNS

Section 2.01 Penn Consolidated Returns.

(a) General. Penn shall prepare and file all Penn Consolidated Returns for a Pre-Closing Period or a Straddle Period, shall pay all Taxes and shall be entitled to all Refunds shown to be due and payable on such Tax Returns.

(b) Extraordinary Transactions. Notwithstanding anything to the contrary in this Agreement, for all Tax purposes, the Parties shall report any Extraordinary Transactions that are caused or permitted by GLPI or any GLPI Entity on the Closing Date after the Effective Time as occurring on the day after the Closing Date pursuant to Treasury Regulations Section 1.1502-76(b)(1)(ii)(B) or any similar or analogous provision of state, local or foreign Law. Penn shall not make a ratable election pursuant to Treasury Regulation Section 1.1502-76(b)(2)(ii)(D) or any similar or analogous provision of state, local or foreign Law.

Section 2.02 Mixed Business Tax Returns.

(a) Mixed Business Income Tax Returns.

(i) Penn shall prepare and file (or cause a Penn Entity to prepare and file) any Mixed Business Income Tax Return for a Pre-Closing Period or a Straddle Period required to be filed by Penn or a Penn Entity and shall pay, or cause such Penn Entity to pay, all Taxes and shall be entitled to all Refunds shown to be due and payable on such Tax Return.

(ii) Penn shall prepare (or cause a Penn Entity to prepare), and GLPI shall file (or cause a GLPI Entity to file), any Mixed Business Income Tax Return for a Pre-Closing Period or a Straddle Period required to be filed by GLPI or a GLPI Entity and GLPI shall pay, or cause such GLPI Entity to pay, all Taxes and shall be entitled to all Refunds shown to be due and payable on such Tax Return; provided that (x) in the case of a Tax Return for a Pre-Closing Period, Penn shall reimburse GLPI for all such Taxes and GLPI shall reimburse Penn for all such Refunds, as the case may be and (y) in the case of a Tax Return for a Straddle Period, Penn shall reimburse GLPI or GLPI shall reimburse Penn, as applicable, for the amount of Tax or Refund, as applicable, that would have been shown as due and payable if such Straddle Period had ended on the Closing

Date, determined in the manner set forth in Section 2.05 (for the avoidance of doubt taking into account those payments (if any) of Taxes with respect to such Tax Return made on or prior to the Closing Date).

(b) Mixed Business Non-Income Tax Returns. Penn shall prepare and file (or cause a Penn Entity to prepare and file) any Mixed Business Non-Income Tax Return for a Pre-Closing Period or a Straddle Period required to be filed by Penn or a Penn Entity and shall pay, or cause such Penn Entity to pay, all Taxes shown to be due and payable on such Tax Return; provided that GLPI shall reimburse Penn for any such Taxes that are GLPI Taxes. GLPI shall prepare and file (or cause a GLPI Entity to prepare and file) any Mixed Business Non-Income Tax Return for a Pre-Closing Period or a Straddle Period required to be filed by GLPI or a GLPI Entity and shall pay, or cause such GLPI Entity to pay, all Taxes shown to be due and payable on such Tax Return; provided that Penn shall reimburse GLPI for any such Taxes that are Penn Taxes.

Section 2.03 Single Business Tax Returns. Penn shall prepare and file (or cause a Penn Entity to prepare and file) any Single Business Tax Return for a Pre-Closing Period or a Straddle Period required to be filed by Penn or a Penn Entity and shall pay, or cause such Penn Entity to pay, all Taxes and shall be entitled to all Refunds shown to be due and payable on such Tax Return; provided that GLPI shall reimburse Penn for any such Taxes that are GLPI Taxes and Penn shall reimburse GLPI for any such Refunds of GLPI Taxes. GLPI shall prepare and file (or cause a GLPI Entity to prepare and file) any Single Business Tax Return for a Pre-Closing Period or a Straddle Period required to be filed by GLPI or a GLPI Entity and shall pay, or cause such GLPI Entity to pay, all Taxes and shall be entitled to all Refunds shown to be due and payable on such Tax Return; provided that Penn shall reimburse GLPI for any such Taxes that are Penn Taxes and GLPI shall reimburse Penn for any such Refunds of Penn Taxes.

Section 2.04 Tax Return Procedures.

(a) Procedures Relating to Penn Consolidated Returns and Mixed Business Income Tax Returns.

(i) In connection with the preparation of any Tax Return pursuant to Sections 2.01 or 2.02(a)(i) or (ii), GLPI will assist and cooperate with Penn by preparing and providing to Penn pro forma Tax Returns for GLPI and any GLPI Entity to be included in such Penn Consolidated Return or equivalent financial data to be used in the preparation of a Mixed Business Income Tax Return, as applicable. Pro forma Tax Returns shall be prepared in accordance with Past Practice, unless otherwise required by Law or agreed to in writing by Penn. At its option, Penn may engage an accounting firm of its choice to review the pro forma Tax Return, supporting documentation, and statements submitted by GLPI and in connection therewith, shall determine whether such Tax Return was prepared in accordance with Past Practice. Prior to engaging such accounting firm, Penn shall provide the suggested scope for such accounting review to GLPI for review and discussion. All costs and expenses associated with such review will be borne by GLPI upon receipt of invoices detailing the work performed by such accounting firm.

(ii) Penn shall prepare all Penn Consolidated Returns and any Mixed Business Income Tax Returns consistent with Past Practice unless otherwise required by Law or agreed to in writing by GLPI. In the event that Past Practice is not applicable to a particular item or matter, Penn shall determine the reporting of such item or matter provided that such reporting is more likely than not to be sustained and provided further that Penn and GLPI shall agree as to the reporting of any such item or matter which is not more likely than not to be sustained. Penn shall deliver to GLPI for its review a draft of such Penn Consolidated Return or Mixed Business Income Tax Return (or to the extent practicable the portion of such Tax Return that relates to GLPI Taxes). The Parties shall negotiate in good faith to resolve all disputed issues.

(b) Procedures Relating to Mixed Business Non-Income Tax Returns and Single Business Tax Returns. The Party that is required to prepare and file any Tax Return pursuant to Sections 2.02(b) or 2.03 (the "Preparing Party") which reflects Taxes which are reimbursable by the other Party (the "Reviewing Party"), in whole or in part, shall (x) unless otherwise required by Law or agreed to in writing by the Reviewing Party, prepare such Tax Return in a manner consistent with Past Practice to the extent such items affect the Taxes for which the Reviewing Party is responsible pursuant to this Agreement, and (y) submit to the Reviewing Party a draft of any such Tax Return (or to the extent practicable the portion of such Tax Return that relates to Taxes for which the Reviewing Party is responsible pursuant to this Agreement) along with a statement setting forth the calculation of the Tax shown due and payable on such Tax Return reimbursable by the Reviewing Party under Sections 2.02(b) or 2.03. The Parties shall negotiate in good faith to resolve all disputed issues.

Section 2.05 Straddle Period Tax Allocation. For U.S. federal income Tax purposes, the taxable year of GLPI and each GLPI Entity that was a member of the affiliated group of corporations of which Penn was the Common Parent shall end as of the close of the Closing Date. Penn and GLPI shall take all actions necessary or appropriate to close the taxable year of GLPI and each GLPI Entity for all other Tax purposes as of the close of the Closing Date to the extent required by applicable Law. If applicable Law does not require GLPI or a GLPI Entity, as the case may be, to close its taxable year on the Closing Date, then the allocation of income or deductions required to determine any Taxes or other amounts attributable to the portion of the Straddle Period ending on, or beginning after, the Closing Date shall be made by means of a closing of the books and records of GLPI or such GLPI Entity as of the close of the Closing Date; provided that (i) exemptions, allowances or deductions that are calculated on an annual or periodic basis shall be allocated between such portions in proportion to the number of days in each such portion, and (ii) property Taxes or other Non-Income Taxes that are calculated on an annual or periodic basis and not assessed with respect to a transaction or series of transactions shall be allocated to the portion of the Straddle Period ending on the Closing Date and the portion of the Straddle Period beginning after the Closing Date in proportion to the number of days in each such portion.

Section 2.06 Timing of Payments. All Taxes required to be paid or caused to be paid pursuant to this Article II by either Penn or a Penn Entity or GLPI or a GLPI Entity, as the case may be, to an applicable Taxing Authority or by Penn or GLPI to the other Party, pursuant to this Agreement, shall, in the case of a payment to a Taxing Authority, be paid on or before the Due Date for the payment of such Taxes and, in the case of a payment to the other Party, be paid at

least two (2) business days before the Due Date for the payment of such Taxes by the other Party.

Section 2.07 Expenses. Except as provided in Section 2.04(a) in respect of the pro forma Tax Returns submitted by GLPI or Section 8.01(b) in respect of the Accounting Firm, each Party shall bear its own expenses incurred in connection with this Article II.

Section 2.08 Coordination with Article IV. This Article II shall not apply to any amended Tax Returns, such amended Tax Returns being governed by Article IV.

ARTICLE III

INDEMNIFICATION

Section 3.01 Indemnification by Penn. Penn shall pay, and shall indemnify and hold the GLPI Indemnified Parties harmless from and against, without duplication, (a) all Penn Taxes, (b) all Taxes incurred by GLPI or any GLPI Entity by reason of the incorrectness or breach by Penn of any of its representations, warranties or covenants hereunder, and (c) any costs and expenses related to the foregoing (including reasonable attorneys' fees and expenses).

Section 3.02 Indemnification by GLPI. GLPI shall pay, and shall indemnify and hold the Penn Indemnified Parties harmless from and against, without duplication, (a) all GLPI Taxes, (b) all Taxes incurred by Penn or any Penn Entity by reason of the incorrectness or breach by GLPI of any of its representations, warranties or covenants hereunder, and (c) any costs and expenses related to the foregoing (including reasonable attorneys' fees and expenses).

Section 3.03 Characterization of and Adjustments to Payments.

(a) For all Tax purposes, other than for purposes of Section 355(g) in accordance with the IRS Ruling, Penn and GLPI agree to treat or cause to be treated (i) any payment required by this Agreement (other than any payment of interest accruing after the Closing Date) as either a contribution by Penn to GLPI or a distribution by GLPI to Penn, as the case may be, occurring immediately prior to the Closing Date and (ii) any payment of non-federal Taxes by or to a Taxing Authority or any payment of interest as taxable or deductible, as the case may be, to the Party entitled under this Agreement to retain such payment or required under this Agreement to make such payment, in either case except as otherwise required by applicable Law.

(b) Any indemnity payment under this Article III shall be increased to take into account any inclusion in income of the Indemnified Party (or an Affiliate thereof) arising from the receipt of such relevant indemnity payment and shall be decreased to take into account any reduction in income of the Indemnified Party (or an Affiliate thereof) arising from the incurrence or payment of the relevant indemnified item. For purposes of this Section 3.03(b), any inclusion or reduction, as applicable, shall be determined (i) using the highest marginal rates in effect at the time of the determination, and (ii) assuming the Indemnified Party will be liable for such Taxes at such rate and has no Tax Attributes at the time of the determination.

Section 3.04 Timing of Indemnity Payments. Indemnity payments in respect of any liabilities for which an Indemnified Party is entitled to indemnification pursuant to this Article III

shall be paid by the Indemnifying Party to the Indemnified Party as such liabilities are incurred upon demand by the Indemnified Party, including reasonably satisfactory documentation setting forth the basis for, and calculation of, the amount of such indemnity payment.

Section 3.05 Mitigation of Losses. GLPI shall use its best efforts to mitigate any Taxes for which Penn is liable pursuant to Section 3.01 to the extent such Taxes are (a) Transaction Taxes or (b) other Taxes imposed on or by reason of the Transactions or the failure of the Transactions to qualify for the Tax-Free Status of the Transactions.

ARTICLE IV

REFUNDS, CARRYBACKS, AMENDMENTS AND TAX ATTRIBUTES

Section 4.01 Refunds.

(a) Except as provided in Section 4.02, Penn shall be entitled to all Refunds of Taxes for which Penn is responsible pursuant to Article III, and GLPI shall be entitled to all Refunds of Taxes for which GLPI is responsible pursuant to Article III. A Party receiving a Refund to which the other Party is entitled pursuant to this Agreement shall pay the amount to which such other Party is entitled within ten (10) days after the receipt of the Refund.

(b) In the event of an Adjustment relating to Taxes for which one Party is responsible pursuant to Article III which would have given rise to a Refund but for an offset against the Taxes for which the other Party is or may be responsible pursuant to Article III (the "Benefited Party"), then the Benefited Party shall pay to the other Party, within ten (10) days of the Final Determination of such Adjustment an amount equal to the lesser of (i) the amount of such hypothetical Refund or (ii) the amount of such reduction in the Taxes of the Benefited Party, in each case, plus interest at the rate set forth in Section 6621(a)(1) on such amount for the period from the filing date of the Tax Return that would have given rise to such Refund to the payment date.

(c) Notwithstanding Section 4.01(a), to the extent that a Party applies or causes to be applied an overpayment of Taxes as a credit toward or a reduction in Taxes otherwise payable (or a Taxing Authority requires such application in lieu of a Refund) and such overpayment of Taxes, if received as a Refund, would have been payable by such Party to the other Party pursuant to this Section 4.01, such Party shall pay such amount to the other Party no later than the Due Date of the Tax Return for which such overpayment is applied to reduce Taxes otherwise payable.

(d) To the extent that the amount of any Refund under this Section 4.01 or Section 4.02(b), as applicable, is later reduced by a Taxing Authority or in a Tax Proceeding, such reduction shall be allocated to the Party to which such Refund was allocated pursuant to this Section 4.01 or Section 4.02(b), as applicable, and an appropriate adjusting payment shall be made.

Section 4.02 Carrybacks.

(a) The carryback of any loss, credit or other Tax Attribute from any Post-Closing Period shall be in accordance with the provisions of the Code and Treasury Regulations (and any applicable state, local or foreign Laws).

(b) (i) Subject to Section 4.02(c) and (d), in the event that any member of the GLPI Group realizes any loss, credit or other Tax Attribute in a Post-Closing Period of such member, such member may elect to carry back such loss, credit or other Tax Attribute to a Pre-Closing Period or Straddle Period of Penn. Penn shall cooperate with GLPI and such member in seeking from the appropriate Taxing Authority any Refund that reasonably would result from such carryback (including by filing an amended Tax Return) at GLPI's cost and expense; provided, that Penn shall not be required to seek such Refund and GLPI and such member shall not be permitted to seek such Refund, in each case to the extent that such Refund would reasonably be expected to materially adversely impact Penn (including through an increase in Taxes or a loss or reduction of a Tax Attribute regardless of whether or when such Tax Attribute otherwise would have been used), in each case without the prior written consent of Penn, which consent shall not be unreasonably withheld or delayed. GLPI (or such member) shall be entitled to any Refund realized by any member of the Penn Group or the GLPI Group resulting from such carryback.

(ii) Subject to Section 4.02(c) and (d), in the event that any member of the Penn Group realizes any loss, credit or other Tax Attribute in a Post-Closing Period of such member, such member may elect to carry back such loss, credit or other Tax Attribute to a Pre-Closing Period or Straddle Period of such member. GLPI shall cooperate with Penn and such member in seeking from the appropriate Taxing Authority any Refund that reasonably would result from such carryback (including by filing an amended Tax Return) at Penn's cost and expense; provided, that GLPI shall not be required to seek such Refund and Penn and such member shall not be permitted to seek such Refund, in each case to the extent that such Refund would reasonably be expected to materially adversely impact GLPI (including through an increase in Taxes or a loss or reduction of a Tax Attribute regardless of whether or when such Tax Attribute otherwise would have been used), in each case without the prior written consent of GLPI, which consent shall not be unreasonably withheld or delayed. Penn (or such member) shall be entitled to any Refund realized by any member of the GLPI Group or the Penn Group resulting from such carryback.

(c) Except as otherwise provided by applicable Law, if any loss, credit or other Tax Attribute of the Penn Business and the GLPI Business both would be eligible to be carried back or carried forward to the same Pre-Closing Period (had such carryback been the only carryback to such taxable period), any Refund resulting therefrom shall be allocated between Penn and GLPI proportionately based on the relative amounts of the Refunds to which the Penn Business and the GLPI Business, respectively, would have been entitled had such carryback been the only carryback to such taxable period.

(d) To the extent the amount of any Refund under this Section 4.02 is later reduced by a Taxing Authority or a Tax Proceeding, such reduction shall be allocated to the Party to which such Refund was allocated pursuant to this Section 4.02.

Section 4.03 Amended Tax Returns.

(a) Penn Consolidated Returns. Penn shall, in its sole discretion, be permitted to amend any Penn Consolidated Return for a Pre-Closing Period or a Straddle Period; provided, however, that unless otherwise required by a Final Determination, Penn shall not amend any such Penn Consolidated Return to the extent that any such amendment (i) would reasonably be expected to materially adversely impact GLPI (including through an increase in Taxes or a loss or

reduction of a Tax Attribute regardless of whether or when such Tax Attribute otherwise would have been used) or (ii) is inconsistent with Past Practice, in each case without the prior written consent of GLPI, which consent shall not be unreasonably withheld or delayed.

(b) Mixed Business Income Tax Returns. Penn shall, in its sole discretion, be permitted to amend, or to cause GLPI or any GLPI Entity to amend (and GLPI shall, if Penn so chooses, amend or cause the applicable GLPI Entity to amend), any Mixed Business Income Tax Returns for a Pre-Closing Period or a Straddle Period; provided, however, that unless otherwise required by a Final Determination, Penn shall not be permitted to so amend any such Mixed Business Income Tax Return to the extent that any such amendment (i) would reasonably be expected to materially adversely impact GLPI (including through an increase in Taxes or a loss or reduction of a Tax Attribute regardless of whether or when such Tax Attribute otherwise would have been used) in a Post-Closing Period or (ii) is inconsistent with Past Practice, in each case without the prior written consent of GLPI, which consent shall not be unreasonably withheld or delayed.

(c) Mixed Business Non-Income Tax Returns and Single Business Tax Returns. Each of Penn or GLPI, as the case may be, shall, in its sole discretion, be permitted to amend (or cause or permit to be amended) any Mixed Business Non-Income Tax Return or Single Business Tax Return; provided, however, that if any Party wishes to amend any such Tax Return for which the other Party may be liable for Taxes pursuant to this Agreement, then, unless otherwise required by a Final Determination, Penn or GLPI, as the case may be, shall not be permitted to so amend (or cause or permit to be amended) any such Mixed Business Non-Income Tax Return or Single Business Tax Return, as the case may be, to the extent that any such amendment (i) would reasonably be expected to materially adversely impact the other Party (including through an increase in Taxes or a loss or reduction of a Tax Attribute regardless of whether or when such Tax Attribute otherwise would have been used) or (ii) is inconsistent with Past Practice, in each case without the prior written consent of such other Party, which consent shall not be unreasonably withheld or delayed.

Section 4.04 Tax Attributes.

(a) Tax Attributes arising in a Pre-Closing Period shall be allocated to the Penn Group and the GLPI Group in accordance with the Code and Treasury Regulations (and any applicable state, local and foreign Laws). Penn and GLPI shall jointly determine the allocation of such Tax Attributes arising in Pre-Closing Periods as soon as reasonably practicable following the Closing Date, and hereby agree to compute all Taxes for Post-Closing Periods consistently with that determination unless otherwise required by a Final Determination.

(b) To the extent that the amount of any Tax Attribute is later reduced or increased by a Taxing Authority or Tax Proceeding, such reduction or increase shall be allocated to the Party to which such Tax Attribute was allocated pursuant to Section 4.04(a).

Section 4.05 Treatment of Deductions Associated with Equity-Related Compensation.

(a) Solely the member of the Group for which the relevant individual is currently employed or, if such individual is not currently employed by a member of the Group, was most recently employed at the time of the vesting, exercise, disqualifying disposition, payment or other relevant taxable event, as appropriate, in respect of the equity awards and other incentive compensation described in Section 5.2 of the Employee Matters Agreement shall be entitled to claim any Tax deduction in respect of such equity awards and other incentive compensation on its respective Tax Return associated with such event.

(b) If, by reason of a subsequent Final Determination as to the treatment of any Tax deduction related to the equity awards and other incentive compensation referred to in Section 4.05(a) above, a Taxing Authority determines that (i) GLPI or a member of the GLPI Group is entitled to a deduction to which Penn or a member of the Penn Group is entitled pursuant to Section 4.05(a), then GLPI shall, and shall cause the GLPI Group to, pay the amount of any Tax benefits that result therefrom within ten (10) days of the date on which such Tax benefits are realized or (ii) Penn or a member of the Penn Group is entitled to a deduction to which GLPI or a member of the GLPI Group is entitled pursuant to Section 4.05(a), then Penn shall, and shall cause the Penn Group to, pay the amount of any Tax benefits that result therefrom within ten (10) days of the date on which such Tax benefits are realized.

ARTICLE V

TAX PROCEEDINGS

Section 5.01 Notification of Tax Proceedings. Within ten (10) days after an Indemnified Party becomes aware of the commencement of a Tax Proceeding that may give rise to Taxes for which an Indemnifying Party is responsible pursuant to Article III, such Indemnified Party shall notify the Indemnifying Party of such Tax Proceeding, and thereafter shall promptly forward or make available to the Indemnifying Party copies of notices and communications relating to such Tax Proceeding. The failure of the Indemnified Party to notify the Indemnifying Party of the commencement of any such Tax Proceeding within such ten (10) day period or promptly forward any further notices or communications shall not relieve the Indemnifying Party of any obligation which it may have to the Indemnified Party under this Agreement except to the extent that the Indemnifying Party is actually prejudiced by such failure.

Section 5.02 Statute of Limitations. Any extension of the statute of limitations for any Taxes or a Tax Return for any Pre-Closing Period or a Straddle Period shall be made by the Party required to file such Tax Return or pay such Taxes to a Taxing Authority; provided that to the extent such Taxes or Tax Return may result in an indemnity payment pursuant to this Agreement by the Party other than the filing Party, the Indemnifying Party may, in its reasonable discretion, require that the filing Party extent the applicable statute of limitations for such period as determined by the Indemnifying Party.

Section 5.03 Tax Proceeding Procedures Generally. Except as provided in Section 5.04, the Indemnifying Party shall be entitled to contest, compromise and settle any Adjustment proposed, asserted or assessed pursuant to any Tax Proceeding for which the Indemnifying Party is responsible pursuant to Article III and any such defense shall be made diligently and in good faith; provided, that the Indemnifying Party shall keep the Indemnified Party informed in a timely manner of all actions proposed to be taken by the Indemnifying Party and shall permit the Indemnified Party to observe all proceedings with respect to such Tax Proceeding; provided further, that if such Adjustment (or any actions proposed to be taken with respect thereto) would reasonably be expected to give rise to Taxes of the Indemnified Party in an amount of $5 million or more (other than Taxes for which the Indemnifying Party is responsible under Article III), determined on an annual basis, then, unless waived by the Parties in writing, the Indemnifying Party shall (a) prepare all correspondence or filings to be submitted to any Taxing Authority or judicial authority in a manner consistent with the Tax Return which is the subject of such Adjustment as filed and timely provide the Indemnified Party with copies of any such correspondence or filings for the Indemnified Party's prior review and consent, which consent shall not be unreasonably withheld, (b) provide the Indemnified Party with written notice reasonably in advance of, and the Indemnified Party shall have the right to attend and participate in, any formally scheduled meetings with any Taxing Authority or hearings or proceedings before any judicial authority with respect to such Adjustment, (c) not

enter into any settlement with any Taxing Authority with respect to such Adjustment without the prior written consent of the Indemnified Party, which consent shall not be unreasonably withheld and (d) not contest such Adjustment before a judicial authority unless (i) such Adjustment would reasonably be expected to give rise to Taxes payable by the Indemnifying Party in an amount of $10 million or more or (ii) the Indemnifying Party has received an opinion of a nationally recognized law firm that it is more likely than not to prevail on the merits.

Section 5.04 Tax Proceedings in Respect of Transaction Taxes and Disqualifying Actions.

(a) Penn and GLPI shall be entitled to jointly contest, compromise and settle any Adjustment proposed, asserted or assessed pursuant to any Tax Proceeding relating to (i) any Transaction Taxes and (ii) any Taxes attributable to a GLPI Disqualifying Action with respect to which Penn notifies GLPI that it intends to seek indemnification pursuant to Section 3.02 hereof.

(b) Penn shall be entitled to contest, compromise and settle any Adjustment proposed, asserted or assessed pursuant to any Tax Proceeding relating to any Taxes attributable to a Penn Disqualifying Action and shall defend such Tax Proceeding diligently and in good faith; provided, that unless waived by the Parties in writing, Penn shall (i) keep GLPI informed in a timely manner of all actions taken or proposed to be taken by Penn, (ii) provide copies of all

correspondence or filings to be submitted to any Taxing Authority or judicial authority to GLPI for its prior review and consent, which consent shall not be unreasonably withheld, and (iii) provide GLPI with written notice reasonably in advance of, and GLPI shall have the right to attend, any formally scheduled meetings with any Taxing Authority or hearings or proceedings before any judicial authority.

ARTICLE VI

TAX-FREE STATUS OF THE DISTRIBUTION

Section 6.01 Representations and Warranties.

(a) GLPI. GLPI hereby represents and warrants or covenants and agrees, as appropriate, that the facts presented and the representations made in the Tax Materials, to the extent descriptive of the GLPI Group (including the business purposes for the Internal Distribution and the Distribution described in the IRS Ruling Request and the other Tax Materials to the extent that they relate to the GLPI Group and the plans, proposals, intentions and policies of the GLPI Group), are, or will be from the time presented or made through and including the Effective Time (and thereafter as relevant) true, correct and complete in all respects.

(b) Penn. Penn hereby represents and warrants or covenants and agrees, as appropriate, that (i) it has delivered complete and accurate copies of the Tax Materials to GLPI and (ii) the facts presented and the representations made therein, to the extent descriptive of the Penn Group (including the business purposes for the Internal Distribution and the Distribution described in the IRS Ruling Request and the other Tax Materials to the extent that they relate to the Penn Group and the plans, proposals, intentions and policies of the Penn Group), are, or will be from the time presented or made through and including the Effective Time (and thereafter as relevant) true, correct and complete in all respects.

(c) No Contrary Knowledge. Each of Penn and GLPI represents and warrants that it knows of no fact (after due inquiry) that may cause the Tax treatment of the Transactions to be other than the Tax-Free Status of the Transactions.

(d) No Contrary Plan. Each of Penn and GLPI represents and warrants that neither it, nor any of its Affiliates, has any plan or intent to take any action which is inconsistent with any statements or representations made in the Tax Materials.

Section 6.02 Restrictions Relating to the Internal Distribution and the Distribution.

(a) General. Neither Penn nor GLPI shall, nor shall Penn or GLPI permit, any Penn Entity or any GLPI Entity, respectively, to take or fail to take, as applicable, any action that constitutes a Disqualifying Action described in the definitions of Penn Disqualifying Action and GLPI Disqualifying Action, respectively.

(b) Restrictions. Prior to the first day following the second anniversary of the Distribution (the “Restriction Period”), GLPI:

(i) shall continue and cause to be continued the active conduct (as defined in Section 355(b)(2) of the Code and the Treasury Regulations) of the GLPI Active Businesses, taking into account Section 355(b)(3) of the Code;

(ii) shall not voluntarily dissolve or liquidate (including any action that is a liquidation for federal income tax purposes);

(iii) shall not (1) enter into any Proposed Acquisition Transaction or, to the extent GLPI has the right to prohibit any Proposed Acquisition Transaction, permit any Proposed Acquisition Transaction to occur, (2) redeem or otherwise repurchase (directly or through an Affiliate) any stock, or rights to acquire stock, except to the extent such repurchases satisfy Section 4.05(1)(b) of Revenue Procedure 96-30 (as in effect prior to the amendment of such Revenue Procedure by Revenue Procedure 2003-48 and Revenue Procedure 2013-32), (3) amend its certificate of incorporation (or other organizational documents), or take any other action, whether through a stockholder vote or otherwise, affecting the relative voting rights of its capital stock (including through the conversion of any capital stock into another class of capital stock), (4) merge or consolidate with any other Person or (5) take any other action or actions (including any action or transaction that would be reasonably likely to be inconsistent with any representation made in the Tax Materials) which in the aggregate (and taking into account any other transactions described in this Section 6.02(b)(iii)) would be reasonably likely to have the effect of causing or permitting one or more Persons (whether or not acting in concert) to acquire directly or indirectly stock representing a Fifty-Percent or Greater Interest in GLPI or otherwise jeopardize the Tax-Free Status of the Transactions; and

(iv) shall not, and shall not permit any other member of the GLPI Group, to sell, transfer, or otherwise dispose of or agree to, sell, transfer or otherwise dispose (including in any transaction treated for federal income tax purposes as a sale, transfer or disposition) of assets (including, any shares of capital stock of a Subsidiary) that, in the aggregate, constitute more than 30% of the consolidated gross assets of GLPI or the GLPI Group.

The foregoing sentence shall not apply to (A) sales, transfers, or dispositions of assets in the Ordinary Course of Business, (B) any cash paid to acquire assets from an unrelated Person in an arm's-length transaction, (C) any assets transferred to a Person that is disregarded as an entity separate from the transferor for U.S. federal income Tax purposes, or (D) any mandatory or optional repayment (or pre-payment) of any indebtedness of GLPI or any member of the GLPI Group. The percentages of gross assets or consolidated gross assets of GLPI or the GLPI Group sold, transferred, or otherwise disposed of, shall be based on the fair market value of the gross assets of GLPI and the members of the GLPI Group as of the Closing Date. For purposes of this Section 6.02(b)(iv), a merger of GLPI or one of its Subsidiaries with and into any Person that is not a wholly owned Subsidiary of GLPI shall constitute a disposition of all of the assets of GLPI or such Subsidiary; provided, however that in the event GLP Capital, L.P. ceases to be disregarded as an entity separate from its owner, GLPI, for U.S. federal income tax purposes, for purposes of this Section 6.02(b)(iv), references to GLPI shall also refer to GLP Capital, L.P., and any wholly owned Subsidiary of GLP Capital, L.P. shall be treated as a wholly owned Subsidiary of GLPI.

(c) Notwithstanding the restrictions imposed by Section 6.02(b), during the Restriction Period, GLPI may proceed with any of the actions or transactions described therein, if (i) GLPI shall first have requested Penn to obtain a supplemental ruling in accordance with Section 6.03(a) to the effect that such action or transaction will not affect the Tax-Free Status of the Transactions and Penn shall have received such a supplemental ruling in form and substance reasonably satisfactory to it, (ii) GLPI shall have provided to Penn an Unqualified Tax Opinion in form and substance reasonably satisfactory to Penn, or (iii) Penn shall have waived in writing the requirement to obtain such ruling or opinion. In determining whether a ruling or opinion is satisfactory, Penn shall exercise its discretion, in good faith, solely to preserve the Tax-Free Status of the Transactions and may consider, among other factors, the appropriateness of any underlying assumptions or representations used as a basis for the ruling or opinion and the views on the substantive merits.

(d) Certain Issuances of Capital Stock. If GLPI proposes to enter into any Section 6.02(d) Acquisition Transaction or, to the extent GLPI has the right to prohibit any Section 6.02(d) Acquisition Transaction, proposes to permit any Section 6.02(d) Acquisition Transaction to occur, in each case, during the Restriction Period, GLPI shall provide Penn, no later than ten (10) days following the signing of any written agreement with respect to any Section 6.02(d) Acquisition Transaction, with a written description of such transaction (including the type and amount of GLPI capital stock to be issued in such transaction).

(e) Tax Reporting. Each of Penn and GLPI covenants and agrees that it will not take, and will cause its respective Affiliates to refrain from taking, any position on any Income Tax Return that is inconsistent with the Tax-Free Status of the Transactions.

Section 6.03 Procedures Regarding Opinions and Rulings.

(a) If GLPI notifies Penn that it desires to take one of the actions described in Section 6.02(b) (a "Notified Action"), Penn shall cooperate with GLPI and use its reasonable best efforts to seek to obtain, as expeditiously as possible, a supplemental ruling from the IRS or an Unqualified Tax Opinion for the purpose of permitting GLPI to take the Notified Action unless Penn shall have waived the requirement to obtain such ruling or opinion. If such a ruling is to be sought, Penn shall apply for such ruling and Penn and GLPI shall jointly control the process of obtaining such ruling. In no event shall Penn be required to file any ruling request under this Section 6.03(a) unless GLPI represents that (i) it has read such ruling request, and (ii) all information and representations, if any, relating to any member of the GLPI Group, contained in such ruling request documents are (subject to any qualifications therein) true, correct and complete. GLPI shall reimburse Penn for all reasonable costs and expenses incurred by the Penn Group in obtaining a ruling or Unqualified Tax Opinion requested by GLPI within ten (10) days after receiving an invoice from Penn therefor.

(b) Penn shall have the right to obtain a supplemental ruling or an Unqualified Tax Opinion at any time in its sole and absolute discretion. If Penn determines to obtain such ruling or opinion, GLPI shall (and shall cause each GLPI Entity to) cooperate with Penn and take any and all actions reasonably requested by Penn in connection with obtaining such ruling or opinion (including by making any representation or reasonable covenant or providing any materials requested by the IRS or the law firm issuing such opinion); provided, that GLPI shall not be

required to make (or cause a GLPI Entity to make) any representation or covenant that is untrue or inconsistent with historical facts, or as to future matters or events over which it has no control. In connection with obtaining such ruling, Penn shall apply for such ruling and shall have sole and exclusive control over the process of obtaining such ruling. Penn and GLPI shall each bear its own costs and expenses in obtaining a ruling or Unqualified Tax Opinion requested by Penn.

(c) Except as provided in Sections 6.03(a) and (b), following the Effective Time, neither GLPI nor any GLPI Affiliate shall seek any guidance from the IRS or any other Taxing Authority (whether written, verbal or otherwise) at any time concerning the Transactions (including the impact of any transaction on the Transactions).

Section 6.04 336(e) Election. The Parties agree that (i) Penn and GLPI shall enter into a written, binding agreement and (ii) Penn shall timely make a protective election under Section 336(e) of the Code (and any similar provision of any U.S. state or local jurisdiction) and Treasury Regulation Section 1.336-2(j) (a "Protective Section 336(e) Election") with respect to the Distribution, in each case, in accordance with Treasury Regulation Section 1.336-2(h). Penn shall timely file such forms as may be contemplated by applicable Tax law or administrative practice to effect such Protective Section 336(e) Election. To the extent, pursuant to a Final Determination, the Distribution constitutes a "qualified stock disposition," as defined in Treasury Regulation Section 1.336-1(b)(6), the Parties shall not and shall not permit any of their respective Subsidiaries to, take any position for Tax purposes inconsistent with the relevant Protective Section 336(e) Election, except as may be required pursuant to a Final Determination. For the avoidance of doubt, in the event that (x) Section 336(e) applies to the Distribution and (y) neither Section 355(c) nor Section 361(c) applies to the Internal Distribution, Penn shall be permitted to make an election under Treasury Regulation Section 1.1502-13(f)(5)(ii) in accordance with Treasury Regulation Section 1.1502-13(f)(5)(ii)(E) and specifying Treasury Regulation Section 1.1502-13(f)(5)(ii)(C) as the basis for relief.

ARTICLE VII

COOPERATION

Section 7.01 General Cooperation. The Parties shall each cooperate fully (and each shall cause its respective Subsidiaries to cooperate fully) with all reasonable requests in writing ("Information Request") from another Party hereto, or from an agent, representative or advisor to such Party, in connection with the preparation and filing of Tax Returns (including the preparation of Tax Packages), claims for Refunds, Tax Proceedings, and calculations of amounts required to be paid pursuant to this Agreement, in each case, related or attributable to or arising in connection with Taxes of any of the Parties or their respective Subsidiaries

covered by this Agreement and the establishment of any reserve required in connection with any financial reporting (a "Tax Matter"). Such cooperation shall include the provision of any information reasonably necessary or helpful in connection with a Tax Matter ("Information") and shall include, without limitation, at each Party's own cost:

(a) the provision of any Tax Returns of the Parties and their respective Subsidiaries, books, records (including information regarding ownership and Tax basis of property), documentation and other information relating to such Tax Returns, including accompanying

schedules, related work papers, and documents relating to rulings or other determinations by Taxing Authorities;

(b) the execution of any document (including any power of attorney) in connection with any Tax Proceedings of any of the Parties or their respective Subsidiaries, or the filing of a Tax Return or a Refund claim of the Parties or any of their respective Subsidiaries;

(c) the use of the Party's reasonable best efforts to obtain any documentation in connection with a Tax Matter; and

(d) the use of the Party's reasonable best efforts to obtain any Tax Returns (including accompanying schedules, related work papers, and documents), documents, books, records or other information in connection with the filing of any Tax Returns of any of the Parties or their Subsidiaries.

Each Party shall make its employees, advisors, and facilities available, without charge, on a reasonable and mutually convenient basis in connection with the foregoing matters.

Section 7.02 Retention of Records. Penn and GLPI shall retain or cause to be retained all Tax Returns, schedules and work papers, and all material records or other documents relating thereto in their possession, until sixty (60) days after the expiration of the applicable statute of limitations (including any waivers or extensions thereof) of the taxable periods to which such Tax Returns and other documents relate or until the expiration of any additional period that any Party reasonably requests, in writing, with respect to specific material records and documents. A Party intending to destroy any material records or documents shall provide the other Party with reasonable advance notice and the opportunity to copy or take possession of such records and documents. The Parties hereto will notify each other in writing of any waivers or extensions of the applicable statute of limitations that may affect the period for which the foregoing records or other documents must be retained.

ARTICLE VIII

MISCELLANEOUS

Section 8.01 Dispute Resolution.

(a) In the event of any dispute between the Parties as to any matter covered by this Agreement, the Parties shall agree as to whether such dispute shall be governed by the procedures set forth in Section 8.01(b) of this Agreement or in Article VII of the Separation Agreement. If the Parties cannot agree as to which procedure will govern such dispute, such disagreement shall be resolved pursuant to Article VII of the Separation Agreement.

(b) With respect to any dispute governed by this Section 8.01(b), the Parties shall appoint a nationally recognized independent public accounting firm (the "Accounting Firm") to resolve such dispute. In this regard, the Accounting Firm shall make determinations with respect to the disputed items based solely on representations made by Penn and GLPI and their respective representatives, and not by independent review, and shall function only as an expert and not as an arbitrator and shall be required to make a determination in favor of one Party

only. The Parties shall require the Accounting Firm to resolve all disputes no later than thirty (30) days after the submission of such dispute to the Accounting Firm, but in no event later than the Due Date for the payment of Taxes or the filing of the applicable Tax Return, if applicable, and agree that all decisions by the Accounting Firm with respect thereto shall be final and conclusive and binding on the Parties. The Accounting Firm shall resolve all disputes in a manner consistent with this Agreement and, to the extent not inconsistent with this Agreement, in a manner consistent with the Past Practices of Penn and its Subsidiaries, except as otherwise required by applicable Law. The Parties shall require the Accounting Firm to render all determinations in writing and to set forth, in reasonable detail, the basis for such determination. The fees and expenses of the Accounting Firm shall be paid by the non-prevailing Party.

Section 8.02 Tax Sharing Agreements. All Tax sharing, indemnification and similar agreements, written or unwritten, as between Penn or a Penn Entity, on the one hand, and GLPI or a GLPI Entity, on the other (other than this Agreement or any other Transaction Document), shall be or shall have been terminated no later than the Effective Time and, after the Effective Time, none of Penn or a Penn Entity, or GLPI or a GLPI Entity shall have any further rights or obligations under any such Tax sharing, indemnification or similar agreement.

Section 8.03 Interest on Late Payments. With respect to any payment between the Parties pursuant to this Agreement not made by the due date set forth in this Agreement for such payment, the outstanding amount will accrue interest at a rate per annum equal to the rate in effect for underpayments under Section 6621 of the Code from such due date to and including the earlier of the ninetieth (90th) day or the payment date and thereafter will accrue interest at a rate per annum equal to 9%.

Section 8.04 Survival of Covenants. Except as otherwise contemplated by this Agreement, all covenants and agreements of the Parties contained in this Agreement shall survive the Effective Time and remain in full force and effect in accordance with their applicable terms, provided, however that the representations and warranties and all indemnification for Taxes shall survive until sixty (60) days following the expiration of the applicable statute of limitations (taking into account all extensions thereof), if any, of the Tax that gave rise to the indemnification; provided further, that in the event that notice for indemnification has been given within the applicable survival period, such indemnification shall survive until such time as such claim is finally resolved.

Section 8.05 Termination. Notwithstanding any provision to the contrary, this Agreement may be terminated at any time prior to the Effective Time by and in the sole discretion of Penn without the prior approval of any Person, including GLPI. In the event of such termination, this Agreement shall become void and no Party, or any of its officers and directors, shall have any liability to any Person by reason of this Agreement. After the Effective Time, this Agreement may not be terminated except by an agreement in writing signed by each of the Parties to this Agreement.

Section 8.06 Severability. If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced under any Law or as a matter of public policy, all other conditions and provisions of this Agreement shall remain in full force and effect. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the

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Parties to this Agreement shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in a mutually acceptable manner.

Section 8.07 Entire Agreement. Except as otherwise expressly provided in this Agreement, this Agreement constitutes the entire agreement of the Parties hereto with respect to the subject matter of this Agreement and supersedes all prior agreements and undertakings, both written and oral, between or on behalf of the Parties hereto with respect to the subject matter of this Agreement.

Section 8.08 Assignment; No Third-Party Beneficiaries. This Agreement shall not be assigned by any Party without the prior written consent of the other Party hereto, except that Penn may assign (a) any or all of its rights and obligations under this Agreement to any of its Affiliates and (b) any or all of its rights and obligations under this Agreement in connection with a sale or disposition of any of its assets or entities or lines of business; provided, however, that, in each case, no such assignment shall release Penn from any liability or obligation under this Agreement nor change any of the steps in the Plan of Reorganization (as such term is defined in the Separation Agreement). Except as provided in Article III with respect to Indemnified Parties, this Agreement is for the sole benefit of the Parties to this Agreement and their respective Subsidiaries and their permitted successors and assigns and nothing in this Agreement, express or implied, is intended to or shall confer upon any other Person any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

Section 8.09 Specific Performance. In the event of any actual or threatened default in, or breach of, any of the terms, conditions and provisions of this Agreement, the Party who is or is to be thereby aggrieved shall have the right to specific performance and injunctive or other equitable relief of its rights under this Agreement, in addition to any and all other rights and remedies at law or in equity, and all such rights and remedies shall be cumulative. The Parties agree that the remedies at law for any breach or threatened breach, including monetary damages, may be inadequate compensation for any loss and that any defense in any action for specific performance that a remedy at law would be adequate is waived. Any requirements for the securing or posting of any bond with such remedy are waived by the Parties to this Agreement.

Section 8.10 Amendment. No provision of this Agreement may be amended or modified except by a written instrument signed by the Parties to this Agreement. No waiver by any Party of any provision of this Agreement shall be effective unless explicitly set forth in writing and executed by the Party so waiving. The waiver by any Party of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any other subsequent breach.

Section 8.11 Rules of Construction. Interpretation of this Agreement shall be governed by the following rules of construction: (a) words in the singular shall be held to include the plural and vice versa and words of one gender shall be held to include the other gender as the context requires; (b) references to the terms Article, Section, paragraph, clause, Exhibit and Schedule are references to the Articles, Sections, paragraphs, clauses, exhibits and schedules of this Agreement unless otherwise specified; (c) the terms "hereof," "herein," "hereby," "hereto," and derivative or similar words refer to this entire Agreement, including the Schedules and Exhibits hereto; (d) references to "$" shall mean U.S. dollars; (e) the word "including" and words of similar import when used in this Agreement shall mean "including without limitation," unless otherwise

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specified; (f) the word "or" shall not be exclusive; (g) references to "written" or "in writing" include in electronic form; (h) provisions shall apply, when appropriate, to successive events and transactions; (i) the headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement; (j) Penn and GLPI have each participated in the negotiation and drafting of this Agreement and if an ambiguity or question of interpretation should arise, this Agreement shall be construed as if drafted jointly by the parties hereto and no presumption or burden of proof shall arise favoring or burdening either Party by virtue of the authorship of any of the provisions in this Agreement or any interim drafts of this Agreement; and (k) a reference to any Person includes such Person's successors and permitted assigns.

Section 8.12 Counterparts. This Agreement may be executed in one or more counterparts each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Agreement by facsimile or portable document format (PDF) shall be as effective as delivery of a manually executed counterpart of any such Agreement.

Section 8.13 Coordination with the Employee Matters Agreement. To the extent any covenants or agreements between the Parties with respect to employee withholding Taxes are set forth in the Employee Matters Agreement, such Taxes shall be governed exclusively by the Employee Matters Agreement and not by this Agreement.

Section 8.14 Effective Date. This Agreement shall become effective only upon the occurrence of the Distribution.

[The remainder of this page is intentionally left blank.]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed as of the day and year first above written.

PENN NATIONAL GAMING, INC.

By ______________________________
Name:
Title:

GAMING AND LEISURE PROPERTIES, INC.

By ______________________________
Name:
Title:

[*Signature Page to Tax Matters Agreement*]

Exhibit 10.4

EMPLOYEE MATTERS AGREEMENT

BY AND BETWEEN PENN NATIONAL GAMING, INC. AND

GAMING AND LEISURE PROPERTIES, INC.

EMPLOYEE MATTERS AGREEMENT

This EMPLOYEE MATTERS AGREEMENT (this "Agreement"), dated as of [·] is by and between Penn National Gaming, Inc., a Pennsylvania corporation ("Penn"), and Gaming and Leisure Properties, Inc., a Pennsylvania corporation ("GLPI" and together with Penn, the "Parties" and each a "Party").

WHEREAS, the board of directors of Penn has determined that it is in the best interests of Penn and its shareholders to create a new publicly traded company which shall operate the GLPI Business;

WHEREAS, in furtherance thereof Penn and GLPI have entered into that certain Separation and Distribution Agreement dated [·] (the "Separation Agreement"); and

WHEREAS, as contemplated by the Separation Agreement, Penn and GLPI desire to enter into this Agreement to provide for the allocation of assets, Liabilities, and responsibilities with respect to certain matters relating to employees (including employee compensation and benefit plans and programs) between them.

NOW, THEREFORE, the Parties, intending to be legally bound, agree as follows:

ARTICLE I

DEFINITIONS

Capitalized terms used but not defined herein shall have the meaning ascribed to them in the Separation Agreement. For purposes of this Agreement the following terms shall have the following meanings:

1.1 "Closing Penn Stock Price" has the meaning set forth in Section 5.2(a)(i)(2).

1.2 "COBRA" means the continuation coverage requirements for "group health plans" under Title X of the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended, and as codified in Code Section 4980B and ERISA Sections 601 through 608.

1.3 "Code" means the Internal Revenue Code of 1986, as amended, or any successor federal income tax law. Reference to a specific Code provision also includes any proposed, temporary, or final regulation in force under that provision.

1.4 "Effective Time" has the meaning set forth in the Separation Agreement.

1.5 "ERISA" means the Employee Retirement Income Security Act of 1974, as amended. Reference to a specific provision of ERISA also includes any proposed, temporary, or final regulation in force under that provision.

1.6 "Former GLPI Employee," means, except as otherwise set forth on Schedule 1.6 any individual whose employment with either Party or any of its respective Subsidiaries and Affiliates terminated for any reason before the Effective Time, and who was primarily engaged in providing services to the GLPI Business as of the date of his or her termination of employment.

1.7 "Former Penn Employee" means any individual whose employment with either Party or any of its respective Subsidiaries and Affiliates terminated for any reason before the Effective Time, other than a Former GLPI Employee.

1.8 "GLPI 401(k) Plan" means the tax-qualified 401(k) defined contribution savings plan to be established by GLPI or a GLPI Group member prior to the Effective Time.

1.9 "GLPI Change in Control" has the meaning set forth in Section 5.2(a)(ii)(2).

1.10 "GLPI Employee," means, except as otherwise set forth on Schedule 1.10, any individual who, as of the Effective Time, is either actively employed by or then on a short-term leave of absence from GLPI or a GLPI Group member (including maternity, paternity, family, sick, short-term disability leave, qualified military service under the Uniformed Services Employment and Reemployment Rights Act of 1994, and leave under the Family Medical Leave Act and other approved leaves) or who is so employed by Penn or a Penn Group member and who is primarily engaged in providing services to the GLPI Business as of the date hereof.

1.11 "GLPI FSAs" has the meaning set forth in Section 4.3.

1.12 "GLPI Health and Welfare Plans" has the meaning set forth in Section 4.1.

1.13 "GLPI Long Term Incentive Plan" means the Gaming and Leisure Properties, Inc. 2013 Long Term Incentive Compensation Plan adopted or to be adopted by GLPI prior to the Effective Time.

1.14 "GLPI Participant" means any individual who is a GLPI Employee or a Former GLPI Employee, and any beneficiary, dependent, or alternate payee of such individual, as the context requires.

1.15 "HIPAA" means the health insurance portability and accountability requirements for "group health plans" under the Health Insurance Portability and Accountability Act of 1996, as amended.

1.16 "Incentive Stock Option" means an option which qualifies as an incentive stock option under the provisions of Section 422 of the Code.

1.17 "Initial Trading Day" has the meaning set forth in Section 5.2(a)(i)(2).

1.18 "Opening GLPI Stock Price" has the meaning set forth in Section 5.2(a)(i)(2).

1.19 "Opening Penn Stock Price" has the meaning set forth in Section 5.2(a)(i)(2).

1.20 "Option" when immediately preceded by "Penn," means an option (either nonqualified or an Incentive Stock Option) to purchase Penn Common Shares granted by Penn prior to the Effective Date pursuant to a Penn Equity-Based Plan and, when immediately preceded by "GLPI," means an option to purchase shares of GLPI Common Stock, which option is granted pursuant to the GLPI Long Term Incentive Plan as part of the adjustment to Penn Options as set forth in Section 5.2.

1.21 "Participating Company" means (a) Penn, (b) any Person (other than an individual) that Penn has approved for participation in, and which is participating in, a Plan and (c) any Person (other than an individual) which, by the terms of such a Plan, participates in such Plan.

1.22 "Penn Change in Control" has the meaning set forth in Section 5.2(a)(ii)(2).

1.23 "Penn Defined Contribution Plan" means the Penn National Gaming, Inc. 401(k) Plan.

1.24 "Penn Employee" means any individual who, as of the Effective Time, is either actively employed by or then on a leave of absence from Penn or a Penn Group member (including maternity, paternity, family, sick, short-term or long-term disability leave, qualified military service under the Uniformed Services Employment and Reemployment Rights Act of 1994, and leave under the Family Medical Leave Act and other approved leaves), but does not include any GLPI Employee.

1.25 "Penn Equity-Based Plans" means the Penn National Gaming, Inc. 2003 Long Term Incentive Compensation Plan and the Penn National Gaming, Inc. 2008 Long Term Incentive Compensation Plan, each as amended from time to time.

1.26 "Penn FSAs" has the meaning set forth in Section 4.3.

1.27 "Penn Health and Welfare Plans" means the health and welfare plans sponsored and maintained by Penn or any Penn Group member immediately prior to the Effective Time which provide group health, life, dental, accidental death and dismemberment, health care reimbursements, dependent care assistance and disability benefits.

1.28 "Penn Participant" means any individual who is a Penn Employee or a Former Penn Employee, and any beneficiary, dependent, or alternate payee of such individual, as the context requires.

1.29 "Plan," when immediately preceded by "Penn," means any plan, policy, program, payroll practice, on-going arrangement, contract, trust, insurance policy or other agreement or funding vehicle (including a Penn Health and Welfare Plan) for which the eligible classes of participants include employees or former employees of Penn or a Penn Group member (which may include employees of GLPI Group members prior to the Effective Time), and when immediately preceded by "GLPI," means any plan, policy, program, payroll practice, on-going arrangement, contract, trust, insurance policy or other agreement or funding vehicle (including a GLPI Health and Welfare Plan) for which the eligible classes of participants are limited to employees or former employees (and their eligible dependents) of GLPI or a GLPI Group member, but no other Penn Group member.

1.30 "Purging Distribution" means the dividend GLPI will declare to its shareholders, in connection with its election to be taxed as a real estate investment trust (a "REIT") for U.S. federal income tax purposes, to distribute any accumulated earnings and profits relating to its real property assets and attributable to any pre-REIT years to comply with certain REIT qualification requirements.

1.31 "Purging Distribution Exchange Ratio" has the meaning set forth in Section 5.2(a)(ii)(6)(A).

1.32 "Restricted Award," when immediately preceded by "Penn," means a Penn Restricted Stock Unit or a Penn Restricted Stock Award and when immediately preceded by "GLPI," means a GLPI Restricted Stock Unit or a GLPI Restricted Stock Award, which is granted pursuant to the GLPI Long Term Incentive Plan as part of the adjustment to Penn Restricted Awards as set forth in Section 5.2.

1.33 "Restricted Stock Award," when immediately preceded by "Penn," means a Penn Common Share granted by Penn prior to the Effective Date pursuant to a Penn Equity-Based Plan which is subject to vesting and forfeiture restrictions and when immediately preceded by "GLPI," means a share of GLPI Common Stock, which is granted pursuant to the GLPI Long Term Incentive Plan as part of the adjustment to Penn Restricted Stock Awards as set forth in Section 5.2 which is subject to vesting and forfeiture restrictions.

1.34 "Restricted Stock Unit," when immediately preceded by "Penn," means a unit granted by Penn prior to the Effective Date pursuant to a Penn Equity-Based Plan representing a general unsecured promise by Penn to deliver an amount in cash equal to the value of a Penn Common Share and when immediately preceded by "GLPI," means a unit granted by GLPI representing a general unsecured promise by GLPI to deliver an amount in cash equal to the value of a share of GLPI Common Stock, which unit is granted pursuant to the GLPI Long Term Incentive Plan as part of the adjustment to Penn Restricted Stock Units as set forth in Section 5.2.

1.35 "Stock Appreciation Right" when immediately preceded by "Penn," means a right to receive a payment in cash equal in value to the increase in value of Penn Common Shares over a designated strike price granted by Penn prior to the Effective Date pursuant to a Penn Equity-Based Plan and, when immediately preceded by "GLPI," means a right to receive a payment in cash equal in value to the increase in value in shares of shares of GLPI Common Stock over a designated strike price, which right is granted pursuant to the GLPI Long Term Incentive Plan as part of the adjustment to Penn Stock Appreciation Rights as set forth in Section 5.2.

ARTICLE II

TRANSFER OF GLPI EMPLOYEES; GENERAL PRINCIPLES

2.1 Transfer of Employment of Certain GLPI Employees. Penn and GLPI will cause the employment of each GLPI Employee who is not employed by a GLPI Group member as of the date hereof to be transferred to a GLPI Group member prior to the Effective Time.

2.2 Assumption and Retention of Liabilities. Penn and GLPI intend that employment-related Liabilities associated with Penn Participants are to be retained or assumed by Penn or a Penn Group member, and employment-related Liabilities associated with GLPI Participants are to be assumed by GLPI or a GLPI Group member, in each case, except as specifically set forth herein. Accordingly, as of the Effective Time:

(a) Penn or another member of the Penn Group hereby retains or assumes and agrees to pay, perform, fulfill, and discharge, except as expressly provided in this Agreement, (i) all Liabilities arising under or related to Penn Plans, (ii) all employment or service-related Liabilities with respect to (A) all Penn Participants and (B) any individual who is, or was, an independent contractor, temporary employee, temporary service worker, consultant, freelancer, agency employee, leased employee, on-call worker, incidental worker, or non-payroll worker or in any other employment or similar relationship primarily connected to Penn or a Penn Group member and (iii) any Liabilities expressly transferred to Penn or a Penn Group member under this Agreement; and

(b) GLPI or another member of the GLPI Group hereby retains or assumes and agrees to pay, perform, fulfill, and discharge, except as expressly provided in this Agreement, (i) all Liabilities arising under or related to GLPI Plans, (ii) all employment or service-related Liabilities with respect to (A) all GLPI Participants and (B) any individual who is, or was, an independent contractor, temporary employee, temporary service worker, consultant, freelancer, agency employee, leased employee, on-call worker, incidental worker, or non-payroll worker or in any other employment or similar relationship primarily connected to GLPI or a GLPI Group member and (iii) any Liabilities expressly transferred to GLPI or a GLPI Group member under this Agreement.

2.3 GLPI Participation in the Penn Plans. Effective as of the Effective Time, GLPI and each GLPI Group member shall cease to be Participating Companies in any Penn Plan, and Penn and GLPI shall take all necessary action before the Effective Time to effectuate such cessation as a Participating Company.

2.4 Sponsorship of the GLPI Plans. Effective no later than immediately prior to the Effective Time, Penn and GLPI shall take such actions (if any) as are required to cause GLPI or a GLPI Group member to assume, sponsorship of, and all Liabilities with respect to, each GLPI Plan.

2.5 No Duplication of Benefits; Service and Other Credit. Penn and GLPI shall adopt, or cause to be adopted, all reasonable and necessary amendments and procedures to prevent GLPI Participants from receiving duplicative benefits from the Penn Plans and the GLPI Plans. With respect to GLPI Employees, each GLPI Plan shall provide that for purposes of determining eligibility to participate, vesting, and entitlement to benefits (but not for accrual of pension benefits under any defined benefit pension plan), service prior to the Effective Time with Penn or a Penn Group member shall be treated as service with GLPI or the applicable GLPI Group member. Such service also shall apply for purposes of satisfying any waiting periods, evidence of insurability requirements, or the application of any preexisting condition limitations under any GLPI Plan.

Each GLPI Plan shall, to the extent practicable, waive pre-existing condition limitations with respect to GLPI Employees. GLPI shall honor any deductible, co-payment and out-of-pocket maximums incurred by the GLPI Employees and their eligible dependents under the Penn Plans in which they participated immediately prior to the Effective Time during the portion of the calendar year prior to the Effective Time in satisfying any deductibles, co-payments or out-of-pocket maximums under the GLPI Plans in which they are eligible to participate after the Effective Time in the same plan year in which such deductibles, co-payments or out-of-pocket maximums were incurred.

2.6 Reimbursements. From time to time after the Effective Time, the Parties shall promptly reimburse one another, upon reasonable request of the Party requesting reimbursement and the presentation by such Party of such substantiating documentation as the other Party shall reasonably request, for the cost of any Liabilities satisfied or assumed by the Party requesting reimbursement or its Affiliates that are made pursuant to this Agreement, the responsibility of the other Party or any of its Affiliates.

2.7 Approval of Plan. (i) Prior to the Effective Time, Penn shall cause GLPI to adopt the GLPI Long Term Incentive Plan and (ii) at or prior to the Effective Time, Penn and GLPI shall take all actions as may be necessary to approve the GLPI Long Term Incentive Plan in order to satisfy the requirements of the applicable rules and regulations of the NASDAQ.

2.8 Delivery of Shares; Registration Statement. From and after the Effective Time, GLPI shall have sole responsibility for delivery of shares of GLPI Common Stock pursuant to awards issued under a GLPI Plan in satisfaction of any obligations to deliver such shares under the GLPI and/or Penn Plans (including delivery to Penn Employees and Former Penn Employees) and shall do so without compensation from any Penn Group member. GLPI shall cause a registration statement on Form S-8 (or other appropriate form) to be filed with respect to such issued or issuable shares prior to the Effective Time and shall cause such registration to remain in effect for so long as there may be an obligation to deliver GLPI shares under such GLPI and/or Penn Plans. Penn shall use commercially reasonable efforts to assist GLPI in completing such registration. GLPI and Penn shall cooperate to establish a procedure whereby the other Party shall be promptly informed of the obligation to deliver shares to a current or Former GLPI Employee or a Penn Employee, as the case may be.

2.9 Labor Relations. To the extent required by applicable Law or any agreement with a labor union, works council or similar employee organization, GLPI shall provide notice, engage in consultation and take any similar action which may be required on its part in connection with the Distribution

and shall fully indemnify each Penn Group member against any Liabilities arising from its failure to comply with such requirements.

ARTICLE III

DEFINED CONTRIBUTION AND NON-QUALIFIED DEFERRED COMPENSATION PLANS

3.1 401(k) Plan.

(a) *Establishment of Plan and Trust*. Penn and GLPI shall adopt or cause to be adopted the GLPI 401(k) Plan and any trust agreements or other plan documents reasonably necessary and shall cause trustees to be appointed for such plan. Such actions shall be completed prior to the Effective Time.

(b) *Assumption of Liabilities and Transfer of Assets*. In accordance with applicable Law, Penn and GLPI shall cause, in the manner described herein, the accounts under the Penn Defined Contribution Plan of each GLPI Employee to be transferred to the GLPI 401(k) Plan prior to or as soon as practicable after the Effective Time. Prior to or as soon as practicable after the Effective Time: (i) Penn shall cause the accounts (including any outstanding loan balances) of each GLPI Employee and in the Penn Defined Contribution Plan to be transferred to the GLPI 401(k) Plan and its related trust; (ii) the GLPI 401(k) Plan shall assume and be solely responsible for all liabilities under the GLPI 401(k) Plan relating to the accounts that are so transferred as of the time of such transfer; and (iii) GLPI shall cause such transferred accounts to be accepted by the GLPI 401(k) Plan and its related trust and shall cause the GLPI 401(k) Plan to satisfy all protected benefit requirements under the Code and applicable Law with respect to the transferred accounts.

(c) *Service Crediting*. In determining whether a GLPI Employee is vested in his or her account under the GLPI 401(k) Plan, the GLPI 401(k) Plan shall credit each GLPI Employee with all the individual’s service credited under the Penn Defined Contribution Plan. Participants in the Penn Defined Contribution Plan will not be treated as having experienced a termination of service for purposes of such plans as a result of the Distribution or the occurrence of the Effective Time.

3.2 Other Non-Qualified Deferred Compensation Plans. Prior to the Effective Time, GLPI shall establish a non-qualified deferred compensation plan or plans substantially identical to the non-qualified deferred compensation plan or plans of Penn in which GLPI Employees participate. Prior to or upon the Effective Time, GLPI and the applicable GLPI plan shall assume all Liabilities with respect to each GLPI Employee who participates in a corresponding Penn deferred compensation plan. Prior to or upon the Effective Time, Penn shall cause the Penn National Gaming, Inc. Deferred Compensation Trust to transfer to a corresponding “rabbi” trust of GLPI all assets held in the Penn National Gaming, Inc. Deferred Compensation Trust in respect of GLPI Employees participating in non-qualified deferred compensation plans of Penn. For purposes of determining when a distribution is required from the GLPI Plans described in this Section 3.2, GLPI Employees who were participants in such plans will be treated as not having experienced a separation from service until such employees have separated from service from all GLPI Group members.

ARTICLE IV

HEALTH AND WELFARE PLANS

4.1 Cessation of Participation in Penn Health and Welfare Plans. Prior to the Effective Time, GLPI shall establish health and welfare plans (the “GLPI Health and Welfare Plans”) which generally correspond to the Penn Health and Welfare Plans in which GLPI Employees participate immediately prior to the Effective Time. As of the Effective Time GLPI Employees shall cease to participate in the Penn Health and Welfare Plans and shall commence participation in the corresponding GLPI Health and Welfare Plan. GLPI shall cause GLPI Employees and their covered dependents who participate in Penn Health and Welfare Plans immediately before the Effective Time to be automatically enrolled as of the Effective Time in GLPI Health and Welfare Plans corresponding to the Penn Health and Welfare Plans in which the GLPI Employee or his or her covered dependents, if any, participated immediately before the Effective Time. The transfer of employment from Penn or a Penn Group member to GLPI or a GLPI Group member prior to or as of the Effective Time shall not be treated as a “status change” with respect to any GLPI Employee under the Penn Health and Welfare Plans or the GLPI Health and Welfare Plans.

4.2 Allocation of Health and Welfare Plan Liabilities. All outstanding Liabilities relating to, arising out of, or resulting from health and welfare coverage or claims incurred by or on behalf of GLPI Employees or their covered dependents under the Penn Health and Welfare Plans on or before the Effective Time shall be assumed by GLPI upon the Effective Time.

4.3 Flexible Spending Plan Treatment. Prior to the Effective Time, GLPI shall establish a dependent care spending account and a medical care spending account (the “GLPI FSAs”) effective as of the Effective Time, which GLPI FSAs shall have terms that are substantially identical to the analogous Penn dependent care and medical care flexible spending accounts (the “Penn FSAs”) as in effect immediately prior to the Effective Time. GLPI and Penn shall take all steps necessary or appropriate so that the account balances (if any) under the Penn FSAs of each GLPI Employee who has elected to participate therein in the year in which the Effective Time occurs shall be transferred, as soon as practicable after the Effective Time from the Penn FSAs to the corresponding GLPI FSAs. The GLPI FSAs shall assume responsibility as of the Effective Time for all outstanding dependent care and medical care claims under the Penn FSAs of each GLPI Employee for the year in which the Effective Time occurs and shall assume and agree to perform the obligations of the analogous Penn FSA from and after the Effective Time. GLPI shall take all steps necessary or appropriate so that the contribution elections of each such GLPI Employee as in effect immediately before the Effective Time remain in effect under the GLPI FSAs following the Effective Time. As soon as practicable, after the Effective Time, Penn shall transfer to GLPI an amount equal to the total contributions made to the Penn FSAs by GLPI Employees in respect of the plan year in which the Effective Time occurs, reduced by an amount equal to the total claims already paid to GLPI in respect of such plan year. From and after the Effective Time, Penn shall provide GLPI with such information such entity may reasonably request to enable it to verify any claims information pertaining to a Penn FSA.

4.4 Workers’ Compensation Liabilities. All workers’ compensation Liabilities relating to, arising out of, or resulting from any claim by GLPI Employees or Former GLPI Employees that result from an accident or from an occupational disease which is incurred or becomes manifest, as

the case may be, on or before the Effective Time and while such individual was employed by Penn or a Penn Group member shall be assumed by GLPI as of the Effective Time. GLPI and each GLPI Group member shall also be solely responsible for all workers' compensation Liabilities relating to, arising out of, or resulting from any claim incurred for a compensable injury sustained by a GLPI Employee that results from an accident or from an occupational disease which is incurred or becomes manifest, as the case may be, after the Effective Time. Penn, each Penn Group member, GLPI and each GLPI Group member shall cooperate with respect to any notification to appropriate governmental agencies of the disposition and the issuance of new, or the transfer of existing, workers' compensation insurance policies and claims handling contracts.

4.5 Payroll Taxes and Reporting. Penn and GLPI (i) shall, to the extent practicable, treat GLPI (or a GLPI Group member designated by GLPI) as a "successor employer" and Penn (or the appropriate Penn Group member) as a "predecessor," within the meaning of Sections 3121(a)(1) and 3306(b)(1) of the Code, with respect to GLPI Employees for purposes of taxes imposed under the United States Federal Unemployment Tax Act or the United States Federal Insurance Contributions Act, and (ii) hereby agree to use commercially reasonable efforts to implement the alternate procedure described in Section 5 of Revenue Procedure 2004-53. Without limiting in any manner the obligations and Liabilities of the Parties under the Tax Sharing Agreement, including all withholding obligations otherwise set forth therein, Penn, each Penn Group member, GLPI and each GLPI Group member shall each bear its responsibility for payroll tax obligations and for the proper reporting to the appropriate governmental authorities of compensation earned by their respective employees after the Effective Time, including compensation related to the exercise of Options or the vesting or exercise of other equity awards, including in instances where such equity awards are with respect to the equity of the other Party.

4.6 COBRA and HIPAA Compliance. As of the Effective Time, GLPI shall assume and be responsible for administering compliance with the health care continuation requirements of COBRA, the certificate of creditable coverage requirements of HIPAA, and the corresponding provisions of the Penn Health and Welfare Plans with respect to GLPI Participants who incur a COBRA qualifying event or loss of coverage under the Penn Health and Welfare Plans at any time on or before the Effective Time. GLPI shall also be responsible for administering compliance with the health care continuation requirements of COBRA, the certificate of creditable coverage requirements of HIPAA, and the corresponding provisions of the GLPI Health and Welfare Plans with respect to GLPI Participants who incur a COBRA qualifying event or loss of coverage under the GLPI Health and Welfare Plans at any time after the Effective Time.

4.7 Vacation and Paid Time Off. As of the Effective Time, the applicable GLPI Group Member shall credit each GLPI Employee with the unused vacation days and personal and sickness days that such individual has accrued immediately prior to the Effective Time in accordance with the vacation and personnel policies applicable to such employee immediately prior to the Effective Time.

ARTICLE V

INCENTIVE COMPENSATION, EQUITY COMPENSATION AND OTHER BENEFITS

5.1 Annual Cash-Based Incentive Plans. As soon as practicable following the close of the calendar year in which the Effective Time occurs, Penn shall pay each GLPI Employee who is participating in an annual cash incentive bonus program of Penn or a Penn Group member a pro-rata portion of such GLPI Employee's annual incentive bonus under such plan, based on actual performance for such year, pro-rated for the portion of the annual performance period which has elapsed as of the Effective Time.

5.2 Awards under the Penn Equity-Based Plans. Unless otherwise determined by Penn, Penn and GLPI shall use their commercially reasonable efforts to take all actions necessary or appropriate so that each outstanding Penn Option, Stock Appreciation Right, Restricted Stock Award and Restricted Stock Unit outstanding immediately prior to the Effective Time shall be adjusted as set forth in this Section 5.2; provided, however, that any Penn Option outstanding immediately prior to the Effective Time and held by individual who is then serving as a member of the Penn board of directors shall not be adjusted in the manner set forth in this Section 5.2. Penn Restricted Stock Units held by individuals who are serving as members of the Penn board of directors as of the Effective Time shall be adjusted in the manner set forth in Section 5.2(c).

(a) *Options*.

(i) *Conversion*. Each Penn Option which is outstanding immediately prior to the Effective Time will be converted upon the Effective Time into two separate options, an adjusted Penn Option and a GLPI Option, as set forth below. Conversion of any Penn Option which constitutes an Incentive Stock Option shall be effected in a manner which complies with the requirements of Section 424 of the Code.

(1) *Number of Shares Subject to Options*. The number of Penn Common Shares subject to each of the adjusted Penn Options will be equal to the number of Penn Common Shares subject to the Penn Option immediately prior to the Effective Time. The number of shares of GLPI Common Stock subject to the GLPI Option will be equal to the number of Penn Common Shares subject to the Penn Option immediately prior to the Effective Time.

(2) *Exercise Price*. The per share exercise price of the adjusted Penn Option shall be equal to the product of (1) the per share exercise price of the Penn Option immediately prior to the Effective Time multiplied by (2) a fraction, the numerator of which shall be the Opening Penn Stock Price (as defined below) and the denominator of which shall be the Closing Penn Stock Price (as defined below), which product shall be rounded up to the nearest whole cent. The per share exercise price of the GLPI Option shall be equal to the product of (1) the per share exercise price of the Penn Option immediately prior to the Effective Time multiplied by (2) a fraction, the numerator of which shall be the Opening GLPI Stock Price (as defined below) and the denominator of which shall be the

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Closing Penn Stock Price, which product shall be rounded up to the nearest whole cent. The "Opening Penn Stock Price" shall mean the per share closing trading price of Penn Common Shares on the first day (such day, the "Initial Trading Day") on which there occurs "regular way" trading of both Penn Common Shares and GLPI Common Stock on the NASDAQ National Market on or following the Distribution Date. The "Opening GLPI Stock Price" shall mean the per share closing trading price of GLPI Common Stock on the first day on which there occurs "regular way" trading of both Penn Common Shares and GLPI Common Stock on the NASDAQ National Market on or following the Distribution Date. The "Closing Penn Stock Price" shall be the per share closing trading price of Penn Common Shares trading on the "regular way" basis on the last trading day of the NASDAQ National Market prior to the Initial Trading Day.

(ii) Option Terms.

(1) Service. Each adjusted Penn Option shall be subject to the same terms and conditions regarding term, vesting, and other provisions regarding exercise as set forth in the original Penn Option, except as set forth below. Each GLPI Option issued pursuant to this Section 5.2(a) shall be subject to the same terms and conditions regarding term, vesting, and other provisions regarding exercise as set forth in the related Penn Option before the Effective Time, except as set forth below. Notwithstanding the foregoing, Penn will take such action as is necessary to ensure that with respect to adjusted Penn Options that are held by GLPI Employees as of and following the Effective Time, such individuals will not incur a termination of employment as a result of the Distribution for purposes of the adjusted Penn Options. GLPI will take such action as is necessary to ensure that with respect to the GLPI Option grants that are held by Penn Employees as of and following the Effective Time, such individuals will not incur a termination of employment as a result of the Distribution for purposes of the GLPI Options. For purposes of the vesting and termination provisions of the adjusted Penn Options and the GLPI Options, continued service with a Penn Group member or a GLPI Group member, as the case may be, shall be considered to be continued service for purposes of such Option.

(2) Change in Control. Upon a Change in Control of Penn (as defined in the applicable Penn Equity-Based Plan, a "Penn Change in Control") all then outstanding Penn Options will immediately vest and become exercisable (whether held by a Penn Employee or a GLPI Employee) and all GLPI Options held by Penn Employees will immediately vest and become exercisable. Upon a Change in Control of GLPI (as defined in the GLPI Long Term Incentive Plan, a "GLPI Change in Control") all then outstanding GLPI Options will immediately vest and become exercisable (whether held by a Penn Employee or a GLPI Employee) and all Penn Options held by GLPI employees will immediately vest and become exercisable. Penn Options and GLPI Options that immediately vest and become exercisable pursuant to this Section 5.2(a)(ii)(2) shall remain exercisable for the remainder of their original terms, notwithstanding any subsequent termination of the holder's employment or service.

(3) Exercise; Withholding. Upon the exercise of a GLPI Option, whether by a Penn Employee or a GLPI Employee, the exercise price shall be paid to (or otherwise satisfied to the satisfaction of) GLPI in accordance with the terms of the option, and GLPI shall be solely responsible for the issuance of GLPI Common Stock in respect of such exercise, for ensuring the withholding of all applicable employment tax on behalf of the employing entity of such holder, and for ensuring the remittance of such employment taxes to the employing entity of such holder. Upon the exercise of a Penn Option, whether by a Penn Employee or a GLPI Employee, the exercise price shall be paid to (or otherwise satisfied to the satisfaction of) Penn in accordance with the terms of the Penn Option, and Penn shall be solely responsible for the issuance of Penn Common Shares, for ensuring the withholding of all applicable employment tax on behalf of the employing entity of such holder and for ensuring the remittance of such employment taxes to the employing entity of such holder.

(4) Dividend Equivalents — Unvested GLPI Options. The holder of any GLPI Options which are unvested as of the Distribution Date will be credited with dividend equivalents with respect to the unvested GLPI Options for the GLPI Common Stock subject to such GLPI Options, which dividend equivalents will accrue and be paid out (subject to applicable withholding) by GLPI to the holder on the vesting date of the related GLPI Option (or portion thereof). Dividend equivalents shall be calculated as follows: (i) with respect to any cash distribution, on each date that any such cash distribution is paid to all holders of GLPI Common Stock while the GLPI Options are outstanding and unvested, GLPI shall establish or designate an account for the holder of the GLPI Option and the holder's account shall be credited with the right to receive an amount of cash equal to the amount of such cash distribution with respect to each share of GLPI Common Stock subject to the unvested portion of such GLPI Option, had such shares been outstanding on the date of such share distribution and (ii) with respect to any distribution in GLPI Common Stock (or other shares), on each date that any such share distribution is paid to all holders of GLPI Common Stock while the GLPI Options are outstanding and unvested, GLPI shall establish or designate an account for the holder of the GLPI Option and the holder's account shall be credited with the right to receive the number of shares of GLPI Common Stock or other shares that would have been delivered with respect to the number of shares of GLPI Common Stock subject to the unvested portion of the GLPI Option, had such shares been outstanding on the date of such share distribution.

(5) Dividend Equivalents — Vested GLPI Options. Penn shall reserve the amount of $[·], which amount is intended to reflect the aggregate dividend equivalents that would be expected to be paid within a three year period following the Distribution by GLPI in respect of the number of shares equal to the number of shares subject to vested GLPI Options held by Penn Employees. Penn shall set this amount aside as a special incentive bonus pool for the purpose of paying bonuses to Penn Employees who hold GLPI Options which either (i) are vested as of the Distribution Date or (ii) vest within three years following the Distribution Date (provided that there is no intention to pay amounts under this paragraph that are duplicative of the dividend equivalents set forth in

Section 5.2(a)(ii)(4)). No Penn Employee will have any right to be paid any amount from the special incentive bonus pool.

(6) Purging Distribution. In connection with the Purging Distribution, GLPI Options (whether held by a Penn Employee or a GLPI Employee) shall be adjusted in a manner that preserves both the intrinsic value of the GLPI Options and the ratio immediately prior to the Purging Distribution between the trading price of the GLPI Common Stock and the per share exercise price applicable to the GLPI Option.

(A) Number of Shares Subject to Options. Each GLPI Option will be adjusted into an option to acquire the number of shares of GLPI Common Stock equal to the product of (1) the number of shares of GLPI Common Stock subject to the GLPI Option immediately prior to the ex-dividend date for the Purging Distribution multiplied by (2) a fraction, the numerator of which shall be the closing trading price of the GLPI Common Stock on the date preceding the ex-dividend date for the Purging Distribution and the denominator of which shall be the opening trading price of the GLPI Common Stock on the date immediately following the ex-dividend date for the Purging Distribution (such ratio the "Purging Distribution Exchange Ratio"), rounded down to the nearest whole share.

(B) Exercise Price. The exercise price per share of GLPI Common Stock following the adjustment will equal to the per share exercise price of the GLPI Option before the adjustment divided by the Purging Distribution Exchange Ratio, rounded up to the nearest cent.

(b) Stock Appreciation Rights.

(i) *Conversion*. Each Penn Stock Appreciation Right which is outstanding immediately prior to the Effective Time will be converted upon the Effective Time into two separate stock appreciation rights, an adjusted Penn Stock Appreciation Right and a GLPI Stock Appreciation Right, as set forth below.

(1) *Number of Shares Subject to Stock Appreciation Rights*. The number of Penn Common Shares subject to each of the adjusted Penn Stock Appreciation Rights will be equal to the number of Penn Common Shares subject to the Penn Stock Appreciation Right immediately prior to the Effective Time. The number of shares of GLPI Common Stock subject to the GLPI Stock Appreciation Right will be equal to the number of Penn Common Shares subject to the Penn Stock Appreciation Right immediately prior to the Effective Time.

(2) *Strike Price*. The per share strike price of the adjusted Penn Stock Appreciation Right shall be equal to the product of (1) the per share strike price of the

Penn Stock Appreciation Right immediately prior to the Effective Time multiplied by (2) a fraction, the numerator of which shall be the Opening Penn Stock Price and the denominator of which shall be the Closing Penn Stock Price, which product shall be rounded up to the nearest whole cent. The per share strike price of the GLPI Stock Appreciation Right shall be equal to the product of (1) the per share strike price of the Penn Stock Appreciation Right immediately prior to the Effective Time multiplied by (2) a fraction, the numerator of which shall be the Opening GLPI Stock Price and the denominator of which shall be the Closing Penn Stock Price, which product shall be rounded up to the nearest whole cent.

(ii) *Stock Appreciation Right Terms*.

(1) *Service*. Each adjusted Penn Stock Appreciation Right issued shall be subject to the same terms and conditions regarding term, vesting, and other provisions regarding exercise as set forth in the original Penn Stock Appreciation Right, except as set forth below. Each GLPI Stock Appreciation Right issued pursuant to this Section 5.2(b) shall be subject to the same terms and conditions regarding term, vesting, and other provisions regarding exercise as set forth in the related Penn Stock Appreciation Right before the Effective Time, except as set forth below. Notwithstanding the foregoing, Penn will take such action as is necessary to ensure that with respect to adjusted Penn Stock Appreciation Rights that are held by GLPI Employees as of and following the Effective Time, such individuals will not incur a termination of employment as a result of the Distribution for purposes of the adjusted Penn Stock Appreciation Rights. GLPI will take such action as is necessary to ensure that with respect to the GLPI Stock Appreciation Right grants that are held by Penn Employees as of and following the Effective Time, such individuals will not incur a termination of employment as a result of the Distribution for purposes of the GLPI Stock Appreciation Rights. For purposes of the vesting and termination provisions of the adjusted Penn Stock Appreciation Right and the GLPI Stock Appreciation Rights, continued service with a Penn Group member or a GLPI Group Member shall be considered to be continued service for purposes of such Stock Appreciation Right.

(2) *Change in Control*. Upon a Penn Change in Control all Penn Stock Appreciation Rights will immediately vest and become exercisable (whether held by a Penn Employee or a GLPI Employee) and all GLPI Stock Appreciation Rights held by Penn Employees will immediately vest and become exercisable. Upon a GLPI Change in Control all GLPI Stock Appreciation Rights will immediately vest and become exercisable (whether held by a Penn Employee or a GLPI Employee) and all Penn Stock Appreciation Rights held by GLPI employees will immediately vest and become exercisable on their original schedule, without any requirement of continued employment. Penn Stock Appreciation Rights and GLPI Stock Appreciation Rights that immediately vest and become exercisable pursuant to this Section 5.2(b)(ii)(2) shall remain exercisable for the remainder of their original terms, notwithstanding any subsequent termination of the holder's employment or service.

(3) *Exercise; Withholding*. GLPI shall be solely responsible for the payment of cash in respect of Penn or GLPI Stock Appreciation Rights held by GLPI Employees, for ensuring the withholding of all applicable employment tax, and for ensuring the remittance of such employment taxes to the applicable governmental authority. Penn shall be solely responsible for the payment of cash in respect of Penn or GLPI Stock Appreciation Rights held by Penn Employees, for ensuring the withholding of all applicable employment tax, and for ensuring the remittance of such employment taxes to the applicable governmental authority.

(4) *Dividend Equivalents — Unvested GLPI Stock Appreciation Rights*. The holder of any GLPI Stock Appreciation Rights which are unvested as of the Distribution Date will be credited with dividend equivalents with respect to the unvested GLPI Stock Appreciation Rights for the GLPI Common Stock subject to such GLPI Stock Appreciation Rights, which dividend equivalents will accrue and be paid out (subject to applicable withholding) by GLPI to holders who are GLPI Employees and by Penn to holders who are Penn Employees, in each case on the vesting date of the related GLPI Stock Appreciation Right (or portion thereof). Dividend equivalents shall be calculated as follows: (i) with respect to any cash distribution, on each date that any such cash distribution is paid to all holders of GLPI Common Stock while the GLPI Stock Appreciation Rights are outstanding and unvested, GLPI shall establish or designate an account for the holder of the GLPI Stock Appreciation Right and the holder's account shall be credited with the right to receive an amount of cash equal to the amount of such cash distribution with respect to each share of GLPI Common Stock subject to the unvested portion of such GLPI Stock Appreciation Right, had such shares been outstanding on the date of such share distribution and (ii) with respect to any distribution in GLPI Common Stock (or other shares), on each date that any such share distribution is paid to all holders of GLPI Common Stock while the GLPI Stock Appreciation Rights are outstanding and unvested, GLPI shall establish or designate an account for the holder of the GLPI Stock Appreciation Right and the holder's account shall be credited with the right to receive the number of share of GLPI Common Stock or other shares that would have been delivered with respect to the number of shares of GLPI Common Stock subject to the unvested portion of the GLPI Stock Appreciation Right, had such shares been outstanding on the date of such share distribution.

(5) *Dividend Equivalents — Vested GLPI Stock Appreciation Rights*. Penn shall reserve the amount of $[·], which amount is intended to reflect the aggregate dividend equivalents that would be expected to be paid within a three year period following the Distribution by GLPI in respect of the number of shares equal to the number of shares subject to vested GLPI Stock Appreciation Rights held by Penn Employees. Penn shall set this amount aside as a special incentive bonus pool for the purpose of paying bonuses to Penn Employees who hold GLPI Stock Appreciation Rights which either (i) are vested as of the Distribution Date or (ii) vest within three years following the Distribution Date (provided that there is no intention to pay amounts under this paragraph that are duplicative of the dividend equivalents set forth in Section 5.2(b)(ii)(4)). No Penn Employee will have any right to be paid any amount from the special incentive bonus pool.

(6) *Purging Distribution*. In connection with the Purging Distribution, GLPI Stock Appreciation Rights (whether held by a Penn Employee or a GLPI Employee) shall be adjusted in a manner that preserves both the intrinsic value of the GLPI Stock Appreciation Rights and the ratio immediately prior to the Purging Distribution between the trading price of the GLPI Common Stock and the per share strike price applicable to the GLPI Stock Appreciation Right.

(A) *Number of Shares Subject to Stock Appreciation Rights*. Each GLPI Stock Appreciation Right will be adjusted into a stock appreciation right with respect to the number of shares of GLPI Common Stock equal to the product of (1) the number of shares of GLPI Common Stock subject to the GLPI Stock Appreciation Right immediately prior to the ex-dividend date for the Purging Distribution multiplied by (2) the Purging Distribution Exchange Ratio, rounded down to the nearest whole share.

(B) *Strike Price*. The strike price per share of GLPI Common Stock subject to the GLPI Stock Appreciation Right following the adjustment will equal to the per share strike price of the GLPI Stock Appreciation Right before the adjustment divided by the Purging Distribution Exchange Ratio, rounded up to the nearest cent.

(c) *Restricted Stock and Restricted Stock Units*.

(i) *Restricted Stock*. Upon the Effective Time, holders of Penn Restricted Stock Awards will become entitled to GLPI Restricted Stock Awards equal to a number of shares of GLPI Common Stock to which such holder becomes entitled pursuant to the Distribution.

(ii) *Restricted Stock Units*. Upon the Effective Time, holders of Penn Restricted Stock Units will receive a GLPI Restricted Stock Unit with respect to a number of shares of GLPI Common Stock equal to the number of Penn Common Shares subject to the corresponding Penn Restricted Stock Unit immediately prior to the Effective Time.

(iii) *Restricted Award Terms*.

(1) *Service*. Each Penn Restricted Award shall be subject to the same terms and conditions as set forth in the original Penn Restricted Award, except as set forth below. Each GLPI Restricted Award issued pursuant to this Section 5.2(c) shall be subject to the same terms and conditions as set forth in the related Penn Restricted Award before the Effective Time, except as set forth below. Notwithstanding the foregoing, Penn will take such action as is necessary to ensure that with respect to adjusted Penn Restricted Awards that are held by GLPI Employees as of and following the Effective Time, such individuals will not incur a termination of employment as a result of the Distribution for purposes of the adjusted Penn Restricted Awards. GLPI will take such action as is

necessary to ensure that with respect to the GLPI Restricted Awards that are held by Penn Employees as of and following the Effective Time, such individuals will not incur a termination of employment as a result of the Distribution for purposes of the GLPI Restricted Awards. For purposes of the vesting and termination provisions of the Penn Restricted Awards and the GLPI Restricted Awards, continued service with a Penn Group member or a GLPI Group member shall be considered to be continued service for purposes of such Restricted Award.

(2) *Change in Control Provisions*. Upon a Penn Change in Control, all Penn Restricted Awards will vest and be paid out, as the case may be (whether held by a Penn Employee or a GLPI Employee), and all GLPI Restricted Awards held by Penn Employees will vest and be paid out, as the case may be. Upon a GLPI Change in Control, all GLPI Restricted Awards will vest and be paid out, as the case may be (whether held by a Penn Employee or a GLPI Employee), and all Penn Restricted Awards held by GLPI employees will vest and be paid out, as the case may be.

(3) *Delivery; Withholding*. GLPI shall be solely responsible for the issuance of GLPI Common Stock in respect of GLPI Restricted Stock Awards (regardless of the holder thereof), for ensuring the withholding of all applicable employment tax on behalf of the employing entity of such holder, and for ensuring the remittance of such employment taxes to the employing entity of such holder. Penn shall be solely responsible for the issuance of Penn Common Shares in respect of Penn Restricted Stock Awards (regardless of the holder thereof), for ensuring the withholding of all applicable employment tax on behalf of the employing entity of such holder, and for ensuring the remittance of such employment taxes to the employing entity of such holder. GLPI shall be solely responsible for the payment of cash in respect of Penn or GLPI Restricted Stock Units held by GLPI Employees, for ensuring the withholding of all applicable employment tax, and for ensuring the remittance of such employment taxes to the applicable governmental authority. Penn shall be solely responsible for the payment of cash in respect of Penn or GLPI Restricted Stock Units held by Penn Employees, for ensuring the withholding of all applicable employment tax, and for ensuring the remittance of such employment taxes to the applicable governmental authority. Any forfeited GLPI Restricted Awards will be forfeited to GLPI and any forfeited Penn Restricted Awards will be forfeited to Penn (regardless of the employer of the holder thereof).

(4) *Dividend Equivalents*. Holders of GLPI Restricted Stock Units will have a right to receive dividend equivalents with respect to the shares of GLPI Common Stock underlying such award, which dividend equivalents will accrue and be paid by GLPI to holders who are GLPI Employees and by Penn to holders who are Penn Employees, in each case on the payment date of the related GLPI Restricted Stock Units (subject to the award vesting on such date). Holders of GLPI Restricted Stock Awards will be entitled to receive any dividends paid with respect to the GLPI Common Stock subject to such award on the same date or dates that dividends are payable on GLPI Common Shares to holders of such shares generally.

(5) *Purging Distribution*. Upon declaration of the Purging Distribution, holders of GLPI Restricted Stock Units will be credited with a dividend equivalent equal to the Purging Distribution, which dividend will accrue and be paid by GLPI to holders who are GLPI Employees and by Penn to holders who are Penn Employees, in each case, if applicable, on the payment date of the related GLPI Restricted Stock Unit. Holders of GLPI Restricted Stock Awards will be entitled to receive the Purging Distribution with respect the GLPI Common Stock subject to such award on the same date or dates that the Purging Distribution is payable on GLPI Common Stock to stockholders of GLPI generally.

(d) *Allocation of Tax Deduction*. The deduction in respect of equity based awards held by Penn Employees (whether with respect to Penn Common Shares or GLPI Common Stock) will be allocated to Penn. The deduction in respect of equity based awards held by GLPI Employees as a result of the operation of this Section 5.2 (whether with respect to Penn Common Shares or GLPI Common Stock) will be allocated as follows: a pro-rata portion of the deduction will be allocated to Penn based on the portion of the vesting period occurring prior to the Distribution; the remainder of the deduction, if any, will be allocated to GLPI.

(e) *Partial Interests in Shares*. To the extent that any adjustment described in this Section 5.2 results in any fractional interest in shares, such fractional interest shall be rounded down to the nearest whole share. No fractional interests shall be payable in cash or otherwise.

(f) *Administration*. Each of Penn and GLPI shall establish an appropriate administration system in order to handle exercises and delivery of shares in an orderly manner and provide reasonable levels of service for equity award holders.

(g) *No Effect on Subsequent Awards*. The provisions of this Section 5.2 shall have no effect on the terms and conditions of equity and equity-based awards granted following the Effective Date by Penn or GLPI.

ARTICLE VI

GENERAL AND ADMINISTRATIVE

6.1 Sharing of Participant Information. To the maximum extent permitted under applicable Law, Penn and GLPI shall share, and shall cause each member of its respective Group to share, with each other and their respective agents and vendors all participant information reasonably necessary for the efficient and accurate administration of each of the Penn Plans and the GLPI Plans. Penn and GLPI and their respective authorized agents shall, subject to applicable laws on confidentiality, be given reasonable and timely access to, and may make copies of, all information relating to the subjects of this Agreement in the custody of the other Party, to the extent necessary for such administration. Until the Effective Time, all participant information shall be provided in the manner and medium applicable to Participating Companies in the Penn Plans generally, and thereafter until the time at which the Parties subsequently determine, all

participant information shall be provided in a manner and medium that are compatible with the data processing systems of Penn as in effect as of the Effective Time, unless otherwise agreed to by Penn and GLPI.

6.2 Non-Termination of Employment; No Third Party Beneficiaries. No provision of this Agreement or the Separation Agreement shall be construed to create any right, or accelerate entitlement, to any compensation or benefit whatsoever on the part of any future, present, or former employee of Penn, a Penn Group member, GLPI, or a GLPI Group member under any Penn Plan or GLPI Plan or otherwise. Except as expressly provided in this Agreement, nothing in this Agreement shall preclude GLPI or any GLPI Group member, at any time after the Effective Time, from amending, merging, modifying, terminating, eliminating, reducing, or otherwise altering in any respect any GLPI Plan, any benefit under any GLPI Plan or any trust, insurance policy or funding vehicle related to any GLPI Plan; and (iii) except as expressly provided in this Agreement, nothing in this Agreement shall preclude Penn or any Penn Group member, at any time after the Effective Time, from amending, merging, modifying, terminating, eliminating, reducing, or otherwise altering in any respect any Penn Plan, any benefit under any Penn Plan or any trust, insurance policy or funding vehicle related to any Penn Plan.

6.3 Audit Rights with Respect to Information Provided. Each of Penn and GLPI, and their duly authorized representatives, shall have the right to conduct reasonable audits with respect to all information provided to it by the other Party. The Parties shall cooperate to determine the procedures and guidelines for conducting audits under this Section 6.3, which shall require reasonable advance notice by the auditing Party. The auditing Party shall have the right to make copies of any records at its expense, subject to applicable Law.

6.4 Fiduciary Matters. Penn and GLPI each acknowledge that actions required to be taken pursuant to this Agreement may be subject to fiduciary duties or standards of conduct under ERISA or other applicable Law, and no Party shall be deemed to be in violation of this Agreement if it fails to comply with any provisions hereof based upon its good faith determination (as supported by advice from counsel experienced in such matters) that to do so would violate such a fiduciary duty or standard. Each Party shall be responsible for taking such actions as are deemed necessary and appropriate to comply with its own fiduciary responsibilities and shall fully release and indemnify the other Party for any Liabilities caused by the failure to satisfy any such responsibility.

6.5 Consent of Third Parties. If any provision of this Agreement is dependent on the consent of any third party (such as a vendor or Governmental Authority) and such consent is withheld, Penn and GLPI shall use commercially reasonable efforts to implement the applicable provisions of this Agreement to the full extent practicable. If any provision of this Agreement cannot be implemented due to the failure of such third party to consent, Penn and GLPI shall negotiate in good faith to implement the provision in a mutually satisfactory manner. The phrase “commercially reasonable efforts” as used herein shall not be construed to require the incurrence of any non-routine or unreasonable expense or liability or the waiver of any right.

6.6 Subsequent Transfers of Employment. To the extent that the employment of any individuals transfers between any Penn Group member and any GLPI Group member in the twenty four (24) month period following the Effective Date, the Parties shall use their reasonable efforts

to effect the provisions of this Agreement with respect to the compensation and benefits of such individuals following such transfer, it being understood that (i) it may not be possible to replicate the effect of such provisions under such circumstances and (ii) neither Penn nor GLPI shall be bound by the provisions of this Section 6.6 to assume any Liabilities or transfer any assets. Notwithstanding to foregoing, for compensation subject to the provisions of Section 409A of the Code, any such subsequent transfer shall be a separation from service from the applicable employer for purposes of such compensation, and the consequences of such separation from service shall be determined in accordance with the terms of the applicable plan or agreement.

ARTICLE VII

GOVERNING LAW; DISPUTE RESOLUTION

7.1 Governing Law. This Agreement and the legal relations between the Parties hereto shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania, without regard to the conflict of laws rules thereof to the extent such rules would require the application of the law of another jurisdiction.

7.2 Dispute Resolution. The provisions of Article VII of the Separation Agreement shall apply, mutatis mutandis, to all disputes, controversies or claims (whether arising in contract, tort or otherwise) that may arise out of or relate to, or arise under or in connection with this Agreement or the transactions contemplated hereby.

ARTICLE VIII

MISCELLANEOUS

8.1 Complete Agreement; Construction. This Agreement (including the schedules hereto) constitutes the entire agreement between the Parties with respect to the subject matter hereof and supersedes all prior agreements and undertakings, both written and oral, between on behalf of the Parties with respect to such subject matter.

8.2 Survival of Agreements. Except as otherwise contemplated by this Agreement, any covenants and agreements of the Parties contained in this Agreement shall survive the Effective Time and remain in full force and effect in accordance with their applicable terms.

8.3 Notices. All notices, requests, claims, demands and other communications under this Agreement shall be in writing and shall be given or made (and shall be deemed to have been duly given or made upon receipt) by delivery in person, by overnight courier service, by facsimile or electronic transmission with receipt confirmed (followed by delivery of an original via overnight courier service) or by registered or certified mail (postage prepaid, return receipt requested) to the respective Parties at the following addresses (or at such other address for a Party as shall be specified in a notice given in accordance with this Section 8.3):

If to Penn, to:

Penn National Gaming, Inc.
825 Berkshire Boulevard, Suite 200
Wyomissing, Pennsylvania 19610
Attention: Chief Executive Officer
Facsimile: (610) 376-2842

with a copy to (which shall not constitute notice):

Skadden, Arps, Slate, Meagher & Flom LLP
Four Times Square
New York, New York 10036-6522
Attention: Regina Olshan, Esq.
Facsimile: (212) 735-2000

if to GLPI, to:

Gaming and Leisure Properties, Inc.
825 Berkshire Boulevard, Suite 400
Wyomissing, Pennsylvania 19610
Attention: Chief Executive Officer
Facsimile: [•]

with a copy to (which shall not constitute notice):

Pepper Hamilton LLP
300 Two Logan Square
Eighteenth and Arch Streets
Philadelphia, Pennsylvania 19103
Attention: Barry M. Abelson, Esq.
Facsimile: (215) 981-4750

8.4 Termination. Notwithstanding any provision to the contrary, this Agreement may be terminated at any time prior to the Effective Time by and in the sole discretion of Penn without the prior approval of any Person, including GLPI. In the event of such termination, this Agreement shall become void and no Party, or any of its officers and directors shall have any liability to any Person by reason of this Agreement. After the Effective Time, this Agreement may not be terminated except by an agreement in writing signed by each of the Parties.

8.5 Severability. If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced under any Law or as a matter of public policy, all other conditions and provisions of this Agreement shall remain in full force and effect. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated by this Agreement be consummated as originally contemplated to the greatest extent possible.

8.6 Assignment; No Third-Party Beneficiaries. This Agreement shall not be assigned by any Party without the prior written consent of the other Parties, except that Penn may assign (i) any or all of its rights and obligations under this Agreement to any of its Affiliates and (ii) any or all of its rights and obligations under this Agreement in connection with a sale or disposition of any assets or entities or lines of business of Penn; provided, however, that, in each case, no such assignment shall release Penn from any liability or obligation under this Agreement. This Agreement is for the sole benefit of the Parties and their

permitted successors and assigns and nothing in this Agreement, express or implied, (i) is intended to or shall confer upon any other Person any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement, (ii) shall confer any right to employment or continued employment for any period or terms of employment, (iii) be interpreted to prevent or restrict the Parties from modifying or terminating any Penn Plan or GLPI Plan or the employment or terms of employment of any Penn Employee or GLPI Employee or (iv) shall establish, modify or amend any Penn Plan or GLPI Plan covering a Penn Participant, GLPI Participant, any collective bargaining agreements, national collective bargaining agreements, or the terms and conditions of employment applicable to a Penn Employee or a GLPI Employee.

8.7 Specific Performance. Subject to the provisions of Article VII of this Agreement, in the event of any actual or threatened default in, or breach of, any of the terms, conditions and provisions of this Agreement, the Party which is or is to be thereby aggrieved shall have the right to specific performance and injunctive or other equitable relief (on an interim or permanent basis) of its rights under this Agreement, in addition to any and all other rights and remedies at Law or in equity, and all such rights and remedies shall be cumulative. The Parties agree that the remedies at Law for any breach or threatened breach, including monetary damages, may be inadequate compensation for any loss and that any defense in any action for specific performance that a remedy at Law would be adequate is waived. Any requirements for the securing or posting of any bond with such remedy are waived by each of the Parties.

8.8 Amendment. No provision of this Agreement may be amended or modified except by a written instrument signed by all the Parties. No waiver by any Party of any provision of this Agreement shall be effective unless explicitly set forth in writing and executed by the Party so waiving. The waiver by any Party of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any other subsequent breach.

8.9 Rules of Construction. Interpretation of this Agreement shall be governed by the following rules of construction: (i) words in the singular shall be held to include the plural and vice versa and words of one gender shall be held to include the other gender as the context re-quires, (ii) references to the terms Article, Section, paragraph, clause, Exhibit and Schedule are references to the Articles, Sections, paragraphs, clauses, Exhibits and Schedules of this Agreement unless otherwise specified, (iii) the terms “hereof,” “herein,” “hereby,” “hereto,” and derivative or similar words refer to this entire Agreement, including the Schedules and Exhibits here-to, (iv) references to “$” shall mean U.S. dollars, (v) the word “including” and words of similar import when used in this Agreement shall mean “including without limitation,” unless otherwise specified, (vi) the word “or” shall not be exclusive, (vii) references to “written” or “in writing” include in electronic form, (viii) provisions shall apply, when appropriate, to successive events and transactions, (ix) the table of contents and headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement, (x)

Penn and GLPI have each participated in the negotiation and drafting of this Agreement and if an ambiguity or question of interpretation should arise, this Agreement shall be construed as if drafted jointly by the Parties and no presumption or burden of proof shall arise favoring or burdening either Party by virtue of the authorship of any of the provisions in this Agreement or any interim drafts of this Agreement, and (xi) a reference to any Person includes such Person’s successors and permitted assigns.

8.10 Counterparts. This Agreement may be executed in one (1) or more counterparts, and by the different Parties in separate counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Agreement by facsimile or portable document format (PDF) shall be as effective as delivery of a manually executed counterpart of any such Agreement.

[*The remainder of this page is intentionally left blank.*]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed on the date first written above by their respective duly authorized officers.

PENN NATIONAL GAMING, INC.

By: ____________________________
Name:
Title:

GAMING AND LEISURE PROPERTIES, INC.

By: ____________________________
Name:
Title:

Exhibit 10.5

GAMING AND LEISURE PROPERTIES, INC.

2013 LONG TERM INCENTIVE COMPENSATION PLAN

TABLE OF CONTENTS

ARTICLE I

PURPOSE

ARTICLE II

DEFINITIONS AND CONSTRUCTION

Section 2.1	Definitions	1
Section 2.2	Construction	7

ARTICLE III

STOCK AVAILABLE FOR AWARDS

Section 3.1	Common Stock	7
Section 3.2	Number of Shares Deliverable	7
Section 3.3	Reusable Shares	7

ARTICLE IV

AWARDS AND AWARD AGREEMENTS

Section 4.1	General	7
Section 4.2	Eligibility	8
Section 4.3	Terms and Conditions; Award Agreements	9

ARTICLE V

OPTIONS

Section 5.1	Award of Options	9
Section 5.2	Option Price	10
Section 5.3	Option Periods	10
Section 5.4	Exercisability	10
Section 5.5	Time and Method of Payment for Options	11
Section 5.6	Delivery of Shares Pursuant to Exercise of Option	11

ARTICLE VI

STOCK APPRECIATION RIGHTS

Section 6.1	Award of SARs	11
Section 6.2	SAR Periods	12
Section 6.3	Exercisability	12

Section 6.4	Method of Exercise	12
Section 6.5	Payment Amount, Time and Method of Payment With Respect to SARs	12
Section 6.6	Nature of SARs	13

ARTICLE VII

RESTRICTED STOCK AWARDS

Section 7.1	Grants	13
Section 7.2	Maximum Award to An Individual	13
Section 7.3	Restricted Period	14
Section 7.4	Restrictions and Forfeiture	14
Section 7.5	Issuance of Stock and Stock Certificate(s)	14
Section 7.6	Shareholder Rights	14
Section 7.7	Delivery of Shares	15

ARTICLE VIII

PHANTOM STOCK UNIT AWARDS

Section 8.1	Grants	15
Section 8.2	Maximum Award to An Individual	15
Section 8.3	Vesting of Phantom Stock Unit Awards	15
Section 8.4	Cash Value of Phantom Stock Unit Payments	15
Section 8.5	Time of Payment	16
Section 8.6	Nature of Phantom Stock Units	16

ARTICLE IX

OTHER AWARDS

Section 9.1	Grants	16
Section 9.2	Maximum Award to An Individual	16
Section 9.3	Description of Other Awards	16

ARTICLE X

TERMINATION OF EMPLOYMENT OR CESSATION OF SERVICE

Section 10.1	Stock Options and SARs	17
Section 10.2	Restricted Stock and Phantom Stock Units	17
Section 10.3	Date of Termination of Employment	17
Section 10.4	Specified Employee Restriction	18
Section 10.5	Immediate Forfeiture; Acceleration	18
Section 10.6	Terms of Award Agreement	18

ARTICLE XI

CERTAIN TERMS APPLICABLE TO ALL AWARDS

Section 11.1	Withholding Taxes	18
Section 11.2	Adjustments to Reflect Capital Changes	18
Section 11.3	Failure to Comply with Terms and Conditions	20
Section 11.4	Regulatory Approvals and Listing	20
Section 11.5	Restrictions Upon Resale of Stock	21

ARTICLE XII

ADMINISTRATION OF THE PLAN

Section 12.1	Committee	21
Section 12.2	Committee Actions	21
Section 12.3	Designation of Beneficiary	21
Section 12.4	No Right to an Award or to Continued Employment	22
Section 12.5	Discretion of the Grantor	22
Section 12.6	Indemnification and Exculpation	22
Section 12.7	Unfunded Plan	23
Section 12.8	Inalienability of Rights and Interests	23
Section 12.9	Awards Not Includable for Benefit Purposes	24
Section 12.10	No Issuance of Fractional Shares	24
Section 12.11	Modification for International Grantees	24
Section 12.12	Leaves of Absence	24
Section 12.13	Communications	25
Section 12.14	Parties in Interest	25
Section 12.15	Severability	25
Section 12.16	Compliance with Laws	25
Section 12.17	No Strict Construction	26
Section 12.18	Modification	26
Section 12.19	Governing Law	26

ARTICLE XIII

CHANGE OF CONTROL

Section 13.1	Options and SARS	26
Section 13.2	Restricted Stock Awards and Phantom Stock Unit Awards	26

ARTICLE XIV

AMENDMENT AND TERMINATION

Section 14.1 Amendment; No Repricing 27
Section 14.2 Suspension or Termination 27

ARTICLE XV

SECTION 409A

ARTICLE XVI

EFFECTIVE DATE AND TERM OF THE PLAN

GAMING AND LEISURE PROPERTIES, INC.
2013 LONG TERM INCENTIVE COMPENSATION PLAN

ARTICLE I

PURPOSE

The 2013 Long Term Incentive Compensation Plan is intended to advance the interests of Gaming and Leisure Properties, Inc., a Pennsylvania corporation and its shareholders by providing a means by which the Company and its subsidiaries and affiliates shall be able to motivate directors, selected key employees (including officers) and consultants to direct their efforts to those activities that will contribute materially to the Company's success. The Plan is also intended to serve the best interests of the shareholders by linking remunerative benefits paid to participants who have substantial responsibility for the successful operation, administration and management of the Company and/or its subsidiaries and affiliates with the enhancement of shareholder value while such participants increase their proprietary interest in the Company. Finally, the Plan is intended to enable the Company to attract and retain in its service highly qualified persons for the successful conduct of its business.

ARTICLE II

DEFINITIONS AND CONSTRUCTION

Section 2.1 Definitions

The following words and phrases when used in the Plan with an initial capital letter, unless their context clearly indicates to the contrary, shall have the respective meanings set forth below in this Section 2.1:

Act. The Securities Exchange Act of 1934, as now in effect or as hereafter amended from time to time. References to any Section or Subsection of the Act are to such Section or Subsection as the same may from time to time be amended or renumbered and/or any comparable or succeeding provisions of any legislation that amends, supplements or replaces such Section or Subsection.

Award. A grant of one of the following under the Plan: "Stock Option Award"; "Stock Appreciation Right Award"; "Restricted Stock Award"; "Phantom Stock Unit Award"; and "Other Award"; all as further defined herein. Awards shall also include Converted Awards.

Award Agreement. The written instrument delivered by the Company to a Grantee evidencing an Award, and setting forth such terms and conditions of the Award as may be deemed appropriate by the Grantor. The Award Agreement shall be in a form approved by the Grantor, and once executed (if required to be executed), shall be amended from time to time to include such additional or amended terms and conditions as the Grantor may specify after the execution in the exercise of his or its, as the case may be, powers under the Plan.

Beneficiary. Any individual, estate or trust who or which by designation of the a Holder pursuant to Section 12.3 or operation of law succeeds to the rights and obligations of the Holder under the Plan and one or more Award Agreements.

Board. The Board of Directors of the Company, as it may be constituted from time to time.

Cause. Fraud, embezzlement, theft or dishonesty against the Company, conviction of a felony, willful misconduct, being found unsuitable by a regulatory authority having jurisdiction over the Company, willful and wrongful disclosure of confidential information, engagement in competition with the Company and any other conduct defined as cause in any agreement between a Grantee and the Company or any Subsidiary, in each case during employment with the Company and all Subsidiaries or service as a Director, as the case may be; provided that, for Grantees with an employment or similar agreement in effect with the Company or a Subsidiary containing a definition of Cause, Cause shall have the meaning set forth in such agreement.

Chairman. The Chairman of the Board of the Company or his designee(s).

Change of Control.

(a) With respect to Awards that are not "deferred compensation" under Section 409A of the Code, any of the following events occurring following the Spin-Off shall constitute a Change of Control for purposes of this Plan:

(i) the acquisition by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d) (2) of the Act) (a "Person") of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Act) of fifty percent (50%) or more of either (A) the then outstanding shares of the Company (the "Outstanding Company Shares") or (B) the combined voting power of the then outstanding voting securities of the Company entitled to vote generally in the election of directors (the "Outstanding Company Voting Securities"); provided, however, that for purposes of this Subsection (i), the following acquisitions shall not constitute a Change of Control: (1) any acquisition directly from the Company; (2) any acquisition by the Company; (3) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any corporation controlled by the Company; or (4) any acquisition pursuant to a transaction which complies with clauses (A), (B) and (C) of Subsection (iii) below; or

(ii) approval by the shareholders of the Company of a complete liquidation or dissolution of the Company; or

(iii) consummation of a reorganization, merger or consolidation or sale or other disposition of all or substantially all of the assets of the Company or the acquisition of assets of another entity (each, a "Corporate Transaction"), in each case, unless, immediately following such Corporate Transaction, (A) all or substantially all of the individuals and entities who were the beneficial owners, respectively, of the Outstanding Company Shares and Outstanding Company

Voting Securities immediately prior to such Corporate Transaction beneficially own, directly or indirectly, more than fifty percent (50%) of, respectively, the then outstanding shares and the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the corporation or other entity resulting from such Corporate Transaction (including, without limitation, a corporation which as a result of such transaction owns the Company or all or substantially all of the Company's assets either directly or through one or more subsidiaries) in substantially the same proportions as their ownership, immediately prior to such Corporate Transaction of the Outstanding Company Shares and Outstanding Company Voting Securities, as the case may be, (B) no Person (excluding any employee benefit plan or related trust of the Company or such corporation resulting from such Corporate Transaction) beneficially owns, directly or indirectly, twenty percent (20%) or more of, respectively, the then outstanding shares of the corporation resulting from such Corporate Transaction or the combined voting power of the then outstanding voting securities of such corporation except to the extent that such ownership of the Company existed prior to the Corporate Transaction and (C) at least a majority of the members of the board of directors of the corporation (or other governing board of a non-corporate entity) resulting from such Corporate Transaction were members of the Incumbent Board at the time of the execution of the initial agreement, or of the action of the Board, providing for such Corporate Transaction; or

(iv) individuals who, as of the Effective Date, constitute the Board (the "Incumbent Board") cease for any reason to constitute at least a majority of the Board; provided, however, that any individual becoming a director subsequent to the Effective Date whose election, or nomination for election by the Company's shareholders, was approved by a vote of at least two-thirds (2 /3) of the directors then comprising the Incumbent Board shall be considered as though such individual were a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board.

(b) With respect to Awards that are "deferred compensation" under Section 409A of the Code, each of the foregoing events shall only be deemed to be a Change of Control for purposes of the Plan to the extent such event qualifies as a "change in control event" for purposes of Section 409A of the Code. The Grantor shall be entitled to amend or interpret the terms of any Award to the extent necessary to avoid adverse Federal income tax consequences to a Grantee under Section 409A of the Code.

Code. The Internal Revenue Code of 1986, amended from time to time, and any successor thereto, the Treasury Regulations thereunder and other relevant interpretive guidance issued by the Internal Revenue Service or the Treasury Department. Reference to any specific section of the Code shall be deemed to include such regulations and guidance, as well as any successor provision of the Code.

Committee. The Compensation Committee of the Board.

Common Stock. Common stock of the Company, par value $.01.

Company. Gaming and Leisure Properties, Inc., Pennsylvania corporation and its successors and assigns.

Consultant. An individual retained (but not employed) by the Company or a Subsidiary to perform services.

Converted Award. An Award described in Section 11.2.4.

Date of Grant. The date as of which the Grantor grants an Award.

Director. A member of the Board who is not also an employee of the Company or any Subsidiary.

Disability. A physical or mental impairment sufficient to make the Grantee who is an Employee eligible for benefits under the Company's or Subsidiary's long-term disability plan in which the Grantee is a participant. Any other Grantee shall be treated as having a Disability if a physical or mental impairment would have made the Grantee eligible for benefits under the Company's long-term disability plan had the Grantee been an Employee.

Effective Date. [·], the date on which the shareholders of the Company approved the Plan.

Employee. An employee of the Company or any Subsidiary or "parent corporation" within the meaning of Section 424(e) of the Code.

Fair Market Value. With respect to the Common Stock on any day, (i) the closing sales price on the immediately preceding business day of a share of Common Stock as reported on the principal securities exchange on which shares of Common Stock are then listed or admitted to trading, or (ii) if the Common

Stock is not listed or admitted to trading on a securities exchange, as determined in a manner specified by the Committee determined in accordance with Section 409A of the Code. A "business day" is any day on which the relevant market is open for trading.

Grantee. An Employee or former Employee of the Company or any Subsidiary a Director or a Consultant to whom an Award is or has been granted under the Plan; Grantees shall also include individuals to whom Converted Awards were granted.

Grantor. With respect to an Award granted to an Employee or Consultant, the Committee or the Chairman, as the case may be, that grants the Award. With respect to an Award granted to a Director, the Board or Committee is the Grantor.

Holder. The individual who holds an Award, who shall be the Grantee or a Beneficiary.

Incentive Stock Option or ISO. An Option that is intended to meet, and structured with a view to satisfying, the requirements of Section 422 of the Code and is designated by the Grantor as an Incentive Stock Option.

Non-Qualified Stock Option. An Option that is not designated by the Grantor as an Incentive Stock Option, or an Option that is designated by the Grantor as an Incentive Stock Option to the extent it does not satisfy the requirements of Section 422 of the Code.

Nonreporting Person. A Grantee who is not subject to Section 16 of the Act with respect to the Company.

Option or Stock Option. A right granted pursuant to Article V.

Option Price. The per share price at which shares of Common Stock may be purchased upon exercise of a particular Option.

Other Award. Awards granted pursuant to Article IX.

Performance Goals. One or more of the following performance criteria, either individually, alternatively or in any combination, applied to either the Company as a whole or to a business unit or related company, and measured either annually or cumulatively over a period of years, on an absolute basis or relative to a pre-established target, to a previous year's results or to a designated comparison group, in each case as specified by the Grantor in the Award: free cash flow, adjusted free cash flow, EBITDA, adjusted EBITDA, sales, revenue, revenue growth, income, operating income, net income, net earnings, earnings per share, return on total capital, return on equity, cash flow, funds from operations, operating profit and margin rate, gross margins, debt leverage (debt to capital), market capitalization, total enterprise value (market capitalization plus debt), total shareholder return and stock price. With respect to any Award that is intended to be "performance-based compensation" under Section 162 of the Code, (i) the outcome of the Performance Goals must be substantially uncertain at the time the Grantor establishes the Performance Goals, and (ii) to the extent consistent with Section 162 of the Code, the Grantor shall appropriately adjust any Performance Goal to take into account the impact of any of the following events on the Company that occurs during the period to which such Performance Goal is applied: asset write-downs; litigation, claims, judgments, settlements; currency fluctuations and other non-cash charges; changes in applicable law, rule or regulation or accounting principles; accruals for reorganization and restructuring programs; costs incurred in the pursuit of acquisition opportunities; strikes, delays or similar disruptions by organized labor, guilds or horsemen's organizations; national macroeconomic conditions; terrorism and other international hostilities; significant regional weather events; and any other extraordinary, unusual or non-recurring as described in Accounting Principles Board Opinion No. 30 (or any successor opinion) and/or management's discussion and analysis of financial condition and results of operations appearing in the Company's securities filings. Any Award may be granted subject to the attainment of such Performance Goals as determined by the Grantor.

Phantom Stock Unit. A right granted under Article VIII.

Phantom Stock Unit Award. An Award of Phantom Stock Units under Article VIII.

Plan. Gaming and Leisure Properties, Inc. 2013 Long Term Incentive Compensation Plan, as set forth herein and as amended from time to time.

Reporting Person. A Grantee who is subject to Section 16 of the Act with respect to the Company.

Restricted Period. The period of time beginning with the Date of Grant of a Restricted Stock Award or Phantom Stock Unit Award and ending when the Restricted Stock or Phantom Stock Unit is forfeited or when all conditions for vesting are satisfied.

Restricted Stock. Shares of Common Stock issued pursuant to a Restricted Stock Award.

Restricted Stock Award. An Award of Restricted Stock under Article VII.

Retirement. Termination of service by the Grantee who is an Employee on or after the normal retirement date under a tax-qualified retirement plan maintained by the Company or a Subsidiary in which the Grantee is a participant or as otherwise agreed to by the Company in an Award Agreement.

Rule 16b-3. Rule 16b-3 of the General Rules and Regulations under the Act, or any law, rule, regulation or other provision that may hereafter replace such Rule.

SAR Base Amount. An amount set forth in the Award Agreement for a SAR.

Spin-Off. The date upon which Penn National Gaming, Inc. distributes the shares of the Company to its stockholders.

Stock Appreciation Right or SAR. A right granted under Article VI.

Stock Appreciation Right Award. An Award of Stock Appreciation Rights under Article VI.

Stock Option Award. An Award of Options under Article V.

Subsidiary. Any corporation, partnership, joint venture or other entity in which the Committee has determined that the Company had made, directly or indirectly through one or more intermediaries, a substantial investment or commitment, including, without limit, through the purchase of equity or debt or the entering into of a management agreement or joint operating agreement. In the case of Incentive Stock Options, Subsidiary shall mean any entity that qualifies as a "subsidiary corporation" of the Company under Section 424(f) of the Code.

Ten Percent Shareholder. A person owning shares possessing more than 10% of the total combined voting power of all classes of shares of the Company, any subsidiary corporation (within the meaning of Section 424(f) of the Code) or parent corporation (within the meaning of Section 424(e) of the Code).

Section 2.2 Construction

Whenever any words are used herein in the masculine gender, they shall be construed as though they were also used in the feminine gender in all cases where they would so apply, and wherever any words are used herein in the singular form they shall be construed as though they were also used in the plural form in all cases where they would so apply. Headings of Sections and Subsections of the Plan are inserted for convenience of reference, are not a part of the Plan, and are not to be considered in the construction hereof. The words "hereof", "herein", "hereunder" and other similar compounds of the word "here" shall mean and refer to the entire Plan, and not to any particular provision or Section. The words "includes", "including" and other similar compounds of the word "include" shall mean and refer to including without limitation. All references herein to specific Articles, Sections or Subsections shall mean Articles, Sections or Subsections of this document unless otherwise qualified.

ARTICLE III

STOCK AVAILABLE FOR AWARDS

Section 3.1 Common Stock

Shares of Common Stock may be delivered under the Plan, such shares to be made available from authorized but unissued shares or from shares reacquired by the Company, including shares purchased in the open market.

Section 3.2 Number of Shares Deliverable

Subject to adjustments as provided in Section 11.2, no more than [•] shares of Common Stock may be issued under the Plan. Any Awards that are not settled in shares of Common Stock shall not count against this limit.

Section 3.3 Reusable Shares

Shares of Common Stock subject to an Award that are forfeited to the Company shall again be available for issuance under the Plan.

ARTICLE IV

AWARDS AND AWARD AGREEMENTS

Section 4.1 General

4.1.1 Subject to the provisions of the Plan, the Committee may at any time and from time to time (i) determine and designate those Reporting Persons who are Employees to whom Awards are to be granted; (ii) determine the time or times when Awards to Reporting Persons who are Employees shall be granted; (iii) determine the form or forms of Awards to be granted to any Reporting Person who is an Employee; (iv) determine the number of shares of Common Stock or dollar amounts subject to or denominated by each Award to be granted to any Reporting Person who is an Employee; (v) determine the terms and conditions of each Award to

a Reporting Person who is an Employee; (vi) determine the maximum aggregate number of shares or, for purposes of Other Awards payable in cash, the aggregate amount of cash subject to Awards to be granted to Nonreporting Persons; and (vii) determine the general form or forms of Awards to be granted to Nonreporting Persons.

4.1.2 The Committee or the Chairman, subject to the provisions of the Plan and authorization by the Committee, may, at any time and from time to time, (i) determine and designate at any time and from time to time those Nonreporting Persons to whom Awards are to be granted; (ii) determine the time or times when Awards to Nonreporting Persons shall be granted; (iii) determine the form or forms of Award to be granted to any Nonreporting Person, from among the form or forms approved by the Committee; (iv) determine the number of shares of Common Stock or dollar amounts subject to or denominated by each Award to be granted to any Nonreporting Person; and (v) determine the terms and conditions of each Award to a Nonreporting Person.

4.1.3 Subject to the provisions of the Plan, the Board or Committee may, at any time and from time to time, (i) determine and designate at any time and from time to time those Directors to whom Awards, other than Incentive Stock Options, are to be granted; (ii) determine the time or times when Awards to Directors shall be granted; (iii) determine the form or forms of Awards to be granted to any Director; (iv) determine the number of shares of Common Stock or dollar amounts subject to or denominated by each Award to be granted to a Director; and (v) determine the terms and condition of each Award to a Director.

4.1.4 Awards may be granted singly, in combination or in tandem and may be made in combination or in tandem with or in replacement of, or as alternatives to awards or grants under any other employee plan maintained by the Company or its Subsidiaries. No Awards shall be granted under the Plan after the tenth anniversary of the Effective Date; provided that Awards made on or prior to such anniversary may continue in effect in accordance with their terms following such anniversary. Awards may be granted with dividend equivalent rights, on such terms as the Committee may determine; provided that, the provisions

of Section 7.6 shall govern with respect to dividends on Restricted Stock Awards; and further provided that, with respect to Awards other than Restricted Stock Awards, no dividend equivalent rights shall exist unless so provided in the applicable Award Agreement.

Section 4.2 Eligibility

Any Director, Employee or Consultant, including any officer who is an Employee and any director who is an Employee, and, except with respect to Stock Options and SARs, an individual who has accepted the Company's or a Subsidiary's offer of employment or consultancy but who has not commenced performing services for the Company or a Subsidiary, shall be eligible to receive Awards under the Plan. Individuals holding Converted Awards shall also eligible to participate in the Plan with respect to such Converted Awards.

Section 4.3 Terms and Conditions; Award Agreements

4.3.1 *Terms and Conditions.* Except as otherwise provided herein with respect to Converted Awards, each Award granted pursuant to the Plan shall be subject to all of the terms, conditions and restrictions provided in the Plan and such other terms, conditions and restrictions, if any, as may be specified by the Grantor with respect to the Award at the time of the making of the Award or as may be amended or specified thereafter by the Grantor in the exercise of its or his or her, as the case may be, powers under the Plan. Without limiting the foregoing, it is understood that the Grantor may, at any time and from time to time after the granting of an Award hereunder, specify such amended or additional terms, conditions and restrictions with respect to such Award (including Converted Awards) as may be deemed necessary or appropriate to ensure compliance with any and all applicable laws, including, but not limited to, compliance with Federal and state securities laws, compliance with Federal and state gaming or racing laws, compliance with Federal and state tax laws that would otherwise result in adverse and unintended tax consequences for a Grantee, the Company or any Subsidiary and methods of withholding or providing for the payment of required taxes. The terms, conditions and restrictions with respect to any Award, Grantee or Award Agreement need not be identical with the terms, conditions and restrictions with respect to any other Award, Grantee or Award Agreement.

4.3.2 *Award Agreements.* Each Award granted pursuant to the Plan shall be evidenced by an Award Agreement and (except as otherwise provided herein with respect to Converted Awards) shall comply with, and be subject to, the provisions of the Plan.

ARTICLE V

OPTIONS

Section 5.1 Award of Options

5.1.1 *Grants.* From time to time, the Committee may grant Stock Option Awards to such Reporting Persons who are Employees as the Committee may select in its sole discretion. From time to time, the Committee or the Chairman may grant Stock Option Awards in such number as the Committee or the Chairman may determine to such Nonreporting Persons as the Committee or the Chairman may select in its or his or her, as the case may be, sole discretion; *provided*, *however*, each and all such grants shall be subject to any maximum aggregate amount of Awards in general and Options in particular (if any) established by the Committee for grants under the Plan for Nonreporting Persons as a group. From time to time, the Board or Committee may grant Options to such Directors as the Board or Committee may select in its sole discretion. The Grantor shall determine the number of shares of Common Stock to which each Option relates. A Stock Option entitles the holder thereof to purchase full shares of Common Stock at a stated price for a specified period of time.

5.1.2 Types of Options

5.1.2.1 *Employees.* Options granted to Employees pursuant to the Plan may be either in the form of Incentive Stock Options or in the form of Non-Qualified Stock Options.

5.1.2.2 *Directors and Consultants.* Options granted to Directors or Consultants pursuant to the Plan will be in the form of Non-Qualified Stock Options.

5.1.3 *Maximum Award To An Individual.* No individual shall be granted in any calendar year Options to purchase more than [•] shares of Common Stock.

5.1.4 *Internal Revenue Code Limits.* Options designated as Incentive Stock Options shall not be eligible for treatment under the Code as "incentive stock options" (and will be deemed to be Non-Qualified Stock Options) to the extent that either (1) the aggregate Fair Market Value of Shares (determined as of the time of grant) with respect to which such Options are exercisable for the first time by the Grantee during any calendar year (under all plans of the Company and any Subsidiary) exceeds $100,000, taking Options into account in the order in which they were granted or (2) such Options otherwise remain exercisable but are not exercised within three (3) months of termination of employment (or such other period of time provided in Section 422 of the Code).

Section 5.2 Option Price

The Option Price of Common Stock covered by each Option shall be determined by the Grantor, but shall not be less than 100% of the Fair Market Value of a share of Common Stock on the Date of Grant, *provided*, *however*, in the case of an Incentive Stock Option granted to Ten Percent Shareholder, the Option Price shall be no less than 110% of the Fair Market Value of the of a share of Common Stock on the Date of Grant.

Section 5.3 Option Periods

The Grantor shall, from time to time, determine the term of each Option which shall be reflected in the Award Agreement. No Option may be exercised after the expiration of its term. Subject to earlier termination as provided in the Plan, the term shall not exceed ten (10) years from the Date of Grant; *provided*, that the term of an Incentive Stock Option granted to a Ten Percent Shareholder shall not exceed 5 years.

Section 5.4 Exercisability

5.4.1 Subject to Article X and XIII, each Option shall be exercisable at any time or times during the term of the Option and in such amount or amounts and subject to such conditions, including, without limitation, attainment of one or more Performance Goals, as the Grantor may prescribe in the applicable Award Agreement.

5.4.2 Except as provided in Article X, or as otherwise provided in an Award Agreement, an Option may be exercised only during the Grantee's employment with the Company or any of its Subsidiaries or service as a Director or Consultant. No Option may be exercised for a fractional share.

5.4.3 *Method of Exercise.* A Holder may exercise an Option, in whole or from time to time in part, by giving notice of exercise to the Company, in a form and manner acceptable to the Company, together with payment in accordance with section 5.5.

Section 5.5 Time and Method of Payment for Options

5.5.1 *Form of Payment.* The Holder shall pay the Option Price in cash (including a personal check) or, with the Grantor's permission and according to such rules as it may prescribe, by delivering shares of Common Stock already owned by the Holder having a Fair Market Value on the date of exercise equal to the Option Price, or a combination of cash and such shares. The Grantor may also permit payment in accordance with a cashless exercise program, including one under which, if so instructed by the Holder, shares of Common Stock may be issued directly to the Holder's broker or dealer who in turn will sell the shares and pay the Option Price in cash to the Company from the sale proceeds. Finally, the Grantor may permit payment by reducing the number of shares of Common Stock delivered upon exercise by an amount equal to the largest number of whole shares of Common Stock with a Fair Market Value that does not exceed the Option Price, with the remainder of the Option Price being payable in cash.

5.5.2 *Time of Payment.* Except in the case where exercise is conditioned on a simultaneous sale of the Option shares pursuant to a cashless exercise, the Holder shall pay the Option Price before an Option is exercised.

5.5.3 *Methods for Tendering Shares.* The Grantor shall determine acceptable methods for tendering shares of Common Stock as payment upon exercise of an Option and may impose such limitations and restrictions on the use of shares of Common stock to exercise an Option as it or he or she, as the case may be, deems appropriate.

Section 5.6 Delivery of Shares Pursuant to Exercise of Option

No shares of Common Stock shall be delivered pursuant to the exercise, in whole or in part, of any Option, unless and until (i) payment in full of the Option Price for such shares is received by the Company and (ii) compliance with all applicable requirements and conditions of the Plan, the Award Agreement and such rules and regulations as may be established by the Grantor, that are preconditions to delivery. Following exercise of the Option and payment in full of the Option Price and compliance with the conditions described in the preceding sentence, the Company shall promptly effect the issuance to the Grantee of such number of shares of Common Stock as are subject to the Option exercise.

ARTICLE VI

STOCK APPRECIATION RIGHTS

Section 6.1 Award of SARs

6.1.1 *Grants.* From time to time the Committee may grant Stock Appreciation Rights Awards to such Reporting Persons as the Committee may select in its sole discretion. From time to time, the Committee or the Chairman may grant Stock Appreciation

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Rights Awards in such number as the Committee or the Chairman may determine to such Nonreporting Persons as the Committee or the Chairman may select in its or his, as the case may be, sole discretion; *provided, however,* each and all such grants shall be subject to any maximum aggregate amount of Awards in general and SARs in particular (if any) established by the Committee for grants under the Plan for Nonreporting Persons as a group. From time to time, the Board or Committee may grant Stock Appreciation Rights to such Directors as the Board or Committee may select in its sole discretion. The Grantor shall determine the number of shares of Common Stock to which each SAR relates.

6.1.2 *Maximum Award To An Individual.* No individual shall be granted in any calendar year SARs to purchase more than [·] shares of Common Stock.

6.1.3 *SAR Base Amount.* The SAR Base Amount with respect to each SAR shall be determined by the Grantor, but shall not be less than 100% of the Fair Market Value of a share of Common Stock on the Date of Grant.

Section 6.2 SAR Periods

The Grantor shall, from time to time, determine the term of each SAR. No SAR may be exercised after the expiration of its term. Subject to earlier termination as provided in the Plan, the term shall not exceed ten (10) years from the Date of Grant.

Section 6.3 Exercisability

6.3.1 Subject to Articles X and XIII, each SAR shall be exercisable at any time or times during the term of the SAR and in such amount or amounts and subject to such conditions, including, without limitation, attainment of one or more Performance Goals, as the Grantor may, from time to time, prescribe in the applicable Award Agreement.

6.3.2 6.3.2 Except as provided in Article X, or as otherwise provided in an Award Agreement, a SAR may be exercised only during the Grantee's employment with the Company or any of its Subsidiaries or service as a Director or Consultant.

Section 6.4 Method of Exercise

A Holder may exercise a SAR, in whole or from time to time in part, by giving notice of exercise to the Company, in a form and manner acceptable to the Company.

Section 6.5 Payment Amount, Time and Method of Payment With Respect to SARs

6.5.1 A SAR entitles the Holder thereof, upon the Holder's exercise of the SAR, to receive an amount equal to the product of (i) the amount by which the Fair Market Value on the exercise date of one share of Common Stock exceeds the SAR Base Amount for such SAR, and (ii) the number of shares covered by the SAR, or portion thereof, that is exercised.

6.5.2 Any payment which may become due from the Company by reason of a Grantee's exercise of a SAR may be paid to the Grantee all in cash, all in shares of Common

Stock or partly in shares and partly in cash, as determined by the Grantor and as provided in the Award Agreement.

6.5.3 In the event that all or a portion of the payment is made in shares of Common Stock, the number of shares of Common Stock received shall be determined by dividing the amount of the payment by the Fair Market Value of a share of Common Stock on the exercise date of the SAR. Cash will be paid in lieu of any fractional share of Common Stock.

6.5.4 Amounts payable in connection with a SAR shall be paid to the Holder, as determined by the Grantor and as set forth in the applicable Award Agreement or in accordance with such rules, regulations and procedures as may be adopted by the Committee or Grantor.

Section 6.6 Nature of SARs

SARs shall be used solely as a device for the measurement and determination of the amount to be paid on behalf of Grantees as provided in the Plan. SARs shall not constitute or be treated as property or as a trust fund of any kind. All amounts at any time attributable to the SARs shall be and remain the sole property of the Company and all Grantees' rights hereunder are limited to the rights to receive cash and shares of Common Stock as provided in the Plan and the applicable Award Agreement.

ARTICLE VII

RESTRICTED STOCK AWARDS

Section 7.1 Grants

From time to time, the Committee may grant Restricted Stock Awards in such number as it may determine to such Reporting Persons who are Employees as the Committee may select in its sole discretion. From time to time, the Committee or the Chairman may grant in such number as the Committee or the Chairman may determine Restricted Stock Awards to such Nonreporting Persons as the Committee or the Chairman may select in its or his, as the case may be, sole discretion; *provided, however,* each and all such grants shall be subject to any maximum aggregate number of Awards in general and shares of Restricted Stock in particular established by the Committee for grants under the Plan for Nonreporting Persons who are Employees as a group. From time to time, the Board or Committee may grant Restricted Stock Awards to such Directors as the Board or Committee may select in its sole discretion. A Restricted Stock Award is a grant of shares of Common Stock subject to those conditions, if any, set forth in the Plan and the Award Agreement.

Section 7.2 Maximum Award to An Individual

No individual shall be granted or receive in any calendar year a Restricted Stock Award of more than [•] shares of Common Stock.

Section 7.3 Restricted Period

The Grantor may, from time to time, establish any condition or conditions on which the Restricted Stock Award will vest and no longer be subject to forfeiture. Such conditions may include, without limitation, continued employment by the Grantee or service as a Director or Consultant, as the case may be, for a period of time specified in the Award Agreement or the attainment of one or more Performance Goals within a time period specified in the Award Agreement. A Restricted Stock Award may, if the Grantor in its sole discretion decides, provide for an unconditioned grant.

Section 7.4 Restrictions and Forfeiture

Except as otherwise provided in the Plan or the applicable Award Agreement, the Restricted Stock shall be subject to the following restrictions until the expiration or termination of the Restricted Period: (i) a Holder shall not be entitled to delivery of a certificate evidencing the shares of Restricted Stock until the end of the Restricted Period and the satisfaction of any and all other conditions specified in the Award Agreement applicable to such Restricted Stock and (ii) none of the Restricted Stock may be sold, transferred, assigned, pledged or otherwise encumbered or disposed of during the Restricted Period, and until the satisfaction of any and all other conditions specified in the Award Agreement applicable to such Restricted Stock. Upon the forfeiture of any Restricted Stock, such forfeited shares shall be transferred to the Company without further acts by or payment to the Holder.

Section 7.5 Issuance of Stock and Stock Certificate(s)

7.5.1 *Issuance.* As soon as practicable after the Date of Grant of a Restricted Stock Award, the Company shall cause to be issued in the name of the Grantee (and held by the Company, if applicable, under Section 7.4) such number of shares of Common Stock as constitutes the Restricted Stock awarded under the Restricted Stock Award. Each such issuance shall be subject throughout the Restricted Period to the terms, conditions and restrictions contained in the Plan and/or the Award Agreement.

7.5.2 *Custody and Registration.* Any issuance of Restricted Stock may be evidenced in such manner as the Grantor may deem appropriate, including, without limitation, book-entry registration or issuance of a stock certificate or certificates. In the event any stock certificate is issued in respect of Restricted Stock, such certificate shall be registered in the name of the Grantee and shall bear an appropriate legend referring to the terms, conditions, and restrictions applicable to such Restricted Stock.

Section 7.6 Shareholder Rights

Following registration in the Grantee's name, during the Restricted Period, the Grantee shall have the entire beneficial interest in, and all rights and privileges of a shareholder as to, such shares of Common Stock covered by the Restricted Stock Award, including, but not limited to, the right to vote such shares and the right to receive dividends, subject to the restrictions and forfeitures set forth herein and such conditions on the receipt of dividends as the Grantor may determine. Any shares of Common Stock or other securities distributed as a dividend or otherwise with respect to any shares of Restricted Stock as to which the restrictions have not yet lapsed shall be subject to the same restrictions as such Restricted Stock shares.

Section 7.7 Delivery of Shares

Upon the expiration (without a forfeiture) or earlier termination of the Restricted Period or at such earlier time as provided under the Plan, all shares of Restricted Stock shall be released from all restrictions and forfeiture provisions hereunder, any similar restrictions and forfeiture provisions under the Award Agreement applicable to such shares and all other restrictions and forfeiture provisions of the Plan or such Award Agreement. No payment will be required from the Holder upon the delivery of any shares of Restricted Stock, except that any amount necessary to satisfy applicable Federal, state or local tax requirements shall be paid by the Holder in accordance with the requirements of the Plan prior to delivery.

ARTICLE VIII

PHANTOM STOCK UNIT AWARDS

Section 8.1 Grants

From time to time, the Committee may grant Phantom Stock Unit Awards to such Reporting Persons who are Employees as the Committee may select in its sole discretion. From time to time, the Committee or the Chairman may grant Phantom Stock Unit Awards in such number as the Committee or the Chairman may determine to such Nonreporting Persons as the Committee or the Chairman may select in its or his or her, as the case may be, sole discretion; *provided, however,* each and all such grants shall be subject to any maximum aggregate number of Awards in general and Phantom Stock Unit Awards in particular established by the Committee for grants under the Plan for Nonreporting Persons as a group. From time to time, the Board or Committee may grant Phantom Stock Unit Awards to such Directors as the Board or Committee may select in its sole discretion. A Phantom Stock Unit represents the right to receive, without payment to the Company, shares of Common Stock, an amount of cash equal to the value of a share of Common Stock on a future date or any combination thereof, as determined by the Grantor.

Section 8.2 Maximum Award to An Individual

No individual shall be granted or receive in any calendar year a combination of Phantom Stock Unit Awards representing more than [·] shares of Common Stock.

Section 8.3 Vesting of Phantom Stock Unit Awards

Phantom Stock Units shall become vested as determined by the Grantor, from time to time, and as set forth in the applicable Award Agreement, unless otherwise described in the Plan.

Section 8.4 Cash Value of Phantom Stock Unit Payments

The amount payable with respect to each vested Phantom Stock Unit payable in cash shall be an amount determined by multiplying the number of Phantom Stock Units by the Fair Market Value of one share of Common Stock as of the vesting date.

Section 8.5 Time of Payment

Amounts payable in connection with a Phantom Stock Unit shall be paid to the Holder, as determined by the Grantor and as set forth in the applicable Award Agreement or in accordance with such rules, regulations and procedures as may be adopted by the Grantor but in no event later than two and one-half months following the end of the calendar year in which a restriction lapses or a vesting condition is met.

Section 8.6 Nature of Phantom Stock Units

Phantom Stock Units shall be used solely as a device for the measurement and determination of the amount to be paid on behalf of Grantees as provided in the Plan. Phantom Stock Units shall not constitute or be treated as property or as a trust fund of any kind. All amounts at any time attributable to the Phantom Stock Units shall be and remain the sole property of the Company and all Grantees' rights hereunder are limited to the rights to receive cash or shares of Common Stock as provided in the Plan.

ARTICLE IX

OTHER AWARDS

Section 9.1 Grants

From time to time, the Committee may grant Other Awards to such Reporting Persons who are Employees as the Committee may select in its sole discretion. From time to time, the Committee or the Chairman may grant Other Awards to such Nonreporting Persons as the Committee or the Chairman may select in its or his, as the case may be, sole discretion; *provided, however,* each and all such grants shall be subject to any maximum aggregate amount of Awards in general and Other Awards in particular (if any) established by the Committee for grants under the Plan for Nonreporting Persons as a group. From time to time, the Board or Committee may grant Other Awards to such Directors as the Board or Committee may select in its sole discretion.

Section 9.2 Maximum Award to An Individual

9.2.1 *Awards Denominated or Payable with Reference to Common Stock.* No individual shall be granted or receive in any calendar year Other Awards denominated or payable in, valued in whole or in part by reference to, or otherwise based on or related to shares of Common Stock (including, without limitation, securities convertible into shares of Common Stock) representing more than [·] shares of Common Stock.

9.2.2 *Awards Denominated or Payable with Reference to Cash.* No individual shall be granted or receive in any calendar year Other Awards denominated by or payable in cash representing more than $[·].

Section 9.3 Description of Other Awards

An Other Award may be a grant of a type of equity-based, equity-related, or cash based Award not otherwise described by the terms of the Plan in such amounts and subject to such terms and conditions as determined by the Grantor, from time to time, under the Plan, including

but not limited to being subject to Performance Goals. Such Awards may provide for the payment of shares of Common Stock or cash or any combination thereof to a Grantee. The value of a cash-based Other Award shall be determined by the Grantor.

ARTICLE X

TERMINATION OF EMPLOYMENT OR CESSATION OF SERVICE

Section 10.1 Stock Options and SARs

If a Grantee who was an Employee, Director or Consultant, as the case may be, when the Grantee received the Options or SARs ceases to be an Employee, Director or Consultant of the Company and all Subsidiaries for any reason, then, except as otherwise provided in an Award Agreement, the Grantee's Options and SARs that are exercisable as of the termination or cessation date shall be cancelled and forfeited at the end of the 120 day after such date (or the last day of the maximum term of such award, if earlier) and all Options and SARs that are not exercisable as of the termination or cessation date shall be forfeited and cancelled as of such date except in cases of where such termination of employment or cessation of service is a result of (i) the Grantee's death or Disability, in which case the Grantee's Options or SARs that are not then exercisable shall thereupon become exercisable and all Options and SARs shall remain exercisable for the balance of their respective terms, (ii) resignation (other than for Retirement) by the Employee or Director, in which case the Grantee's Options or SARs that are exercisable as of such termination or cessation date shall be cancelled and forfeited at the end of the 30th day after such date and (iii) termination for Cause by the Company, a Subsidiary, or the Board, in which case all of the Grantee's Options and SARs, whether or not then exercisable, shall be cancelled and forfeited as of such termination date.

Section 10.2 Restricted Stock and Phantom Stock Units

If a Grantee who was an Employee or Director, as the case may be, when the Grantee received the Restricted Stock or Phantom Stock Units ceases to (i) be employed by the Company and all Subsidiaries or (ii) serve as a Director, then all of the Grantee's Restricted Stock and Phantom Stock Units that remain subject to restriction or vesting at such time shall be cancelled and forfeited except in cases of such Grantee's death or Disability, in which case any remaining restriction or vesting shall thereupon lapse.

Section 10.3 Date of Termination of Employment

Termination of employment of a Grantee for any of the reasons enumerated in this Article X shall, for purposes of the Plan, be deemed to have occurred as of the date which is recorded in the ordinary course in the Company's or a Subsidiary's books and records in accordance with the then-prevailing procedures and practices of the Company or the Subsidiary or, with respect to Awards that are "deferred compensation" under Section 409A of the Code, when a Grantee has a "separation from service" as defined in the regulations promulgated under Section 409A of the Code.

Section 10.4 Specified Employee Restriction

Notwithstanding anything in this Plan to the contrary, with respect to any Award that constitutes "nonqualified deferred compensation" subject to Section 409A of the Code, any payments (whether in cash, shares of Common Stock or other property) to be made with respect to such Award upon the Holder's termination of employment or service shall, to the extent necessary to comply with Section 409A of the Code, be delayed until the first day of the seventh month following his "separation from service" as defined under Section 409A of the Code, if the Holder is a "specified employee" within the meaning of Section 409A of the Code (as determined in accordance with the uniform policy adopted by the Committee with respect to all of the arrangements subject to Section 409A of the Code maintained by the Company and its Subsidiaries).

Section 10.5 Immediate Forfeiture; Acceleration

Except as otherwise provided in this Article X or in an Award Agreement or as otherwise determined by the Grantor, once a Grantee's employment terminates or Board service ceases, as the case may be, any Award that is not then exercisable or vested or as to which any restrictions have not lapsed shall be cancelled and forfeited to the Company; provided, however, that the Grantor may, subject to the provisions of Sections 5.3 and 6.2, extend the periods during

which Awards may be exercised or provide for acceleration or continuation of the exercise or vesting date or the lapse of restrictions of such Awards to such extent and under such terms and conditions as such Grantor deems appropriate.

Section 10.6 Terms of Award Agreement

The terms of any Award Agreement may address any of the issues provided for in this Article. In the event of a discrepancy between such terms and the terms of this Article, the terms of the Award Agreement shall apply.

ARTICLE XI

CERTAIN TERMS APPLICABLE TO ALL AWARDS

Section 11.1 Withholding Taxes

The Company and any Subsidiary shall be authorized to withhold from any Award granted or any payment due or transfer made under any Award or under the Plan the amount (in cash, shares of Common Stock, other securities, or other Awards) of withholding taxes due in respect of an Award, its exercise, or any payment or transfer under such Award or under the Plan and to take such other action as may be necessary in the opinion of the Company or a Subsidiary to satisfy statutory withholding obligations for the payment of such taxes.

Section 11.2 Adjustments to Reflect Capital Changes

11.2.1 *Recapitalization, etc.* In the event that the Committee shall determine that any dividend or other distribution (whether in the form of cash, shares of Common Stock or other securities), recapitalization, stock split, reverse stock split, reorganization, merger, consolidation, split-up, spin-off, combination, repurchase or exchange of shares of Common Stock, other securities of the Company, issuance of warrants or other rights to purchase shares of

Common Stock or other securities of the Company, or other similar corporate transaction or event constitutes an equity restructuring transaction or affects the shares of Common Stock, then the Committee shall adjust the following in a manner that is determined by the Committee to be appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan:

11.2.1.1 the number and type of shares of Common Stock or other securities which thereafter may be made the subject of Awards, including the aggregate and individual limits specified in the Plan (other than the individual limits set forth in Sections 5.1.3, 6.1.2, 7.2, 8.2 and 9.2.1, which shall not be subject to adjustment unless such adjustment can be made in a manner that satisfies the requirements of Section 162(m) of the Code);

11.2.1.2 the number and type of shares of Common Stock or other securities subject to outstanding Awards;

11.2.1.3 the grant, purchase, SAR Base Amount or Option Price with respect to any Award, or, if deemed appropriate, make provision for a cash payment to the holder of an outstanding Award; and

11.2.1.4 other value determinations applicable to outstanding Awards.

11.2.2 *Sale or Reorganization.* After any reorganization, merger or consolidation whether or not the Company is the surviving corporation and unless there is a provision in the sale or reorganization agreement to the contrary, each Grantee shall, at no additional cost, be entitled upon any exercise of an Option or SAR or vesting of such other Award to receive (subject to any required action by shareholders), in lieu of the number of shares of Common Stock receivable or exercisable pursuant to such Award, the number and class of shares of stock or other securities to which such Grantee would have been entitled pursuant to the terms of the reorganization, merger or consolidation if, at the time of such reorganization, merger or consolidation, such Grantee had been the holder of record of a number of shares of Common Stock equal to the number of shares receivable or exercisable pursuant to such Award. Comparable rights shall accrue to each Grantee in the event of successive reorganizations, mergers or consolidations of the character described above.

11.2.3 *Options to Purchase Stock of Acquired Companies.* After any reorganization, merger or consolidation in which the Company or a Subsidiary shall be a surviving corporation, the Committee may grant substituted options under the provisions of the Plan, pursuant to Section 424 of the Code, replacing old options granted under a plan of another party to the reorganization, merger or consolidation. The foregoing adjustments and manner of application of the foregoing provisions shall be determined by the Committee in its sole discretion. Any such adjustments may provide for the elimination of any fractional shares which might otherwise become subject to any Options.

11.2.4 *Awards Converted in Separation.* Awards ("Converted Awards") in or with respect to shares of Common Stock that result from the conversion of awards issued under

the equity compensation plans of Penn National Gaming, Inc. ("Penn National") pursuant to the provisions of the Employee Matters Agreement between the Company and Penn National, dated as of [·], (the "EMA") shall be issued under and, except as set forth below, governed by this Plan, and shares issued pursuant to such Converted Awards shall be counted against the limitation on available shares set forth in Section 3.2 of the Plan (but shall not be subject to the other share and dollar limitations set forth in the Plan) and shall be available for issuance pursuant to new Awards under this Plan in the event of the forfeiture of a Converted Award. Such Converted Awards shall continue to be subject to the same terms and conditions regarding term, vesting, termination and other provisions regarding exercise and vesting (as applicable) set forth in the original award from Penn National (including applicable terms of the plan under which the award was made and any terms applicable to the award pursuant to any separate written agreement between the holder and Penn National), except as otherwise set forth in the EMA; provided that the provisions of this Plan set forth in Article XII shall apply to such Converted Awards. In the event of any conflict between the terms of the Plan and those of the EMA, the terms of the EMA shall govern.

Section 11.3 Failure to Comply with Terms and Conditions

Notwithstanding any other provision of the Plan, any outstanding Awards, including, without limit, any rights of payment or delivery or any other rights of a Holder with respect to any Award shall, unless otherwise determined by the Grantor, be immediately forfeited and cancelled if the Holder:

(i) breaches any term, restriction and/or condition of the Plan, any Award Agreement or any employment, separation or other agreement between the Holder and the Company or its Subsidiaries; or

(ii) while serving as a Director or an Employee, is employed by or serves as a director of a competitor of the Company or its Subsidiaries, or shall be engaged in any activity in competition with the Company or its Subsidiaries; or

(iii) within one (1) year of the Grantee's termination of employment or cessation of Board service with the Company and its Subsidiaries, solicits or assists in soliciting, directly or in any manner, any person employed by the Company or a Subsidiary to leave such employment or recruit, make an offer of employment to, or hire any such person; or

(iv) divulges at any time any confidential information belonging to the Company or any Subsidiary.

The determination of the Grantor as to the occurrence of any of the events specified in this Section 11.3 shall be conclusive and binding upon all persons for all purposes.

Section 11.4 Regulatory Approvals and Listing

The Company shall not be required to issue any certificate or certificates for shares of Common Stock under the Plan prior to (i) obtaining any approval from any governmental agency which the Company shall, in its discretion, determine to be necessary or advisable, (ii) the

admission of such shares to listing on any national securities exchange on which the Company's Common Stock may be listed, and (iii) the completion of any registration or other qualification of such shares of Common Stock under any state or Federal law or ruling or regulations of any governmental body which the Company shall, in its discretion, determine to be necessary or advisable.

Section 11.5 Restrictions Upon Resale of Stock

If the sale of shares of Common Stock that have been issued to a Holder pursuant to the terms of the Plan is not registered under the Securities Act of 1933, as amended ("Securities Act"), pursuant to an effective registration statement, such Holder, if the Committee shall deem it advisable, may be required to represent and agree in writing (i) that any such shares acquired by such Holder pursuant to the Plan will not be sold except pursuant to an effective registration statement under the Securities Act, or pursuant to an exemption from registration under the Securities Act and, (ii) that such Holder is acquiring such shares for his own account and not with a view to the distribution thereof.

ARTICLE XII

ADMINISTRATION OF THE PLAN

Section 12.1 Committee

The Plan shall be administered by or under the direction of the Committee.

Section 12.2 Committee Actions

Except for matters required by the terms of the Plan to be decided by the Board or the Chairman, the Committee shall have full power and authority to interpret and construe the Plan and Awards made under the Plan, to prescribe, amend and rescind rules, regulations, policies and practices, to impose such conditions and restrictions on Awards as it deems appropriate and to make all other determinations necessary or desirable in connection with the administration of, or the performance of its responsibilities under, the Plan.

Section 12.3 Designation of Beneficiary

Each Holder may file with the Company a written designation of one or more persons as the Beneficiary who shall be entitled to receive the Award, if any, payable under the Plan upon his or her death. A Holder may from time to time revoke or change his Beneficiary designation without the consent of any prior Beneficiary by filing a new designation with the Company. The last such designation received by the Company shall be controlling; *provided, however,* that no designation, or change or revocation thereof, shall be effective unless received by the Company prior to the Holder's death, and in no event shall it be effective as of a date prior to such receipt. If no such Beneficiary designation is in effect at the time of a Holder's death, or if no designated Beneficiary survives the Holder or if such designation conflicts with law, the Holder's estate shall be entitled to receive the Award, if any, payable under the Plan upon his death. If the

Committee is in doubt as to the right of any person to receive such Award, the Company may retain such Award, without liability for any interest thereon, until the Committee determines the rights thereto, or the Company may pay such Award into any court of appropriate jurisdiction and such payment shall be a complete discharge of the liability of the Company therefore.

Section 12.4 No Right to an Award or to Continued Employment

No Grantee or other person shall have any claim or right to be granted an Award under the Plan. Neither the action of the Company in establishing the Plan, nor any provisions hereof, nor any action taken by the Company, any Subsidiary, the Board, the Committee or the Chairman pursuant to such provisions shall be construed as creating in any employee or class of employees any right with respect to continuation of employment by the Company or any of its Subsidiaries, and they shall not be deemed to interfere in any way with the Company's or any Subsidiary's right to employ, discipline, discharge, terminate, lay off or retire any

Grantee, with or without cause, to discipline any employee, or to otherwise affect the Company's or a Subsidiary's right to make employment decisions with respect to any Grantee.

Section 12.5 Discretion of the Grantor

Whenever the terms of the Plan provide for or permit a decision to be made or an action to be taken by a Grantor, such decision may be made or such action taken in the sole and absolute discretion of such Grantor and shall be final, conclusive and binding on all persons for all purposes; provided, however, that the Board may review any decision or action of the Grantor and it may reverse or modify such Award, decision or act as it deems appropriate. The Grantor's determinations under the Plan, including, without limitation the determination of any person to receive awards and the amount of such awards, need not be uniform.

Section 12.6 Indemnification and Exculpation

12.6.1 *Indemnification.* Each person who is or shall have been a member of the Board or the Committee and each director, officer or employee of the Company or any Subsidiary to whom any duty or power related to the administration or interpretation of the Plan may be delegated (each, an "Indemnified Person"), shall be indemnified and held harmless by the Company against and from any and all loss, cost, liability or expense that may be imposed upon or reasonably incurred by him in connection with or resulting from any claim, action, suit or proceeding to which he may be or become a party or in which he may be or become involved by reason of any action taken or failure to act under the Plan and against and from any and all amounts paid by him in settlement thereof (with the Company's written approval) or paid by him in satisfaction of a judgment in any such action, suit or proceeding, except a judgment in favor of the Company based upon a finding of his bad faith; subject, however, to the condition that upon the institution of any claim, action, suit or proceeding against him, he shall in writing give the Company an opportunity, at its own expense, to handle and defend the same before he undertakes to handle and defend it on his own behalf. The foregoing right of indemnification shall not be exclusive of, and shall be in addition to, any other right to which such person may be entitled under the Company's charter or bylaws, as a matter of law or otherwise, or any power that the Company may have to indemnify him or hold him harmless.

12.6.2 *Exculpation.* No Indemnified Person shall be personally liable by reason of any contract or other instrument executed by him or on his behalf in his capacity as an Indemnified Person hereunder, nor for any mistake of judgment made in good faith, unless otherwise provided by law. Each Indemnified Person shall be fully justified in relying or acting upon in good faith any information furnished in connection with the administration of the Plan by any appropriate person or persons other than himself. In no event shall any Indemnified Person be liable for any determination made or other action taken or any omission to act in reliance upon such report or information, for any action (including the furnishing of information) taken or any failure to act, if in good faith.

Section 12.7 Unfunded Plan

The Plan is intended to constitute an unfunded, long-term incentive compensation plan for certain selected employees. No special or separate fund shall be established and no segregation of assets shall be made to assure payment of such amounts. The Company may, but shall not be obligated to, acquire shares of its Common Stock from time to time in anticipation of its obligations under the Plan. All such stock shall constitute general assets of the Company and may be disposed of by the Company at such time and for such purposes as it may deem appropriate. No obligation or liability of the Company to any Grantee with respect to any right to receive a distribution or payment under the Plan shall be deemed to be secured by any pledge or other encumbrance on any property of the Company.

Section 12.8 Inalienability of Rights and Interests

The rights and interests of a Holder under the Plan are personal to the Holder and to any person or persons who may become entitled to distribution or payments under the Plan by reason of death of the Holder, and the rights and interests of the Holder or any such person (including, without limitation, any Award distributable or payable under the Plan) shall not be subject in any manner to alienation, sale, transfer, assignment, pledge, encumbrance or charge, and any such attempted action shall be void and no such benefit or interest shall be in any manner liable for or subject to debts, contracts, liabilities, engagements or torts of any Holder, provided that transfers pursuant to a qualified domestic relations order or by will or by the laws of descent and distribution shall be allowable. If any Holder shall attempt to alienate, sell, transfer, assign, pledge, encumber or charge any of his rights or interests under the Plan, (including without limitation, any Award payable under the Plan) then the Committee may hold or apply such benefit or any part thereof to or for the benefit of such Holder in such manner and in such proportions as the Committee may consider proper. Notwithstanding the foregoing, the Holder, subject to the approval of the Committee or its delegate may elect to irrevocably transfer some or all of an Award to a family member. For this purpose, a family member shall refer to one or more of the Holder's spouse, children or grandchildren, or to a trust established solely for the benefit of, or to a partnership whose only partners are, the Holder's spouse, children and/or grandchildren; provided, however, that:

(i) the Award, once transferred, may not again be transferred except by will or by the laws of descent and distribution;

(ii) the Award, once transferred, shall remain subject to the same terms and conditions of the Award in effect before the transfer and the transferee of the Award (the "Transferee") must comply with all other provisions of the Award; and

(iii) the Holder receives no consideration for such transfer.

No transferred Award shall be exercisable or vest following a transfer, as provided for herein, unless the Committee receives written notice from the Holder in a form and manner satisfactory to the Committee, in its sole discretion, to the effect that a transfer of the Award has occurred and the notice identifies the Award transferred, the identity of the Transferee and his relationship to the Holder.

Section 12.9 Awards Not Includable for Benefit Purposes

Except as specifically provided in any pension, group insurance or other benefit plan applicable to the Grantee, payments received by a Grantee pursuant to the provisions of the Plan shall not be included in the determination of benefits under any such plan applicable to the Grantee which are maintained by the Company or any of its Subsidiaries, except as may be determined by the Committee or required by applicable law.

Section 12.10 No Issuance of Fractional Shares

The Company shall not be required to deliver any fractional share of Common Stock resulting from Awards under the Plan but, as determined by the Committee, may (but shall not be required to) pay a cash amount to the Holder in lieu thereof, except as otherwise provided in the Plan, equal to the Fair Market Value (determined as of an appropriate date determined by the Committee) of such fractional share.

Section 12.11 Modification for International Grantees

Notwithstanding any provision to the contrary, the Committee may incorporate such provisions, or make such modifications or amendments in Award Agreements of Grantees who reside or are employed outside of the United States of America, or who are citizens of a country other than the United States of America, as the Committee deems necessary or appropriate to accomplish the purposes of the Plan with respect to such Grantee in light of differences in applicable law, tax policies or customs, and to ascertain compliance with all applicable laws.

Section 12.12 Leaves of Absence

The Committee shall be entitled to make such rules, regulations and determinations as it deems appropriate under the Plan in respect of any leave of absence taken by the recipient of any Award. Without limiting the generality of the foregoing, the Grantor shall be entitled to determine (a) whether or not any such leave of absence shall constitute a termination of employment within the meaning of the Plan and, (b) the impact, if any, of any such leave of absence on awards under the Plan theretofore made to any recipient who takes such leave of absence. Notwithstanding the foregoing, with respect to Awards that are "deferred compensation" under Section 409A of the Code, any leave of absence taken by the recipient shall constitute a termination of employment within the meaning of the Plan and for purposes of the

Award when the recipient has a "separation from service" as defined in the regulations promulgated under Section 409A of the Code.

Section 12.13 Communications

12.13.1 *Communications by the Grantor.* All notices, statements, reports and other communications made, delivered or transmitted to a Holder or other person under the Plan shall be deemed to have been duly given, made or transmitted, when sent electronically to a Company or Subsidiary e-mail address, when delivered to, or when mailed by first-class mail, postage prepaid and addressed to, such Holder or other person at his address last appearing on the records of the Company.

12.13.2 *Communications by the Directors, Employees, and Others.* All elections, designations, requests, notices, instructions and other communications made, delivered or transmitted by the Company, a Subsidiary, Grantee, Beneficiary or other person to the Committee required or permitted under the Plan shall be transmitted by any means authorized by the Committee or shall be mailed by first-class mail or delivered to the Company's principal office to the attention of the Company's Secretary or such other location as may be specified by the Committee, and shall be deemed to have been given and delivered only upon actual receipt thereof by the Committee at such location.

Section 12.14 Parties in Interest

The provisions of the Plan and the terms and conditions of any Award shall, in accordance with their terms, be binding upon, and inure to the benefit of, all successors of each Grantee, including, without limitation, such Grantee's estate and the executors, administrators, or trustees thereof, heirs and legatees, and any receiver, trustee in bankruptcy or representative of creditors of such Grantee. The obligations of the Company under the Plan shall be binding upon the Company and its successors and assigns.

Section 12.15 Severability

Whenever possible, each provision in the Plan and every Award at any time granted under the Plan shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of the Plan or any Award at any time granted under the Plan shall be held to be prohibited by or invalid under applicable law, then (a) such provision shall be deemed amended to accomplish the objectives of the provision as originally written to the fullest extent permitted by law, and (b) all other provisions of the Plan and every other Award at any time granted under the Plan shall remain in full force and effect.

Section 12.16 Compliance with Laws

The Plan and Awards made under the Plan shall be administered in compliance with all applicable Federal and state laws, rules and regulations and any applicable regulations and rules of a government or regulatory agency or stock exchange. It is intended that Awards made under the Plan be made in a manner which permits the exemption of the grant of such Awards from the provisions of Rule 16b-3. The Board is authorized to amend the Plan and to make any such other

amendments or modifications as it deems necessary or appropriate to better accomplish the purposes of the Plan in light of any amendments made to Rule 16b-3.

Section 12.17 No Strict Construction

No rule of strict construction shall be implied against the Company, the Committee, the Chairman or any other person in the interpretation of any of the terms of the Plan, any Award granted under the Plan or any rule or procedure established by the Committee or the Board.

Section 12.18 Modification

This document contains all of the provisions of the Plan and, except as set forth in Section 14.1, no provisions may be waived, modified or otherwise altered except in a writing adopted by the Board.

Section 12.19 Governing Law

All questions pertaining to validity, construction and administration of the Plan and the rights of all persons hereunder shall be determined with reference to, and the provisions of the Plan shall be governed by and shall be construed in conformity with, the internal laws of the Commonwealth of Pennsylvania without regard to any of its conflict of laws principles. Notwithstanding anything in the Plan to the contrary, no person will be granted, become vested in the right to receive or acquire or be permitted to acquire, or will have any right to acquire. Common Stock under an Award if such acquisition would be prohibited by the restrictions on ownership and transfer of Common Stock contained in the Company's charter or would impair Company's status as a real estate investment trust for United States federal income tax purposes.

ARTICLE XIII

CHANGE OF CONTROL

Section 13.1 Options and SARS

In the event of a Change of Control, unless otherwise provided in an Award Agreement (or in the case of Converted Awards, in the EMA), all Options and SARs outstanding on the date of such Change of Control shall become immediately and fully exercisable, provided that in the case of any outstanding Options or SARs subject to a performance-based vesting schedule, unless otherwise provided in an Award Agreement, performance shall be deemed to have been achieved at the target level or, if greater, the actual level of achievement as of the date of the Change of Control, annualized for the entire performance period, if appropriate, and, in the case of SARs, if payable in cash, shall be paid within thirty (30) days after a Change of Control to all Grantees who have been granted such Award (unless a different payment date is required in order to permit compliance with Section 409A of the Code, if applicable). In all other respects not inconsistent with such acceleration, the Options and SARs shall continue to be governed by the terms of their Award Agreements and the Plan.

Section 13.2 Restricted Stock Awards and Phantom Stock Unit Awards

In the event of a Change of Control, unless otherwise provided in an Award Agreement (or in the case of Converted Awards, in the EMA), all restrictions with respect to Restricted Stock Awards and Phantom Stock Unit Awards shall immediately lapse, provided that in the case of any outstanding Restricted Stock Awards or Phantom Stock Unit Awards with restrictions subject to the achievement of certain performance-based goals, unless otherwise

provided in an Award Agreement, performance shall be deemed to have been achieved at the target level or, if greater, the actual level of achievement as of the date of the Change of Control, annualized for the entire performance period, if appropriate, and, if payable in cash, shall be paid within thirty (30) days after a Change of Control to all Grantees who have been granted such Award (unless a different payment date is required in order to permit compliance with Section 409A of the Code, if applicable).

ARTICLE XIV

AMENDMENT AND TERMINATION

Section 14.1 Amendment; No Repricing

The Board with respect to the Plan, and the Grantor with respect to any Award Agreement, reserve the right at any time or times to modify, alter or amend, in whole or in part, any or all of the provisions of the Plan or any Award Agreement to any extent and in any manner that it or he or she, as the case may be, may deem advisable, and no consent or approval by the shareholders of the Company, by any Grantee or Beneficiary, or by any other person, committee or entity of any kind shall be required to make any modification, alteration or amendment; *provided, however,* that the Board shall not, without the requisite approval of the shareholders of the Company, make any modification, alteration or amendment that requires shareholders' approval under any applicable law (including the Code) or stock exchange requirements. No modification, alteration or amendment of the Plan or any Award Agreement may, without the consent of the Grantee (or the Grantee's Beneficiaries in case of the Grantee's death) to whom any Award shall theretofore have been granted under the Plan, adversely affect any right of such Grantee under such Award, except in accordance with the provisions of the Plan and/or any Award Agreement applicable to any such Award. Subject to the provisions of this Section 14.1, any modification, alteration or amendment of any provisions of the Plan may be made retroactively. Except as otherwise provided in Section 11.2 hereof, neither the Committee nor the Board shall reduce the SAR Base Amount or Option Price, as applicable, of Stock Options or SARS previously awarded to any Grantee, whether through amendment, cancellation or replacement grant, or any other means, without the requisite prior affirmative approval of the shareholders of the Company.

Section 14.2 Suspension or Termination

The Board reserves the right at any time to suspend or terminate, in whole or in part, any or all of the provisions of the Plan for any reason and without the consent of or approval by the shareholders of the Company, any Holder or any other person, committee or entity of any kind; *provided, however,* that no such suspension or termination shall adversely affect any right or obligation with respect to any Award theretofore made except as herein otherwise provided.

ARTICLE XV

SECTION 409A

It is the intention of the Company that no Award shall constitute a "nonqualified deferred compensation plan" subject to Section 409A of the Code, unless and to the extent that the Grantor specifically determines otherwise as provided in the immediately following sentence, and the Plan and the terms and conditions of all Awards shall be interpreted accordingly. The terms and conditions governing any Awards that are subject to Section 409A of the Code, including any rules for elective or mandatory deferral of the delivery of cash or shares pursuant thereto and any rules regarding treatment of such Awards in the event of a Change of Control, shall be set forth in the applicable Award Agreement, and in any event shall comply in all respects with Section 409A of the Code and the terms and conditions of all Awards shall be interpreted accordingly.

ARTICLE XVI

EFFECTIVE DATE AND TERM OF THE PLAN

The Plan became effective on the Effective Date. No Award shall be granted under the Plan after the date specified in Section 4.1.4. The Plan will continue in effect for existing Awards as long as any such Awards are outstanding.

Exhibit 21.1

Subsidiaries of Gaming and Leisure Properties, Inc. (a Pennsylvania corporation)

Name of Subsidiary	State or Other Jurisdiction of Incorporation
BSL, LLC	Mississippi
CD Gaming Ventures, LLC	Ohio
GLP Capital, L.P.	Pennsylvania
GLP Capital Partners, LLC	Pennsylvania
GLP Holdings, Inc.	Pennsylvania
Louisiana Casino Cruises, Inc.	Louisiana
Penn Cecil Maryland, Inc.	Maryland
RY Newco, LLC	Louisiana
TGV Holdings, LLC	Delaware

Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

We consent to the reference to our firm under the caption "Experts" and to the use of our reports dated May 13, 2013, in Amendment No. 3 to the Registration Statement (Form S-11 No. 333-188608) and related Prospectus of Gaming and Leisure Properties, Inc.

/s/ Ernst & Young LLP

Philadelphia, Pennsylvania
September 20, 2013

QuickLinks

Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

QuickLinks -- Click here to rapidly navigate through this document

Exhibit 23.4

CONSENT OF DUFF & PHELPS, LLC

September 23, 2013

Independent Directors of the Board of Directors
Penn National Gaming, Inc.
Gaming and Leisure Properties, Inc.
825 Berkshire Boulevard
Suite 200
Wyomissing, PA 19610

Ladies and Gentlemen:

We hereby consent to the use of our name in the prospectus forming part of the registration statement on Form S-11 filed by Gaming and Leisure Properties, Inc. as amended on September 23, 2013 (the "Registration Statement"). Notwithstanding the foregoing, it is understood that our consent is being delivered solely in connection with the filing of the Registration Statement and that our opinion letter is not to be used, circulated, quoted or otherwise referred to for any other purpose, nor is it to be filed with, included in or referred to in whole or in part in any registration statement (including any subsequent amendments to the Registration Statement), prospectus or any other document, except in accordance with the terms of our engagement letter. By giving such consent, we do not thereby admit that we are experts with respect to any part of the Registration Statement within the meaning of the term "expert" as used in, or that we come within the category of persons whose consent is required under, the Securities Act of 1933, as amended, or the rules and regulations of the Securities and Exchange Commission promulgated thereunder.

By: /s/ Duff & Phelps, LLC

Duff & Phelps, LLC

Chicago, Illinois

QuickLinks

Exhibit 23.4

CONSENT OF DUFF & PHELPS, LLC