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

FORM 10-Q

(Mark One)

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

For the quarterly period ended September 30, 2014

OR

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

For the transition period from to
Commission file number: 001-36124

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

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

825 Berkshire Blvd., Suite 400
Wyomissing, PA 19610
(Address of principal executive offices) (Zip Code)

610-401-2900
(Registrant's telephone number, including area code)

Not Applicable
(Former name, former address, and former fiscal year, if changed since last report)

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

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

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 ☐	Accelerated filer ☐
Non-accelerated filer x (Do not check if a smaller reporting company)	Smaller reporting company ☐

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

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date

Title	Outstanding as of November 4, 2014
Common Stock, par value $.01 per share	112,446,798

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

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 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 outcome of our lawsuit against Cannery Casino Resorts LLC (“CCR”), the owner of the Meadows Racetrack and Casino, alleging among other things, fraud, breach of the agreement and breach of the related consulting agreement;
- the resolution of our jointly requested Pre-Filing Agreement from the IRS to confirm the appropriate allocation of Penn’s historical earnings and profits between GLPI and Penn; the outcome of this request will affect the amount of the dividend required to be paid by GLPI to its shareholders prior to December 31, 2014;
- our ability to qualify as a real estate investment trust (“REIT”), given the highly technical and complex Internal Revenue Code (“Code”) provisions for which only limited judicial and administrative authorities exist, where even a technical or inadvertent violation could jeopardize REIT qualification and where requirements may depend in part on the actions of third parties over which the Company has no control or only limited influence;
- the satisfaction of certain asset, income, organizational, distribution, shareholder ownership and other requirements on a continuing basis in order for the Company to maintain its intended election of REIT status;
- 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 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 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;
- GLPI’s duty to indemnify Penn National Gaming, Inc. and its subsidiaries (“Penn”) in certain circumstances if the spin-off transaction described in Note 1 to the condensed consolidated financial statements fails to be tax-free;
- changes in the United States tax law and other state, federal or local laws, whether or not specific to real estate, real estate investment trusts or to the gaming, lodging or hospitality 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 as discussed in the Company's Annual Report on Form 10-K for the year ended December 31, 2013, subsequent Quarterly Reports on Form 10-Q and Current Reports on Form 8-K as filed with the United States Securities and Exchange Commission.

Certain of these factors and other factors, risks and uncertainties are discussed in the "Risk Factors" section in the Company's Annual Report on Form 10-K for the year ended December 31, 2013. Other unknown or unpredictable factors may also cause actual results to differ materially from those projected by the forward-looking statements. Most of these factors are difficult to anticipate and are generally beyond the control of the Company.

You should consider the areas of risk described above, as well as those set forth in the "Risk Factors" section in the Company's Annual Report on Form 10-K for the year ended December 31, 2013, in connection with considering any forward-looking statements that may be made by the Company generally. Except for the ongoing obligations of the Company to disclose material information under the federal securities laws, the Company does not undertake any obligation to release publicly any revisions to any forward-looking statements, to report events or to report the occurrence of unanticipated events unless required to do so by law.

GAMING AND LEISURE PROPERTIES, INC. AND SUBSIDIARIES

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PART I. FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS

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

	September 30, 2014	December 31, 2013
	(unaudited)	
Assets		
Real estate investments, net	$ 2,201,856	$ 2,010,303
Property and equipment, used in operations, net	136,139	139,121
Cash and cash equivalents	31,334	285,221
Prepaid expenses	10,026	5,983
Deferred income taxes	2,267	2,228
Other current assets	37,726	17,367
Goodwill	75,521	75,521
Other intangible assets	9,577	9,577
Debt issuance costs, net of accumulated amortization of $7,308 and $1,270 at September 30, 2014 and December 31, 2013, respectively	41,146	46,877
Loan receivable	35,000	—
Other assets	14,845	17,041
Total assets	$ 2,595,437	$ 2,609,239
Liabilities		
Accounts payable	$ 18,448	$ 21,397
Accrued expenses	6,199	13,783
Accrued interest	42,415	18,055
Accrued salaries and wages	10,661	10,337
Gaming, property, and other taxes	32,561	18,789
Income taxes	—	17,256
Other current liabilities	15,269	12,911
Long-term debt	2,546,000	2,350,000
Deferred income taxes	1,783	4,282
Total liabilities	2,673,336	2,466,810
Shareholders' (deficit) equity		
Common stock ($.01 par value, 550,000,000 shares authorized, 112,432,245 and 88,659,448 shares issued at September 30, 2014 and December 31, 2013, respectively)	1,124	887
Additional paid-in capital	874,435	3,651
Retained (deficit) earnings	(953,458)	137,891
Total shareholders' (deficit) equity	(77,899)	142,429
Total liabilities and shareholders' (deficit) equity	$ 2,595,437	$ 2,609,239

See accompanying notes to the condensed consolidated financial statements.

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2014	2013	2014	2013
Revenues				
Rental	$ 107,326	$ —	$ 320,738	$ —
Real estate taxes paid by tenants	12,512	—	36,956	—
Total rental revenue	119,838	—	357,694	—
Gaming	36,473	38,129	114,677	123,508
Food, beverage and other	3,015	2,984	8,934	9,573
Total revenues	159,326	41,113	481,305	133,081
Less promotional allowances	(1,531)	(1,480)	(4,396)	(4,727)
Net revenues	157,795	39,633	476,909	128,354
Operating expenses				
Gaming	20,504	21,701	64,233	69,182
Food, beverage and other	2,471	2,690	7,526	8,240
Real estate taxes	12,929	413	38,208	1,225
General and administrative	17,743	5,553	58,215	17,316
Depreciation	26,526	3,611	79,397	10,826
Total operating expenses	80,173	33,968	247,579	106,789
Income from operations	77,622	5,665	229,330	21,565
Other income (expenses)				
Interest expense	(29,378)	—	(87,460)	—
Interest income	623	—	1,837	1
Management fee	—	(1,189)	—	(3,850)
Total other expenses	(28,755)	(1,189)	(85,623)	(3,849)
Income before income taxes	48,867	4,476	143,707	17,716
Income tax (benefit) expense	(1,035)	1,795	2,481	7,122
Net income	$ 49,902	$ 2,681	$ 141,226	$ 10,594
Earnings per common share:				
Basic earnings per common share	$ 0.44	$ 0.02	$ 1.26	$ 0.10
Diluted earnings per common share	$ 0.42	$ 0.02	$ 1.20	$ 0.09
Dividends paid per common share	$ 0.52	$ —	$ 1.56	$ —

See accompanying notes to the condensed consolidated financial statements.

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

	Common Stock		Additional Paid-In Capital	Retained Earnings (Deficit)	Total Shareholders' Equity (Deficit)
	Shares	Amount			
Balance, December 31, 2013	88,659,448	$ 887	$ 3,651	$ 137,891	$ 142,429
Stock option activity	1,636,137	15	27,549	—	27,564
Restricted stock activity	156,839	2	1,353	—	1,355
Dividends paid, including purging distribution	21,979,821	220	843,677	(1,232,575)	(388,678)
Distribution in connection with tax matter agreement	—	—	(1,795)	—	(1,795)
Net income	—	—	—	141,226	141,226
Balance, September 30, 2014	112,432,245	$ 1,124	$ 874,435	$ (953,458)	$ (77,899)

See accompanying notes to the condensed consolidated financial statements.

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

Nine months ended September 30,	2014	2013
Operating activities		
Net income	$ 141,226	$ 10,594
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	79,397	10,826
Amortization of debt issuance costs	6,038	—
Losses (Gains) on sales of property	13	(31)
Deferred income taxes	(3,145)	(2,551)
Charge for stock-based compensation	8,623	—
(Increase) decrease,		
Prepaid expenses and other current assets	(7,675)	(1,155)
Other assets	(1,237)	—
Increase (decrease),		
Accounts payable	(1,480)	374
Accrued expenses	(7,584)	(405)
Accrued interest	24,360	—
Accrued salaries and wages	324	(579)
Gaming, pari-mutuel, property and other taxes	602	529
Income taxes	(20,813)	(4,579)
Other current and noncurrent liabilities	2,358	185
Net cash provided by operating activities	221,007	13,208
Investing activities		
Capital project expenditures, net of reimbursements	(124,526)	(657)
Capital maintenance expenditures	(2,109)	(2,510)
Proceeds from sale of property and equipment	159	141
Funding of loan receivable	(43,000)	—
Principal payments on loan receivable	8,000	—
Acquisition of real estate	(140,730)	—
Net cash used in investing activities	(302,206)	(3,026)
Financing activities		
Net advances to Penn National Gaming, Inc.	—	(6,194)
Dividends paid	(388,678)	—
Proceeds from exercise of options	20,296	—
Proceeds from issuance of long-term debt	228,000	—
Financing costs	(306)	—
Payments of long-term debt	(32,000)	—
Net cash used in financing activities	(172,688)	(6,194)
Net decrease in cash and cash equivalents	(253,887)	3,988
Cash and cash equivalents at beginning of period	285,221	14,562
Cash and cash equivalents at end of period	$ 31,334	$ 18,550

See accompanying notes to the condensed consolidated financial statements.

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

1. Organization and Operations

On November 15, 2012, Penn announced that it intended to pursue a plan 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 and preferred stock, a newly formed publicly traded REIT, Gaming and Leisure Properties, Inc. (the “Spin-Off”).

GLPI (together with its subsidiaries, the “Company”) was incorporated on February 13, 2013, as a wholly-owned subsidiary of Penn. In connection with the Spin-Off, which was completed on November 1, 2013, Penn contributed to GLPI, through a series of internal corporate restructurings, substantially all of the assets and liabilities associated with Penn’s real property interests and real estate development business, as well as the assets and liabilities of Hollywood Casino Baton Rouge and Hollywood Casino Perryville, which are referred to as the “TRS Properties,” in a tax-free distribution. The Company intends to elect on its United States (“U.S.”) federal income tax return for its taxable year beginning on January 1, 2014 to be treated as a REIT and the Company, together with an indirectly wholly-owned subsidiary of the Company, GLP Holdings, Inc., intend to 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 a result of the Spin-Off, GLPI owns substantially all of Penn’s former real property assets and leases back most of those assets to Penn for use by its subsidiaries, under a master lease, a “triple-net” operating lease with an initial term of 15 years with no purchase option, followed by four 5 year renewal options (exercisable by Penn) on the same terms and conditions (the “Master Lease”), and GLPI also owns and operates the TRS Properties through an indirect wholly-owned subsidiary, GLP Holdings, Inc.

Prior to the Spin-Off, GLPI and Penn entered 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. Penn and GLPI or their respective subsidiaries, as applicable, also entered 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 after the Spin-Off.

GLPI’s primary business consists of acquiring, financing, and owning real estate property to be leased to gaming operators in “triple net” lease arrangements. As of September 30, 2014, GLPI’s portfolio consisted of 21 gaming and related facilities, which included the TRS Properties, the real property associated with 18 gaming and related facilities operated by Penn and the real property associated with the Casino Queen in East St. Louis, Illinois, that was acquired in January 2014. These facilities are geographically diversified across 12 states.

In connection with the Spin-Off, Penn allocated its accumulated earnings and profits (as determined for U.S. federal income tax purposes) for periods prior to the consummation of the Spin-Off between Penn and GLPI. In connection with its election to be taxed as a REIT for U.S. federal income tax purposes, GLPI declared a special dividend to its shareholders to distribute any accumulated earnings and profits relating to the real property assets and attributable to any pre-REIT years, including any earnings and profits allocated to GLPI in connection with the Spin-Off, to comply with certain REIT qualification requirements (the “Purging Distribution”). The Purging Distribution, which was paid on February 18, 2014, totaled approximately $1.05 billion and was comprised of cash and GLPI common stock. GLPI and Penn have jointly requested a Pre-Filing Agreement from the Internal Revenue Service pursuant to Revenue Procedure 2009 -14 to confirm the appropriate allocation of Penn’s historical earnings and profits between GLPI and Penn. The outcome of this request will affect the amount of the dividend required to be paid by GLPI to its shareholders prior to December 31, 2014. See Note 9 for further details.

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

The condensed consolidated financial statements include the accounts of GLPI and its subsidiaries. All significant intercompany accounts and transactions have been eliminated in consolidation.

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses for the reporting periods. Actual results could differ from those estimates.

Operating results for the three and nine months ended September 30, 2014 are not necessarily indicative of the results that may be expected for the year ending December 31, 2014. The notes to the consolidated financial statements contained in the Annual Report on Form 10-K for the year ended December 31, 2013 (our "Annual Report") should be read in conjunction with these condensed consolidated financial statements. The December 31, 2013 financial information has been derived from the Company's audited consolidated financial statements.

2. New Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2014-09, *Revenue from Contracts with Customers (Topic 606)* ("ASU 2014-09"). This new standard will replace all current U.S. GAAP guidance on this topic and eliminate all industry-specific guidance. ASU 2014-09 provides a unified model to determine when and how revenue is recognized. The core principle is that a company should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration for which the entity expects to be entitled in exchange for those goods or services. This guidance will be effective for annual reporting periods beginning after December 15, 2016 and can be applied either retrospectively to each period presented or as a cumulative-effect adjustment as of the date of adoption. The Company is evaluating the impact of adopting this new accounting standard on its financial statements and internal revenue recognition policies.

In April 2014, the FASB issued ASU 2014-08, *Presentation of Financial Statements (Topic 205) and Property, Plant, and Equipment (Topic 360): Reporting Discontinued Operations and Disclosures of Disposals of Components of an Entity* ("ASU 2014 -08"). This new standard raises the threshold for a disposal to qualify as a discontinued operation and requires new disclosures for both discontinued operations and certain other disposals that do not meet the definition of a discontinued operation. Under the new guidance, only disposals representing a strategic shift that will have a major effect on operations and financial results should be presented as discontinued operations. ASU 2014 -08 is effective for fiscal years beginning on or after December 15, 2014. Early adoption is permitted but only for disposals that have not been reported in previously issued financial statements. The impact of the adoption of ASU 2014-08 on the Company's results of operations, financial position, cash flows and disclosures will be based on the Company's future disposal activity.

3. Summary of Significant Accounting Policies

Fair Value of Financial Instruments

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

Cash and Cash Equivalents

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

Long-term Debt

The fair value of the senior unsecured notes and senior unsecured credit facility is estimated based on quoted prices in active markets and as such is a Level 1 measurement as defined under Accounting Standards Code ("ASC") 820 "Fair Value Measurements and Disclosures."

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

	September 30, 2014		December 31, 2013	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets:				
Cash and cash equivalents	$ 31,334	$ 31,334	$ 285,221	$ 285,221
Financial liabilities:				
Long-term debt				
Senior unsecured credit facility	496,000	474,920	300,000	294,750
Senior notes	2,050,000	2,101,000	2,050,000	2,058,750

Comprehensive Income

Comprehensive income includes net income and all other non-owner changes in shareholders' equity during a period. The Company did not have any non-owner changes in shareholders' equity for the three and nine months ended September 30, 2014 and 2013, and comprehensive income for the three and nine months ended September 30, 2014 and 2013 was equivalent to net income for those time periods.

Revenue Recognition and Promotional Allowances

The Company recognizes rental revenue from tenants, including rental abatements, lease incentives and contractually fixed increases attributable to operating leases, on a straight-line basis over the term of the related leases when collectability is reasonably assured. Contingent rental income is recognized once the lessee achieves the specified target. Recognition of rental income commences when control of the facility has been transferred to the tenant. For facilities being jointly developed with the tenant, the Company retains control of the assets to be leased until operations commence and control is transferred to the tenant.

As of September 30, 2014, all but three of the Company's properties were leased to a subsidiary of Penn under the Master Lease. The obligations under the Master Lease are guaranteed by Penn and by most Penn subsidiaries that occupy and operate the facilities leased under the Master Lease. A default by Penn or its subsidiaries with regard to any facility will cause a default with regard to the Master Lease. In January 2014, GLPI completed the asset acquisition of Casino Queen in East St. Louis, Illinois. GLPI subsequently leased the property back to Casino Queen on a "triple net" basis on terms similar to those in the Master Lease.

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

Additionally, in accordance with ASC 605, "Revenue Recognition," the Company records revenue for the real estate taxes paid by its tenants on the leased properties under the Master Lease with an offsetting expense in real estate taxes within the consolidated statement of income as the Company has concluded it is the primary obligor under the Master Lease.

Gaming revenue generated by the TRS Properties mainly consists of video lottery gaming revenue, and to a lesser extent, table game and poker 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), and front money that are removed from the live gaming tables. Additionally, food and beverage revenue is recognized as services are performed.

The following table discloses the components of gaming revenue within the condensed consolidated statements of income for the three and nine months months ended September 30, 2014 and 2013:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2014	2013	2014	2013
	(in thousands)		(in thousands)	
Video lottery	$ 31,593	$ 32,859	$ 98,625	$ 107,946
Table game	4,496	4,485	14,786	13,457
Poker	384	785	1,266	2,105
Total gaming revenue, net of cash incentives	$ 36,473	$ 38,129	$ 114,677	$ 123,508

Gaming revenue is 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 nine months ended September 30, 2014 and 2013 are as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2014	2013	2014	2013
	(in thousands)		(in thousands)	
Food and beverage	$ 1,522	$ 1,468	$ 4,367	$ 4,573
Other	9	12	29	154
Total promotional allowances	$ 1,531	$ 1,480	$ 4,396	$ 4,727

The estimated cost of providing such complimentary services, which is primarily included in food, beverage, and other expense, for the three and nine months ended September 30, 2014 and 2013 are as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2014	2013	2014	2013
	(in thousands)		(in thousands)	
Food and beverage	$ 711	$ 748	$ 2,147	$ 2,207
Other	3	6	10	81
Total cost of complimentary services	$ 714	$ 754	$ 2,157	$ 2,288

Gaming and Admission Taxes

For the TRS Properties, 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 where 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. For the three and nine months ended September 30, 2014, these expenses, which are primarily recorded within gaming expense in the condensed consolidated statements of income, totaled $16.7 million and $51.9 million, respectively, as compared to $17.3 million and $55.6 million for the three and nine months ended September 30, 2013, respectively.

Earnings Per Share

The Company calculates earnings per share (“EPS”) in accordance with ASC 260, “Earnings Per Share.” Basic EPS is computed by dividing net income applicable to common stock by the weighted-average number of common shares outstanding during the period, excluding net income attributable to participating securities (unvested restricted stock awards). Diluted EPS reflects the additional dilution for all potentially-dilutive securities such as stock options, unvested restricted shares and unvested performance-based restricted shares. Basic and diluted EPS for the three and nine months ended September 30, 2013 were retroactively restated for the number of GLPI basic and diluted shares outstanding immediately following the Spin-Off and to include the shares issued as part of the purging distribution dividend paid to its shareholders to distribute any accumulated earnings and profits relating to the real property assets and attributable to any pre-REIT years, including any earnings and profits allocated to GLPI in connection with the Spin-Off, to comply with certain REIT qualification requirements (the “Purging Distribution”).

The following table reconciles the weighted-average common shares outstanding used in the calculation of basic EPS to the weighted-average common shares outstanding used in the calculation of diluted EPS for the three and nine months ended September 30, 2014 and 2013 (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2014	2013	2014	2013
	(in thousands)			
Determination of shares:				
Weighted-average common shares outstanding	112,377	110,582	111,836	110,582
Assumed conversion of dilutive employee stock-based awards	5,098	4,703	5,642	4,703
Assumed conversion of restricted stock	150	318	225	318
Assumed conversion of performance-based restricted stock awards	9	—	6	—
Diluted weighted-average common shares outstanding	117,634	115,603	117,709	115,603

The following table presents the calculation of basic and diluted EPS for the Company’s common stock for the three and nine months ended September 30, 2014 and 2013:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2014	2013	2014	2013
	(in thousands, expect per share data)			
Calculation of basic EPS:				
Net income	$ 49,902	$ 2,681	$ 141,226	$ 10,594
Less: Net income allocated to participating securities	(208)	(10)	(591)	(40)
Net income attributable to common shareholders	$ 49,694	$ 2,671	$ 140,635	$ 10,554
Weighted-average common shares outstanding	112,377	110,582	111,836	110,582
Basic EPS	$ 0.44	$ 0.02	$ 1.26	$ 0.10
Calculation of diluted EPS:				
Net income	$ 49,902	$ 2,681	$ 141,226	$ 10,594
Diluted weighted-average common shares outstanding	117,634	115,603	117,709	115,603
Diluted EPS	$ 0.42	$ 0.02	$ 1.20	$ 0.09

Options to purchase 17,158 and 12,155 shares were outstanding during the three and nine months ended September 30, 2014, respectively, but were not included in the computation of diluted EPS because of being antidilutive. There were no outstanding options to purchase shares of common stock during the three and nine months ended September 30, 2013 that were not included in the computation of diluted EPS because of being antidilutive.

Stock-Based Compensation

The Company accounts for stock compensation under ASC 718, “Compensation - Stock Compensation,” which requires the Company to expense the cost of employee services received in exchange for an award of equity instruments based on the grant-date fair value of the award. This expense is recognized ratably over the requisite service period following the date of grant. The fair value for stock options is estimated at the date of grant using the Black-Scholes option- pricing model.

Additionally, the cash-settled phantom stock units (“PSU”) entitle employees to receive cash based on the fair value of the Company’s common stock on the vesting date. These PSUs are accounted for as liability awards and are re-measured at fair value each reporting period until they become vested with compensation expense being recognized over the requisite service period in accordance with ASC 718-30, “Compensation-Stock Compensation, Awards Classified as Liabilities.”

In addition, the Company's stock appreciation rights ("SAR") are accounted for as liability awards since they will be settled in cash. The fair value of these awards is calculated during each reporting period and estimated using the Black-Scholes option pricing model.

In connection with the Spin-Off of GLPI, employee stock options and cash settled stock appreciation rights of Penn were converted through the issuance of GLPI employee stock options and GLPI cash settled stock appreciation rights and an adjustment to the exercise prices of their Penn awards. The number of options and cash settled stock appreciation rights and the exercise price of each converted award was adjusted to preserve the same intrinsic value of the awards that existed immediately prior to the Spin-Off.

Holders of outstanding restricted stock awards and cash settled phantom stock unit awards received an additional share of restricted stock or cash settled phantom stock unit awards in GLPI common stock at the Spin-Off so that the intrinsic value of these awards were equivalent to those that existed immediately prior to the Spin-Off.

The adjusted options and SARs, as well as the restricted stock awards and PSUs, otherwise remain subject to their original terms, except that for purposes of the adjusted Penn awards (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.

The unrecognized compensation relating to both Penn and GLPI's stock options, SARs, restricted stock awards and PSUs held by GLPI employees will be amortized to expense over the awards' remaining vesting periods.

As of September 30, 2014, there was $3.8 million of total unrecognized compensation cost for stock options that will be recognized over the grants remaining weighted average vesting period of 1.10 years. For the three and nine months ended September 30, 2014, the Company recognized $1.5 million and $4.3 million, respectively of compensation expense associated with these awards. In addition, the Company also recognized $3.2 million and $9.7 million of compensation expense for the three and nine months ended September 30, 2014, relating to each of the first, second and third quarter $0.52 per share dividends paid on vested employee stock options.

As of September 30, 2014, there was $10.4 million of total unrecognized compensation cost for restricted stock awards that will be recognized over the grants remaining weighted average vesting period of 2.51 years. For the three and nine months ended September 30, 2014, the Company recognized $1.1 million and $2.6 million, respectively, of compensation expense associated with these awards.

The following table contains information on restricted stock award activity for the nine months ended September 30, 2014.

	Number of Award Shares
Outstanding at December 31, 2013	419,067
E&P Purge	106,261
Granted	239,649
Released	(237,618)
Canceled	(59,018)
Outstanding at September 30, 2014	468,341

On April 25, 2014, the Company awarded market performance-based restricted stock awards with a three-year cliff vesting. The amount of restricted shares vested at the end of the three-year period will be determined based on the Company's performance as measured against its peers. More specifically, the percentage of shares vesting at the end of the measurement period will be based on the Company's three-year total shareholder return measured against the three-year return of the MSCI US REIT index. The Company utilized a third party valuation firm to measure the fair value of the awards at grant date using the Monte Carlo model. As of September 30, 2014, there was $10.4 million of total unrecognized compensation cost, which will be recognized over the awards remaining weighted average vesting period of 2.57 years for performance-based restricted stock awards. For the three and nine months ended September 30, 2014 the Company recognized $1.1 million and $1.8 million, respectively of compensation expense associated with these awards.

As of September 30, 2014, there was $5.9 million of total unrecognized compensation cost, which will be recognized over the awards remaining weighted average vesting period of 1.91 years, for Penn and GLPI PSUs held by GLPI employees that will be cash-settled by GLPI. For the three and nine months ended September 30, 2014, the Company recognized $0.5 million and $1.6 million, respectively of compensation expense associated with these awards. In addition, the Company also recognized $0.1 million and $0.6 million for the three and nine months ended September 30, 2014, respectively relating to the purging distribution dividend and the first, second and third quarter $0.52 per share dividends paid on unvested PSUs.

As of September 30, 2014, there was $0.3 million of total unrecognized compensation cost, which will be recognized over the grants remaining weighted average vesting period of 1.44 years, for Penn and GLPI SARs held by GLPI employees that will be cash-settled by GLPI. For the three and nine months ended September 30, 2014, the Company recognized $38 thousand and $59 thousand, respectively of compensation expense associated with these awards.

Upon the declaration of the Purging Distribution, GLPI options and GLPI SARs were adjusted in a manner that preserved 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. Additionally, upon declaration of the Purging Distribution, holders of GLPI PSUs were credited with the special dividend, which will accrue and be paid, if applicable, on the vesting date of the related PSU. Holders of GLPI restricted stock were entitled to receive the special dividend with respect to such restricted stock on the same date or dates that the special dividend was payable on GLPI common stock to shareholders of GLPI generally.

Segment Information

Consistent with how the Company’s Chief Operating Decision Maker reviews and assesses the Company’s financial performance, the Company has two reportable segments, GLP Capital, L.P. (a wholly-owned subsidiary of GLPI through which GLPI owns substantially all of its assets) (“GLP Capital”) and the TRS Properties. The GLP Capital reportable segment consists of the leased real property and represents the majority of the Company’s business. The TRS Properties reportable segment consists of Hollywood Casino Perryville and Hollywood Casino Baton Rouge. See Note 10 for further information with respect to the Company’s segments.

4. Acquisitions

In January 2014, the Company completed the asset acquisition of the real property associated with the Casino Queen in East St. Louis, Illinois for $140.7 million, including transaction fees of $0.7 million. Simultaneously with the acquisition, GLPI also provided Casino Queen with a $43 million, five year term loan at 7% interest, pre-payable at any time, which, together with the sale proceeds, completely refinanced and retired all of Casino Queen’s outstanding long-term debt obligations. As of September 30, 2014, principal and interest payments reduced the balance of this loan to $35.0 million. GLPI leased the property back to Casino Queen on a “triple net” basis on terms similar to those in the Master Lease and will result in approximately $14 million in annual rent. The lease has an initial term of 15 years, and the tenant has an option to renew it at the same terms and conditions for four successive five year periods.

On May 14, 2014, the Company announced that it had entered into an agreement with CCR to acquire The Meadows Racetrack and Casino located in Washington, Pennsylvania, a suburb of Pittsburgh, Pennsylvania. The agreement provides that closing of the acquisition is subject to, among other things, the accuracy of CCR’s representations and its compliance with the covenants set forth in the agreement, as well as the approval of the Pennsylvania Gaming Control Board and Pennsylvania Racing Commission. On October 27, 2014, the Company filed a lawsuit in the Southern District of New York against CCR alleging, among other things, fraud, breach of the agreement and breach of the related consulting agreement entered into at the same time. The Company is seeking a declaratory judgment that CCR has breached the agreements, return of $10 million paid pursuant to the consulting agreement and an unspecified amount of additional damages. The Company will further evaluate and consider all other remedies available to it, including termination of the agreements.

Although the Company intends to pursue its claims vigorously, there can be no assurances that the Company will prevail on any of the claims in the action, or, if the Company does prevail on one or more of the claims, of the amount of recovery that may be awarded to the Company for such claim(s). In addition, the timing and resolution of the claims set forth in the lawsuit are unpredictable and the Company is not able to currently predict any effect this suit may have on closing of the transaction.

5. Real Estate Investments

Real estate investments, net, represents investments in 19 properties and is summarized as follows:

	September 30, 2014	December 31, 2013
	(in thousands)	
Land and improvements	$ 454,175	$ 382,581
Building and improvements	2,287,853	2,050,533
Construction in progress	1,214	61,677
Total real estate investments	2,743,242	2,494,791
Less accumulated depreciation	(541,386)	(484,488)
Real estate investments, net	$ 2,201,856	$ 2,010,303

The decrease in construction in progress and related increase in building and improvements is primarily due to the placement of the Hollywood Gaming at Dayton Raceway and Hollywood Gaming at Mahoning Valley assets into service upon commencement of operations on August 28, 2014 and September 17, 2014, respectively. Both properties were jointly developed with Penn and were added to the Master Lease upon commencement of operations. The Company's acquisition of the real estate assets of Casino Queen for $140.7 million in January 2014 also contributed to the increase in building and improvements, as well as land and improvements.

6. Property and Equipment Used in Operations

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

	September 30, 2014	December 31, 2013
	(in thousands)	
Land and improvements	$ 31,586	$ 27,586
Building and improvements	116,469	115,888
Furniture, fixtures, and equipment	103,100	101,288
Construction in progress	490	203
Total property and equipment	251,645	244,965
Less accumulated depreciation	(115,506)	(105,844)
Property and equipment, net	$ 136,139	$ 139,121

7. Long-term Debt

Long-term debt is as follows:

	September 30, 2014	December 31, 2013
	(in thousands)	
Senior unsecured credit facility	$ 496,000	$ 300,000
$550 million 4.375% senior unsecured notes due November 2018	550,000	550,000
$1,000 million 4.875% senior unsecured notes due November 2020	1,000,000	1,000,000
$500 million 5.375% senior unsecured notes due November 2023	500,000	500,000
	$ 2,546,000	$ 2,350,000

The following is a schedule of future minimum repayments of long-term debt as of September 30, 2014 (in thousands):

2014	$	—
2015		—
2016		—
2017		—
2018		1,046,000
Thereafter		1,500,000
Total minimum payments	$	2,546,000

The Company participates in a $1,000.0 million senior unsecured credit facility (the "Credit Facility"), consisting of a $700.0 million revolving credit facility and a $300.0 million Term Loan A facility. The Credit Facility matures on October 28, 2018. At September 30, 2014, the Credit Facility had a gross outstanding balance of $496 million, consisting of the $300 million Term Loan A facility and $196 million of borrowings under the revolving credit facility. Additionally, at September 30, 2014, the Company was contingently obligated under letters of credit issued pursuant to the senior unsecured credit facility with face amounts aggregating approximately $744 thousand, resulting in $503.3 million of available borrowing capacity under the revolving credit facility as of September 30, 2014.

The Credit Facility contains customary covenants that, among other things, restrict, subject to certain exceptions, the ability of GLPI and its subsidiaries, to grant liens on their assets, incur indebtedness, sell assets, make investments, engage in acquisitions, mergers or consolidations or pay certain dividends and other restricted payments. The Credit Facility contains the following financial covenants, which are measured quarterly on a trailing four-quarter basis: a maximum total debt to total asset value ratio, a maximum senior secured debt to total asset value ratio, a maximum ratio of certain recourse debt to unencumbered asset value and a minimum fixed charge coverage ratio. In addition, GLPI is required to maintain a minimum tangible net worth. GLPI is 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 GLPI intends to make on its U.S. federal income tax return for its 2014 fiscal year. GLPI is permitted to pay dividends to its shareholders as may be required in order to maintain REIT status, subject to the absence of payment or bankruptcy defaults. GLPI is also permitted to make other dividends and distributions subject to pro forma compliance with the financial covenants and the absence of defaults. The Credit Facility also contains certain customary affirmative covenants and events of default. Such events of default include the occurrence of a change of control and termination of the Master Lease (subject to certain replacement rights). The occurrence and continuance of an event of default under the Credit Facility will enable the lenders under the Credit Facility to accelerate the loans, and terminate the commitments, thereunder.

Each of the 4.375% Senior Unsecured Notes due 2018 (the "2018 Notes"); 4.875% Senior Unsecured Notes due 2020 (the "2020 Notes"); and 5.375% Senior Unsecured Notes due 2023 (the "2023 Notes," and collectively with the 2018 Notes and 2020 Notes, the "Notes") contains covenants limiting the Company's ability to: incur additional debt and use their assets to secure debt; merge or consolidate with another company; and make certain amendments to the Master Lease. The Notes also require the Company to maintain a specified ratio of unencumbered assets to unsecured debt. These covenants are subject to a number of important and significant limitations, qualifications and exceptions.

At September 30, 2014, the Company was in compliance with all required covenants.

8. Commitments and Contingencies

Litigation

On May 14, 2014, the Company announced that it had entered into an agreement with CCR to acquire The Meadows Racetrack and Casino located in Washington, Pennsylvania, a suburb of Pittsburgh, Pennsylvania. The agreement provides that closing of the acquisition is subject to, among other things, the accuracy of CCR's representations and its compliance with the covenants set forth in the agreement, as well as the approval of the Pennsylvania Gaming Control Board and Pennsylvania Racing Commission. On October 27, 2014, the Company filed a lawsuit in the Southern District of New York against CCR alleging, among other things, fraud, breach of the agreement and breach of the related consulting agreement entered into at the same time. The Company is seeking a declaratory judgment that CCR has breached the agreements, return of $10 million paid pursuant to the consulting agreement and an unspecified amount of additional damages. The Company will further evaluate and consider all other remedies available to it, including termination of the agreements.

Although the Company intends to pursue its claims vigorously, there can be no assurances that the Company will prevail on any of the claims in the action, or, if the Company does prevail on one or more of the claims, of the amount of recovery that may be awarded to the Company for such claim(s). In addition, the timing and resolution of the claims set forth in the lawsuit are unpredictable and the Company is not able to currently predict any effect this suit may have on closing of the transaction.

Pursuant to a Separation and Distribution Agreement between Penn and GLPI, 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 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.

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.

9. Dividends

On February 18, 2014, GLPI made the Purging Distribution, which totaled $1.05 billion and was comprised of cash and GLPI common stock, to distribute the accumulated earnings and profits related to the real property assets and attributable to any pre-REIT years, including any earnings and profits allocated to GLPI in connection with the Spin-Off. Shareholders were given the option to elect either an all-cash or all-stock dividend, subject to a total cash limitation of $210.0 million. Of the 88,691,827 shares of common stock outstanding on the record date, approximately 54.3% elected the cash distribution and approximately 45.7% elected a stock distribution or made no election. Shareholders electing cash received $4.358049 plus 0.195747 additional GLPI shares per common share held on the record date. Shareholders electing stock or not making an election received 0.309784 additional GLPI shares per common share held on the record date. Stock dividends were paid based on the volume weighted average price for the three trading days ended February 13, 2014 of $38.2162 per share. Approximately 22.0 million shares were issued in connection with this dividend payment. In addition, cash distributions were made to GLPI and Penn employee restricted stock award holders in the amount of $1.0 million for the purging distribution. GLPI and Penn have jointly requested a Pre-Filing Agreement from the Internal Revenue Service pursuant to Revenue Procedure 2009 -14 to confirm the appropriate allocation of Penn’s historical earnings and profits between GLPI and Penn. The outcome of this request will affect the amount of the dividend required to be paid by GLPI to its shareholders prior to December 31, 2014. This additional dividend is expected to be paid in cash from the Company's revolving credit facility.

Additionally, on February 18, 2014, the Company’s Board of Directors declared its first quarterly dividend of $0.52 per common share, which was paid on March 28, 2014, in the amount of $58.0 million, to shareholders of record on March 7, 2014. In addition, first quarter dividend payments were made to or accrued for GLPI restricted stock award holders and both GLPI and Penn unvested employee stock options in the amount of $1.0 million. On May 30, 2014, the Company’s Board of Directors declared a second quarter dividend of $0.52 per common share, which was paid on June 27, 2014, in the amount of $58.2 million, to shareholders of record on June 12, 2014. In addition, second quarter dividend payments were made to or accrued for GLPI restricted stock award holders and both GLPI and Penn unvested employee stock options in the amount of $1.0 million. On September 3, 2014, the Company’s Board of Directors declared a third quarter dividend of $0.52 per common share, which was paid on September 26, 2014, in the amount of $58.5 million, to shareholders of record on September 15, 2014. In addition, third quarter dividend payments were made to or accrued for GLPI restricted stock award holders and both GLPI and Penn unvested employee stock options in the amount of $1.0 million.

10. Segment Information

The following tables present certain information with respect to the Company’s segments. Intersegment revenues between the Company’s segments were not material in any of the periods presented below.

(in thousands)	Three Months Ended September 30, 2014 GLP Capital	TRS Properties	Eliminations (2)	Total	Three Months Ended September 30, 2013 GLP Capital (1)	TRS Properties	Eliminations (2)	Total
Net revenues	$ 119,845	$ 37,950	$ —	$ 157,795	$ —	$ 39,633	$ —	$ 39,633
Income from operations	72,288	5,334	—	77,622	—	5,665	—	5,665
Interest, net	28,757	2,600	(2,602)	28,755	—	—	—	—
Income before income taxes	46,133	2,734	—	48,867	—	4,476	—	4,476
Income tax (benefit) expense	(1,491)	456	—	(1,035)	—	1,795	—	1,795
Net income	47,624	2,278	—	49,902	—	2,681	—	2,681
Depreciation	23,472	3,054	—	26,526	—	3,611	—	3,611
Capital project expenditures, net of reimbursements	69,022	—	—	69,022	—	103	—	103
Capital maintenance expenditures	—	641	—	641	—	766	—	766

(in thousands)	Nine Months Ended September 30, 2014 GLP Capital	TRS Properties	Eliminations (2)	Total	Nine Months Ended September 30, 2013 GLP Capital (1)	TRS Properties	Eliminations (2)	Total
Net revenues	$ 357,701	$ 119,208	$ —	$ 476,909	$ —	$ 128,354	$ —	$ 128,354
Income from operations	210,378	18,952	—	229,330	—	21,565	—	21,565
Interest, net	85,625	7,802	(7,804)	85,623	—	(1)	—	(1)
Income before income taxes	132,557	11,150	—	143,707	—	17,716	—	17,716
Income tax (benefit) expense	(1,491)	3,972	—	2,481	—	7,122	—	7,122
Net income	134,048	7,178	—	141,226	—	10,594	—	10,594
Depreciation	70,205	9,192	—	79,397	—	10,826	—	10,826
Capital project expenditures, net of reimbursements	124,526	—	—	124,526	—	657	—	657
Capital maintenance expenditures	—	2,109	—	2,109	—	2,510	—	2,510

(1) GLP Capital operations commenced November 1, 2013 in connection with the Spin-Off.

(2) Amounts in the “Eliminations” column represent the elimination of intercompany interest payments from the Company’s TRS Properties business segment to its GLP Capital business segment.

11. Pre-Spin Transactions with Penn

Before the Spin-Off, Hollywood Casino Baton Rouge and Hollywood Casino Perryville had a corporate overhead assessment with Penn, whereby Penn provided various management services in consideration of a management fee equal to 3% of net revenues. The Company incurred and paid management fees of $1.2 million and $3.9 million for the three and nine months ended September 30, 2013, respectively. In connection with the completion of the Spin-Off, the management fee agreements between Penn and Hollywood Casino Baton Rouge and Hollywood Casino Perryville were terminated.

12. Supplemental Disclosures of Cash Flow Information

Prior to the Spin-Off, the Company’s Hollywood Casino Baton Rouge and Hollywood Casino Perryville paid no federal income taxes directly to tax authorities and instead settled all intercompany balances with Penn. These settlements included, among other things, the share of federal income taxes allocated by Penn to Hollywood Casino Baton Rouge and Hollywood Casino Perryville. The amounts paid to Penn for Hollywood Casino Baton Rouge and Hollywood Casino Perryville’s allocated share of federal income taxes were $0.8 million and $7.5 million, respectively, for the three and nine months ended September 30, 2013. Hollywood Casino Baton Rouge and Hollywood Casino Perryville made state income tax payments directly to the state authorities of $0.7 million and $1.4 million, respectively, for the three and nine months ended September 30, 2013.

Cash paid for income taxes was $2.3 million and $26.9 million for the three and nine months ended September 30, 2014, respectively. This included a payment of $5.1 million directly to Penn, which had been accrued at the date of the Spin-Off, for federal and state income tax liabilities incurred prior to the Spin-Off, which Penn will be responsible for when filing its 2013 tax returns.

Cash paid for interest was $2.4 million and $57.0 million for the three and nine months ended September 30, 2014, respectively and no interest was paid for the three and nine months ended September 30, 2013.

13. Related Party Transactions

On September 19, 2014, the Company entered into an Agreement of Sale (the "Sale Agreement") with Wyomissing Professional Center Inc. ("WPC") and acquired certain land in an office complex known as The Wyomissing Professional Center Campus, located in Wyomissing, Pennsylvania, in exchange for the payment of $725,000 in cash to WPC, plus taxes and closing costs. In addition, the Company reimbursed WPC approximately $270,000 for site work and pre-development costs previously completed per the Sale Agreement.

In connection with completion of construction of the building in The Wyomissing Professional Center Campus, on September 24, 2014, the Company entered into an agreement (the "Construction Management Agreement") with CB Consulting Group LLC (the "Construction Manager"). Pursuant to the Construction Management Agreement, the Construction Manager will, among other things, provide certain construction management services to the Company in exchange for three percent (3%) of the total cost of work to complete the building construction project, and certain additional costs for added services.

Peter M. Carlino, the Company's Chairman of the Board of Directors and Chief Executive Officer, is also the sole owner of WPC. In addition, Mr. Carlino's son owns a material interest in the Construction Manager. Amounts paid to related parties represented values considered fair and reasonable and reflective of arm's length transactions.

14. Supplementary Condensed Consolidating Financial Information of Parent Guarantor and Subsidiary Issuers

GLPI guarantees the Notes issued by its subsidiaries, GLP Capital, L.P. and GLP Financing II, Inc. Each of the subsidiary issuers is 100% owned by GLPI. The guarantees of GLPI are full and unconditional. GLPI is not subject to any material or significant restrictions on its ability to obtain funds from its subsidiaries by dividend or loan or to transfer assets from such subsidiaries, except as provided by applicable law. No subsidiaries of GLPI guarantee the Notes.

Summarized financial information as of September 30, 2014 and December 31, 2013 and for the nine months ended September 30, 2014 and 2013 for GLPI as the parent guarantor, for GLP Capital, L.P. and GLP Financing II, Inc. as the subsidiary issuers and the other subsidiary non-issuers is presented below.

At September 30, 2014 Condensed Consolidating Balance Sheet	Parent Guarantor	Subsidiary Issuers	Other Subsidiary Non-Issuers	Eliminations	Consolidated
			(in thousands)		
Assets					
Real estate investments, net	$ —	$ 2,063,282	$ 138,574	$ —	$ 2,201,856
Property and equipment, used in operations, net	25,681	—	110,458	—	136,139
Cash and cash equivalents	1,113	3,185	27,036	—	31,334
Prepaid expenses	272	4,462	1,735	3,557	10,026
Deferred income taxes	—	—	2,267	—	2,267
Other current assets	—	34,841	2,885	—	37,726
Goodwill	—	—	75,521	—	75,521
Other intangible assets	—	—	9,577	—	9,577
Debt issuance costs, net of accumulated amortization of $7,308 at September 30, 2014	—	41,146	—	—	41,146
Loan receivable	—	—	35,000	—	35,000
Intercompany loan receivable	—	193,595	—	(193,595)	—
Intercompany transactions and investment in subsidiaries	(86,167)	196,698	126,730	(237,261)	—
Other assets	14,104	—	741	—	14,845
Total assets	$ (44,997)	$ 2,537,209	$ 530,524	$ (427,299)	$ 2,595,437
Liabilities					
Accounts payable	$ 9,992	$ 7,745	$ 711	$ —	$ 18,448
Accrued expenses	302	913	4,984	—	6,199
Accrued interest	—	42,415	—	—	42,415
Accrued salaries and wages	7,882	—	2,779	—	10,661
Gaming, property, and other taxes	819	29,143	2,599	—	32,561
Income taxes	—	(2,489)	(1,068)	3,557	—
Other current liabilities	13,907	—	1,362	—	15,269
Long-term debt	—	2,546,000	—	—	2,546,000
Intercompany loan payable	—	—	193,595	(193,595)	—
Deferred income taxes	—	—	1,783	—	1,783
Total liabilities	32,902	2,623,727	206,745	(190,038)	2,673,336
Shareholders' (deficit) equity					
Common stock ($.01 par value, 550,000,000 shares authorized, 112,432,245 shares issued at September 30, 2014	1,124	—	—	—	1,124
Additional paid-in capital	874,435	130,623	285,334	(415,957)	874,435
Retained (deficit) earnings	(953,458)	(217,141)	38,445	178,696	(953,458)
Total shareholders' (deficit) equity	(77,899)	(86,518)	323,779	(237,261)	(77,899)
Total liabilities and shareholders' (deficit) equity	$ (44,997)	$ 2,537,209	$ 530,524	$ (427,299)	$ 2,595,437

Nine months ended September 30, 2014 Condensed Consolidating Statement of Operations	Parent Guarantor	Subsidiary Issuers	Other Subsidiary Non-Issuers	Eliminations	Consolidated
			(in thousands)		
Revenues					
Rental	$ —	$ 311,066	$ 9,672	$ —	$ 320,738
Real estate taxes paid by tenants	—	35,516	1,440	—	36,956
Total rental revenue	—	346,582	11,112	—	357,694
Gaming	—	—	114,677	—	114,677
Food, beverage and other	7	—	8,927	—	8,934
Total revenues	7	346,582	134,716	—	481,305
Less promotional allowances	—	—	(4,396)	—	(4,396)
Net revenues	7	346,582	130,320	—	476,909
Operating expenses					
Gaming	—	—	64,233	—	64,233
Food, beverage and other	—	—	7,526	—	7,526
Real estate taxes	—	35,521	2,687	—	38,208
General and administrative	38,140	2,000	18,075	—	58,215
Depreciation	1,366	66,683	11,348	—	79,397
Total operating expenses	39,506	104,204	103,869	—	247,579
Income from operations	(39,499)	242,378	26,451	—	229,330
Other income (expenses)					
Interest expense	—	(87,460)	—	—	(87,460)
Interest income	—	—	1,837	—	1,837
Management fee	—	—	—	—	—
Intercompany dividends and interest	487,239	32,188	490,869	(1,010,296)	—
Total other expenses	487,239	(55,272)	492,706	(1,010,296)	(85,623)
Income before income taxes	447,740	187,106	519,157	(1,010,296)	143,707
Income tax (benefit) expense	—	(1,491)	3,972	—	2,481
Net income	$ 447,740	$ 188,597	$ 515,185	$ (1,010,296)	$ 141,226

Nine months ended September 30, 2014 Condensed Consolidating Statement of Cash Flows	Parent Guarantor	Subsidiary Issuers	Other Subsidiary Non-Issuers	Eliminations	Consolidated
			(in thousands)		
Operating activities					
Net income	$ 447,740	$ 188,597	$ 515,185	$ (1,010,296)	$ 141,226
Adjustments to reconcile net income to net cash provided by (used in) operating activities:					
Depreciation	1,366	66,683	11,348	—	79,397
Amortization of debt issuance costs	—	6,038	—	—	6,038
(Gains) Losses on sales of property	—	(150)	163	—	13
Deferred income taxes	—	—	(3,145)	—	(3,145)
Charge for stock-based compensation	8,623	—	—	—	8,623
(Increase) decrease,					
Prepaid expenses and other current assets	1,672	(10,161)	(2,743)	3,557	(7,675)
Other assets	(1,214)	—	(23)	—	(1,237)
Intercompany	(2,604)	(867)	3,471	—	—
Increase (decrease),					
Accounts payable	(12,808)	11,009	319	—	(1,480)
Accrued expenses	(8,156)	913	(341)	—	(7,584)
Accrued interest	—	24,360	—	—	24,360
Accrued salaries and wages	751	—	(427)	—	324
Gaming, pari-mutuel, property and other taxes	678	—	(76)	—	602
Income taxes	4,473	(14,797)	(6,932)	(3,557)	(20,813)
Other current and noncurrent liabilities	1,124	—	1,234	—	2,358
Net cash provided by (used in) operating activities	441,645	271,625	518,033	(1,010,296)	221,007
Investing activities					
Capital project expenditures, net of reimbursements	(1,599)	(122,927)	—	—	(124,526)
Capital maintenance expenditures	—	—	(2,109)	—	(2,109)
Proceeds from sale of property and equipment	—	150	9	—	159
Funding of loan receivable	—	—	(43,000)	—	(43,000)
Principal payments on loan receivable	—	—	8,000	—	8,000
Acquisition of real estate	—	—	(140,730)	—	(140,730)
Net cash used in investing activities	(1,599)	(122,777)	(177,830)	—	(302,206)
Financing activities					
Dividends paid	(388,678)	—	—	—	(388,678)
Proceeds from exercise of options	20,296	—	—	—	20,296
Proceeds from issuance of long-term debt	—	228,000	—	—	228,000
Financing costs	—	(306)	—	—	(306)
Payments of long-term debt	—	(32,000)	—	—	(32,000)
Intercompany financing	(113,352)	(562,452)	(334,492)	1,010,296	—
Net cash (used in) provided by financing activities	(481,734)	(366,758)	(334,492)	1,010,296	(172,688)
Net (decrease) increase in cash and cash equivalents	(41,688)	(217,910)	5,711	—	(253,887)
Cash and cash equivalents at beginning of period	42,801	221,095	21,325	—	285,221
Cash and cash equivalents at end of period	$ 1,113	$ 3,185	$ 27,036	$ —	$ 31,334

At December 31, 2013 Condensed Consolidating Balance Sheet	Parent Guarantor	Subsidiary Issuers	Other Subsidiary Non-Issuers	Eliminations	Consolidated
			(in thousands)		
Assets					
Real estate investments, net	$ —	$ 2,010,303	$ —	$ —	$ 2,010,303
Property and equipment, used in operations, net	25,458	—	113,663	—	139,121
Cash and cash equivalents	42,801	221,095	21,325	—	285,221
Prepaid expenses	1,191	1,834	2,958	—	5,983
Deferred income taxes	—	—	1,885	343	2,228
Other current assets	753	15,708	906	—	17,367
Goodwill	—	—	75,521	—	75,521
Other intangible assets	—	—	9,577	—	9,577
Debt issuance costs, net of accumulated amortization of $1,270 at December 31, 2013	—	46,877	—	—	46,877
Loan receivable	—	—	—	—	—
Intercompany transactions and investment in subsidiaries	104,391	208,739	308,157	(621,287)	—
Other assets	12,880	—	4,161	—	17,041
Total assets	$ 187,474	$ 2,504,556	$ 538,153	$ (620,944)	$ 2,609,239
Liabilities					
Accounts payable	$ 21,006	$ —	$ 391	$ —	$ 21,397
Accrued expenses	8,458	—	5,325	—	13,783
Accrued interest	—	18,055	—	—	18,055
Accrued salaries and wages	7,131	—	3,206	—	10,337
Gaming, property, and other taxes	141	17,542	1,106	—	18,789
Income taxes	(4,473)	12,308	9,421	—	17,256
Other current liabilities	12,782	—	129	—	12,911
Long-term debt	—	2,350,000	—	—	2,350,000
Deferred income taxes	—	—	3,939	343	4,282
Total liabilities	45,045	2,397,905	23,517	343	2,466,810
Shareholders' equity (deficit)					
Common stock ($.01 par value, 550,000,000 shares authorized, 88,659,448 shares issued at December 31, 2013	887	—	—	—	887
Additional paid-in capital	3,651	17,271	162,700	(179,971)	3,651
Retained earnings (deficit)	137,891	89,380	351,936	(441,316)	137,891
Total shareholders' equity (deficit)	142,429	106,651	514,636	(621,287)	142,429
Total liabilities and shareholders' (deficit) equity	$ 187,474	$ 2,504,556	$ 538,153	$ (620,944)	$ 2,609,239

Nine months ended September 30, 2013 Condensed Consolidating Statement of Operations	Parent Guarantor	Subsidiary Issuers	Other Subsidiary Non-Issuers	Eliminations	Consolidated
			(in thousands)		
Revenues					
Rental	$ —	$ —	$ —	$ —	$ —
Real estate taxes paid by tenants	—	—	—	—	—
Total rental revenue	—	—	—	—	—
Gaming	—	—	123,508	—	123,508
Food, beverage and other	—	—	9,573	—	9,573
Total revenues	—	—	133,081	—	133,081
Less promotional allowances	—	—	(4,727)	—	(4,727)
Net revenues	—	—	128,354	—	128,354
Operating expenses					
Gaming	—	—	69,182	—	69,182
Food, beverage and other	—	—	8,240	—	8,240
Real estate taxes	—	—	1,225	—	1,225
General and administrative	—	—	17,316	—	17,316
Depreciation	—	—	10,826	—	10,826
Total operating expenses	—	—	106,789	—	106,789
Income from operations	—	—	21,565	—	21,565
Other income (expenses)					
Interest expense	—	—	—	—	—
Interest income	—	—	1	—	1
Management fee	—	—	(3,850)	—	(3,850)
Intercompany dividends and interest	—	—	—	—	—
Total other expenses	—	—	(3,849)	—	(3,849)
Income before income taxes	—	—	17,716	—	17,716
Income tax expense	—	—	7,122	—	7,122
Net income	$ —	$ —	$ 10,594	$ —	$ 10,594

Nine months ended September 30, 2013 Condensed Consolidating Statement of Cash Flows	Parent Guarantor	Subsidiary Issuers	Other Subsidiary Non-Issuers	Eliminations	Consolidated
			(in thousands)		
Operating activities					
Net income	$ —	$ —	$ 10,594	$ —	$ 10,594
Adjustments to reconcile net income to net cash provided by operating activities:					
Depreciation	—	—	10,826	—	10,826
Amortization of debt issuance costs	—	—	—	—	—
(Gains) on sales of property	—	—	(31)	—	(31)
Deferred income taxes	—	—	(2,551)	—	(2,551)
Charge for stock-based compensation	—	—	—	—	—
(Increase) decrease,					
Prepaid expenses and other current assets	—	—	(1,155)	—	(1,155)
Other assets	—	—	—	—	—
Intercompany	—	—	—	—	—
Increase (decrease),					
Accounts payable	—	—	374	—	374
Accrued expenses	—	—	(405)	—	(405)
Accrued interest	—	—	—	—	—
Accrued salaries and wages	—	—	(579)	—	(579)
Gaming, pari-mutuel, property and other taxes	—	—	529	—	529
Income taxes	—	—	(4,579)	—	(4,579)
Other current and noncurrent liabilities	—	—	185	—	185
Net cash provided by operating activities	—	—	13,208	—	13,208
Investing activities					
Capital project expenditures, net of reimbursements	—	—	(657)	—	(657)
Capital maintenance expenditures	—	—	(2,510)	—	(2,510)
Proceeds from sale of property and equipment	—	—	141	—	141
Funding of loan receivable	—	—	—	—	—
Principal payments on loan receivable	—	—	—	—	—
Acquisition of real estate	—	—	—	—	—
Net cash used in investing activities	—	—	(3,026)	—	(3,026)
Financing activities					
Net advances to Penn National Gaming, Inc.	—	—	(6,194)	—	(6,194)
Dividends paid	—	—	—	—	—
Proceeds from exercise of options	—	—	—	—	—
Proceeds from issuance of long-term debt	—	—	—	—	—
Financing costs	—	—	—	—	—
Payments of long-term debt	—	—	—	—	—
Intercompany financing	—	—	—	—	—
Net cash used in financing activities	—	—	(6,194)	—	(6,194)
Net increase in cash and cash equivalents	—	—	3,988	—	3,988
Cash and cash equivalents at beginning of period	—	—	14,562	$ —	14,562
Cash and cash equivalents at end of period	$ —	$ —	$ 18,550	$ —	$ 18,550

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

Our Operations

On November 15, 2012, Penn announced that it intended to pursue a plan 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 and preferred stock, a newly formed publicly traded REIT.

The Company was incorporated in Pennsylvania on February 13, 2013, as a wholly-owned subsidiary of Penn. In connection with the Spin-Off, which was completed on November 1, 2013, Penn contributed to GLPI, through a series of internal corporate restructurings, substantially all of the assets and liabilities associated with Penn's real property interests and real estate development business, as well as the assets and liabilities of Hollywood Casino Baton Rouge and Hollywood Casino Perryville, which are referred to as the "TRS Properties," in a tax-free distribution. We intend to elect on our U.S. federal income tax return for our taxable year beginning on January 1, 2014 to be treated as a REIT and we, together with an indirectly wholly-owned subsidiary of the Company, GLP Holdings, Inc., intend to jointly elect to treat each of GLP Holdings, Inc., Louisiana Casino Cruises, Inc. and Penn Cecil Maryland, Inc. as a "taxable REIT subsidiary" effective on the first day of the first taxable year of GLPI as a REIT. As a result of the Spin-Off, GLPI owns substantially all of Penn's former real property assets and leases back most of those assets to Penn for use by its subsidiaries, under the Master Lease, and GLPI also owns and operates the TRS Properties through an indirect, wholly-owned subsidiary, GLP Holdings, Inc. The assets and liabilities of GLPI were recorded at their respective historical carrying values at the time of the Spin-Off.

Prior to the Spin-Off, GLPI and Penn entered 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. Penn and GLPI or their respective subsidiaries, as applicable, also entered 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 after the Spin-Off.

GLPI's primary business consists of acquiring, financing, and owning real estate property to be leased to gaming operators in "triple net" lease arrangements. As of September 30, 2014, GLPI's portfolio consisted of 21 gaming and related facilities, which included the TRS Properties, the real property associated with 18 gaming and related facilities of Penn, and the real property associated with the Casino Queen acquired in January 2014. These facilities are geographically diversified across 12 states.

We expect to grow our portfolio by pursuing opportunities to acquire additional gaming facilities to lease to gaming operators under prudent terms, which may or may not include Penn. Additionally, we believe we have the ability to leverage the expertise our management team has developed over the years to secure additional avenues for growth beyond the gaming industry. Accordingly, we anticipate we 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.

In connection with the Spin-Off, Penn allocated its accumulated earnings and profits (as determined for U.S. federal income tax purposes) for periods prior to the consummation of the Spin-Off between Penn and GLPI. In connection with its election to be taxed as a REIT for U.S. federal income tax purposes, GLPI declared a special dividend to its shareholders to distribute any accumulated earnings and profits relating to the real property assets and attributable to any pre-REIT years, including any earnings and profits allocated to GLPI in connection with the Spin-Off, to comply with certain REIT qualification requirements. The Purging Distribution, which was paid on February 18, 2014, totaled approximately $1.05 billion and was comprised of cash and GLPI common stock. GLPI and Penn have jointly requested a Pre-Filing Agreement from the Internal Revenue Service pursuant to Revenue Procedure 2009-14 to confirm the appropriate allocation of Penn's historical earnings and profits between GLPI and Penn. The outcome of this request may affect the amount of the dividend required to be paid by GLPI to its shareholders prior to December 31, 2014. See Note 9 for further details.

As of September 30, 2014, the majority of our earnings are the result of the rental revenue from the lease of our properties to a subsidiary of Penn pursuant to the Master Lease. The Master Lease is a "triple-net" operating lease with an initial term of 15 years, with no purchase option, followed by four 5 year renewal options (exercisable by Penn) on the same terms and conditions. The rent structure under the Master Lease includes a fixed component, a portion of which is subject to an annual 2% escalator if certain rent coverage ratio thresholds are met, and a component that is based on the performance of the facilities, which is adjusted, subject to certain floors (i) every five years by an amount equal to 4% of the average change to net revenues of all facilities under the Master Lease (other than Hollywood Casino Columbus and Hollywood Casino Toledo) during the preceding five years, and (ii) monthly by an amount equal to 20% of the change in net revenues of Hollywood Casino Columbus and Hollywood Casino Toledo during the preceding month. In addition to rent, the tenant is 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. The Casino Queen property is leased back to a third party operator on a "triple net" basis on terms similar to the Master Lease. The Casino Queen lease has an initial term of 15 years, and the tenant has an option to renew it at the same terms and conditions for four successive five year periods.

Additionally, in accordance with ASC 605, "Revenue Recognition" ("ASC 605"), the Company records revenue for the real estate taxes paid by its tenants on the leased properties with an offsetting expense in general and administrative expense within the consolidated statement of income as the Company believes it is the primary obligor.

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

Segment Information

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

Executive Summary

Financial Highlights

We reported net revenues and income from operations of $157.8 million and $77.6 million, respectively, for the three months ended September 30, 2014 compared to $39.6 million and $5.7 million, respectively, for the corresponding period in the prior year. Net revenues and income from operations were $476.9 million and $229.3 million, respectively, for the nine months ended September 30, 2014 compared to $128.4 million and $21.6 million, respectively, for the corresponding period in the prior year. The major factors affecting our results for the three and nine months ended September 30, 2014, as compared to the three and nine months ended September 30, 2013, were:

- Rental revenue of $119.8 million and $357.7 million, respectively, for the three and nine months ended September 30, 2014, and zero for the three and nine months ended September 30, 2013, as we had not yet entered into a lease with Penn or Casino Queen. Rental revenue for the three and nine months ended September 30, 2014 included real estate taxes of $12.5 million and $37.0 million, respectively. Under ASC 605, "Revenue Recognition," we record revenue for the real estate taxes paid by our tenants with an offsetting expense in real estate taxes within our consolidated statement of income as we have concluded we are the primary obligor under the Master Lease.

- Increased general and administrative expenses of $12.2 million for the three months ended September 30, 2014, primarily resulting from general and administrative expenses for our GLP Capital segment of $11.6 million for the three months ended September 30, 2014, which included compensation expense of $0.4 million, stock based compensation charges of $7.4 million, rent expense for those leases assigned to GLPI as part of the Spin-Off of $0.7 million, legal fees of $0.9 million, and transition services fees of $0.3 million. Compensation expense for the three months ended September 30, 2014, was reduced by an approximate $2 million adjustment to the bonus accrual for corporate executives related to the Meadows transaction. General and administrative expenses increased $40.9 million for the nine months ended September 30, 2014, primarily resulting from general and administrative expenses for our GLP Capital segment of $40.2 million for the nine months ended September 30, 2014, which included compensation expense of $7.5 million, stock based compensation charges of $20.6 million, rent expense for those leases assigned to GLPI as part of the Spin-Off of $2.1 million, legal fees of $1.7 million, and transition services fees of $1.5 million.

- Increased depreciation expense of $22.9 million and $68.6 million, respectively, for the three and nine months ended September 30, 2014, compared to the corresponding periods in the prior year, primarily due to the real property assets transferred to GLPI as part of the Spin-Off.

- Interest expense of $29.4 million and $87.5 million, respectively, for the three and nine months ended September 30, 2014, related to our fixed and variable rate borrowings entered into in connection with the Spin-Off. No interest expense was recognized in the three and nine month periods ended September 30, 2013.

- Net income increased by $47.2 million and $130.6 million, respectively for the three and nine months ended September 30, 2014, as compared to the corresponding periods in the prior year, primarily due to the variances explained above.

Recent Developments

The following are recent developments that will have an impact our operating results:

- The resolution of our jointly requested Pre-Filing Agreement from the IRS to confirm the appropriate allocation of Penn's historical earnings and profits between GLPI and Penn. The outcome of this request will affect the amount of the dividend required to be paid by GLPI to its shareholders prior to December 31, 2014.

Segment Developments

The following are recent developments that have had or will have an impact on us by segments:

GLP Capital

- On May 14, 2014, the Company announced that it had entered into an agreement with CCR to acquire The Meadows Racetrack and Casino located in Washington, Pennsylvania, a suburb of Pittsburgh, Pennsylvania. The agreement provides that closing of the acquisition is subject to, among other things, the accuracy of CCR's representations and its compliance with the covenants set forth in the agreement, as well as the approval of the Pennsylvania Gaming Control Board and Pennsylvania Racing Commission. On October 27, 2014, the Company filed a lawsuit in the Southern District of New York against CCR alleging, among other things, fraud, breach of the agreement and breach of the related consulting agreement entered into at the same time. The Company is seeking a declaratory judgment that CCR has breached the agreements, return of $10 million paid pursuant to the consulting agreement and an unspecified amount of additional damages. The Company will further evaluate and consider all other remedies available to it, including termination of the agreements.

  Although the Company intends to pursue its claims vigorously, there can be no assurances that the Company will prevail on any of the claims in the action, or, if the Company does prevail on one or more of the claims, of the amount of recovery that may be awarded to the Company for such claim(s). In addition, the timing and resolution of the claims set forth in the lawsuit are unpredictable and the Company is not able to currently predict any effect this suit may have on closing of the transaction.

- During the three months ended September 30, 2014, operations at both Hollywood Casino Mahoning Valley Race Course and Hollywood Casino at Dayton Raceway, our two joint development properties with Penn commenced operations. In June 2012, Penn announced that it had filed applications with the Ohio Lottery Commission for Video Lottery Sales Agent Licenses for its Ohio racetracks, and with the Ohio State Racing Commission for permission to relocate the racetracks. In connection with the Spin-Off, Penn transferred these properties to us and we received the appropriate approvals from the Ohio regulatory bodies to participate in the development of the new racetracks. Operations at Hollywood Gaming at Mahoning Valley Race Course commenced on September 17, 2014. The new facility at Mahoning Valley Race Course is a thoroughbred track that opened with 850 video lottery terminals and is located on 193 acres in the Centrepointe Business Park near the intersection of Interstate 80 and Ohio Route 46. Hollywood Gaming at Dayton Raceway opened its doors to the public on August 28, 2014 and is a standardbred track that opened with 1,000 video lottery terminals and is located on 119 acres on the site of an abandoned Delphi Automotive plant near Wagner Ford and Needmore roads in North Dayton. GLPI's share of the budget for these two projects was limited solely to real estate construction costs which were budgeted at $100.0 million and $89.5 million for the Mahoning Valley Race Course and Dayton Raceway facilities, respectively, of which $100.0 million and $88.2 million has been paid or accrued through September 30, 2014. Both facilities were added to the Master Lease upon commencement of operations.

- Operations at the Argosy Casino Sioux City ceased at the end of July, as the result of a ruling of the Iowa Racing and Gaming Commission ("IRGC"). Penn challenged the denial of its gaming license renewal by the IRGC but was ultimately ordered to cease operations by the Iowa Supreme Court. The closure of the Sioux City property resulted in reduced rental revenue of approximately $1.1 million for the three months ended September 30, 2014 and will result in reduced rental revenue of approximately $1.6 million for the fourth quarter of 2014 and $6.2 million on an annual go forward basis. The real property assets associated with the Sioux City property were fully depreciated at the closure date and were subsequently sold to a third party.

- On December 9, 2013, GLPI announced that it had entered into an agreement to acquire the real estate assets associated with the Casino Queen in East St. Louis, Illinois. The casino and adjacent land cover approximately 78 acres and include a 157 room hotel and a 38,000 square foot casino. The transaction closed in January 2014. See Note 4 to the condensed consolidated financial statements for further details.

TRS Properties

- Hollywood Casino Perryville continued to face increased competition, led by the August 26, 2014 opening of the Horseshoe Casino Baltimore, located in downtown Baltimore. In addition, Maryland Live!, at the Arundel Mills mall in Anne Arundel, Maryland opened table games on April 11, 2013, and a 52 table poker room in late August 2013. Both facilities have negatively impacted Perryville's results of operations.

- In November 2012, voters approved legislation authorizing a sixth casino in Prince George’s County Maryland and the ability to add table games to Maryland’s five existing and planned casinos. The new law also changes the tax rate casino operators pay the state, varying from casino to casino, allows all casinos in Maryland to be open 24 hours per day for the entire year, and permits casinos to directly purchase slot machines in exchange for gaming tax reductions. Table games were opened at our Perryville, Maryland facility on March 5, 2013. We expect Perryville’s tax rate to decrease from 67 percent to 61 percent when the facility directly purchases its slot machines in April 2015. The option for an additional 5 percent tax reduction is possible in 2019 if an independent commission agrees. In December 2013, the license for the sixth casino in Prince George’s County was granted. The proposed $925 million casino, which cannot open until the earlier of July 2016 or 30 months after the opening date of the Horseshoe Casino Baltimore, will adversely impact Hollywood Casino Perryville’s financial results.

Critical Accounting Estimates

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

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

For further information on our critical accounting estimates, see Item 7. “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and the notes to our audited consolidated financial statements included in our Annual Report. There has been no material change to these estimates for the nine months ended September 30, 2014.

Results of Operations

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

- The fact that a wholly-owned subsidiary of Penn is the lessee of substantially all of our properties pursuant to the Master Lease and accounts for a significant portion of our revenues. We expect to grow our portfolio by pursuing opportunities to acquire additional gaming facilities to lease to gaming operators under prudent terms, which may or may not include Penn.

- The fact that 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. Changes to the tax laws or interpretations thereof, with or without retroactive application, could materially and adversely affect GLPI investors or GLPI.

- The risks related to economic conditions and the effect of such conditions on consumer spending for leisure and gaming activities, which may negatively impact our gaming tenants and operators.

The consolidated results of operations for the three and nine months ended September 30, 2014 and 2013 are summarized below:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2014	2013	2014	2013
	(in thousands)		(in thousands)	
Revenues				
Rental	$ 107,326	$ —	$ 320,738	$ —
Real estate taxes paid by tenants	12,512	—	36,956	—
Total rental revenue	119,838	—	357,694	—
Gaming	36,473	38,129	114,677	123,508
Food, beverage and other	3,015	2,984	8,934	9,573
Total revenues	159,326	41,113	481,305	133,081
Less promotional allowances	(1,531)	(1,480)	(4,396)	(4,727)
Net revenues	157,795	39,633	476,909	128,354
Operating expenses				
Gaming	20,504	21,701	64,233	69,182
Food, beverage and other	2,471	2,690	7,526	8,240
Real estate taxes	12,929	413	38,208	1,225
General and administrative	17,743	5,553	58,215	17,316
Depreciation	26,526	3,611	79,397	10,826
Total operating expenses	80,173	33,968	247,579	106,789
Income from operations	$ 77,622	$ 5,665	$ 229,330	$ 21,565

Certain information regarding our results of operations by segment for the three and nine months ended September 30, 2014 and 2013 is summarized below:

	Three Months Ended September 30,			
	2014	2013	2014	2013
	Net Revenues		Income from Operations	
	(in thousands)			
GLP Capital	$ 119,845	$ —	$ 72,288	$ —
TRS Properties	37,950	39,633	5,334	5,665
Total	$ 157,795	$ 39,633	$ 77,622	$ 5,665

	Nine Months Ended September 30,			
	2014	2013	2014	2013
	Net Revenues		Income from Operations	
	(in thousands)			
GLP Capital	$ 357,701	$ —	$ 210,378	$ —
TRS Properties	119,208	128,354	18,952	21,565
Total	$ 476,909	$ 128,354	$ 229,330	$ 21,565

Adjusted EBITDA, FFO and AFFO

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

FFO is a non-GAAP financial measure that is considered a supplemental measure for the real estate industry and a supplement to GAAP measures. The National Association of Real Estate Investment Trusts defines FFO as net income (computed in accordance with GAAP), excluding (gains) or losses from sales of property and real estate depreciation. We have defined AFFO as FFO excluding stock based compensation expense, debt issuance costs amortization, and other depreciation reduced by maintenance capital expenditures. Finally, we have defined Adjusted EBITDA as net income excluding interest, taxes on income, depreciation, and (gains) or losses from sales of property, management fees, and stock based compensation expense.

FFO, AFFO and Adjusted EBITDA are not recognized terms under GAAP. Because certain companies do not calculate FFO, AFFO and Adjusted EBITDA in the same way and certain other companies may not perform such calculation, those measures as used by other companies may not be consistent with the way the Company calculates such measures and should not be considered as alternative measures of operating profit or net income. The Company's presentation of these measures does not replace the presentation of the Company's financial results in accordance with GAAP.

The reconciliation of the Company's net income per GAAP to FFO, AFFO, and Adjusted EBITDA for the three and nine months ended September 30, 2014 and 2013 is as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2014	**2013**	**2014**	**2013**
Net income	**$ 49,902**	**$ 2,681**	**$ 141,226**	**$ 10,594**
(Gains) losses from sales of property	(146)	(1)	13	(31)
Real estate depreciation	23,472	—	70,205	—
Funds from operations	**$ 73,228**	**$ 2,680**	**$ 211,444**	**$ 10,563**
Other depreciation	3,054	3,611	9,192	10,826
Amortization of debt issuance costs	2,020	—	6,038	—
Stock based compensation	3,536	—	8,623	—
Maintenance CAPEX	(641)	(766)	(2,109)	(2,510)
Adjusted funds from operations	**$ 81,197**	**$ 5,525**	**$ 233,188**	**$ 18,879**
Interest, net	28,755	—	85,623	(1)
Management fees	—	1,189	—	3,850
Income tax (benefit) expense	(1,035)	1,795	2,481	7,122
Maintenance CAPEX	641	766	2,109	2,510
Amortization of debt issuance costs	(2,020)	—	(6,038)	—
Adjusted EBITDA	**$ 107,538**	**$ 9,275**	**$ 317,363**	**$ 32,360**

The reconciliation of each segment's net income per GAAP to FFO, AFFO, and Adjusted EBITDA for the three and nine months ended September 30, 2014 and 2013 is as follows:

	GLP Capital [1]	TRS Properties	
Three Months Ended September 30,	**2014**	**2014**	**2013**
		(in thousands)	
Net income	**$ 47,624**	**$ 2,278**	**$ 2,681**
(Gains) losses from sales of property	(150)	4	(1)
Real estate depreciation	23,472	—	—
Funds from operations	**$ 70,946**	**$ 2,282**	**$ 2,680**
Other depreciation	—	3,054	3,611
Debt issuance costs amortization	2,020	—	—
Stock based compensation	3,536	—	—
Maintenance CAPEX	—	(641)	(766)
Adjusted funds from operations	**$ 76,502**	**$ 4,695**	**$ 5,525**
Interest, net [2]	26,155	2,600	—
Management fees	—	—	1,189
Income tax (benefit) expense	(1,491)	456	1,795
Maintenance CAPEX	—	641	766
Debt issuance costs amortization	(2,020)	—	—
Adjusted EBITDA	**$ 99,146**	**$ 8,392**	**$ 9,275**

	GLP Capital [1]	TRS Properties	
Nine Months Ended September 30,	**2014**	**2014**	**2013**
		(in thousands)	
Net income	**$ 134,048**	**$ 7,178**	**$ 10,594**
(Gains) losses from sales of property	(150)	163	(31)
Real estate depreciation	70,205	—	—
Funds from operations	**$ 204,103**	**$ 7,341**	**$ 10,563**
Other depreciation	—	9,192	10,826
Debt issuance costs amortization	6,038	—	—
Stock based compensation	8,623	—	—
Maintenance CAPEX	—	(2,109)	(2,510)
Adjusted funds from operations	**$ 218,764**	**$ 14,424**	**$ 18,879**
Interest, net [2]	77,821	7,802	(1)
Management fees	—	—	3,850
Income tax (benefit) expense	(1,491)	3,972	7,122
Maintenance CAPEX	—	2,109	2,510
Debt issuance costs amortization	(6,038)	—	—
Adjusted EBITDA	**$ 289,056**	**$ 28,307**	**$ 32,360**

(1) GLP Capital operations commenced November 1, 2013 in connection with the Spin-Off.

(2) Interest expense, net for the GLP Capital segment is net of intercompany interest eliminations of $2.6 million and $7.8 million, respectively, for the three and nine months ended September 30, 2014.

FFO, AFFO, and Adjusted EBITDA, for our GLP Capital segment were $70.9 million, $76.5 million and $99.1 million, respectively, for the three months ended September 30, 2014. FFO, AFFO, and Adjusted EBITDA, for our GLP Capital segment were $204.1 million, $218.8 million and $289.1 million, respectively, for the nine months ended September 30, 2014.

Net income for our TRS Properties segment decreased by $0.4 million and $3.4 million, respectively for the three and nine months ended September 30, 2014, as compared to the three and nine months ended September 30, 2013, primarily due to additional competition in the Perryville market and increased operating pressure at both of our TRS properties, as well as interest expense in the three and nine months ended September 30, 2014. FFO for our TRS Properties segment decreased by

$0.4 million and $3.2 million, respectively for the three and nine months ended September 30, 2014, as compared to the three and nine months ended September 30, 2013, primarily due to the decrease in net income described above. AFFO for our TRS Properties segment decreased by $0.8 million and $4.5 million, respectively for the three and nine months ended September 30, 2014, as compared to the three and nine months ended September 30, 2013, primarily due to the decrease described above, as well as decreases of $0.5 million and $1.6 million, respectively in depreciation expense at Hollywood Casino Perryville for the three and nine months ended September 30, 2014, due to certain equipment purchased at opening now being fully depreciated. Adjusted EBITDA for our TRS Properties segment decreased by $0.9 million and $4.1 million, respectively for the three and nine months ended September 30, 2014, as compared to the three and nine months ended September 30, 2013, primarily due to the decrease described above, as well as a combination of higher interest expense, lower taxes and the elimination of management fees in both the three and nine months ended September 30, 2014.

Revenues

Revenues for the three and nine months September 30, 2014 and 2013 were as follows (in thousands):

Three Months Ended September 30,	2014	2013	Variance	Percentage Variance
Total rental revenue	$ 119,838	$ —	$ 119,838	N/A
Gaming	36,473	38,129	(1,656)	(4.3)%
Food, beverage and other	3,015	2,984	31	1.0 %
Total Revenues	159,326	41,113	118,213	287.5 %
Less promotional allowances	(1,531)	(1,480)	(51)	3.4 %
Net revenues	$ 157,795	$ 39,633	$ 118,162	298.1 %

Nine Months Ended September 30,	2014	2013	Variance	Percentage Variance
Total rental revenue	$ 357,694	$ —	$ 357,694	N/A
Gaming	114,677	123,508	(8,831)	(7.2)%
Food, beverage and other	8,934	9,573	(639)	(6.7)%
Total Revenues	481,305	133,081	348,224	261.7 %
Less promotional allowances	(4,396)	(4,727)	331	(7.0)%
Net revenues	$ 476,909	$ 128,354	$ 348,555	271.6 %

Total rental revenue

For the three months ended September 30, 2014, rental income was $119.8 million for our GLP Capital segment, which included $12.5 million of revenue for the real estate taxes paid by our tenants on the leased properties. For the nine months ended September 30, 2014, rental income was $357.7 million for our GLP Capital segment, which included $37.0 million of revenue for the real estate taxes paid by our tenants on the leased properties. In accordance with ASC 605, the Company is required to present the real estate taxes paid by its tenants on the leased properties as revenue with an offsetting expense on its consolidated statement of operations, as the Company believes it is the primary obligor.

Gaming revenue

Gaming revenue for our TRS Properties segment decreased by $1.7 million, or 4.3%, for the three months ended September 30, 2014, as compared to the three months ended September 30, 2013, due to decreased gaming revenues of $0.5 million at Hollywood Casino Baton Rouge and $1.2 million at Hollywood Casino Perryville, resulting from additional competition in the Perryville market and increased operating pressure at both of our TRS properties. Gaming revenue for our TRS Properties segment decreased by $8.8 million, or 7.2%, for the nine months ended September 30, 2014, as compared to the nine months ended September 30, 2013, due to decreased gaming revenues of $5.5 million at Hollywood Casino Baton Rouge and $3.3 million at Hollywood Casino Perryville for the reason described above.

Operating Expenses

Operating expenses for the three and nine months ended September 30, 2014 and 2013 were as follows (in thousands):

Three Months Ended September 30,	2014	2013	Variance	Percentage Variance
Gaming	$ 20,504	$ 21,701	$ (1,197)	(5.5)%
Food, beverage and other	2,471	2,690	(219)	(8.1)%
Real estate taxes	12,929	413	12,516	3,030.5 %
General and administrative	17,743	5,553	12,190	219.5 %
Depreciation	26,526	3,611	22,915	634.6 %
Total operating expenses	$ 80,173	$ 33,968	$ 46,205	136.0 %

Nine Months Ended September 30,	2014	2013	Variance	Percentage Variance
Gaming	$ 64,233	$ 69,182	$ (4,949)	(7.2)%
Food, beverage and other	7,526	8,240	(714)	(8.7)%
Real estate taxes	38,208	1,225	36,983	3,019.0 %
General and administrative	58,215	17,316	40,899	236.2 %
Depreciation	79,397	10,826	68,571	633.4 %
Total operating expenses	$ 247,579	$ 106,789	$ 140,790	131.8 %

Gaming expense

Gaming expense for our TRS Properties segment decreased by $1.2 million, or 5.5%, for the three months ended September 30, 2014, as compared to the three months ended September 30, 2013, primarily due to decreases of $0.1 million and $0.5 million, respectively in gaming and admission taxes at Hollywood Casino Baton Rouge and Hollywood Casino Perryville, resulting from a reduction in taxable gaming revenue. Gaming expense for our TRS Properties segment decreased by $4.9 million, or 7.2%, for the nine months ended September 30, 2014, as compared to the nine months ended September 30, 2013, primarily due to decreases of $1.5 million and $2.2 million, respectively in gaming and admission taxes at Hollywood Casino Baton Rouge and Hollywood Casino Perryville, resulting from a reduction in taxable gaming revenue.

Real estate taxes

Real estate taxes increased by $12.5 million, or 3,030.5%, for the three months ended September 30, 2014, as compared to the three months ended September 30, 2013, primarily due to the real estate taxes paid by our tenants on the leased properties in our GLP Capital segment. For the same reason, real estate taxes increased by $37.0 million, or 3,019.0%, for the nine months ended September 30, 2014, as compared to the nine months ended September 30, 2013. Although this amount is paid by our tenants, we are required to present this amount in both revenues and expense for financial reporting purposes under ASC 605.

General and administrative expense

General and administrative expenses include items such as compensation costs (including stock based compensation awards), professional services, rent expense, and costs associated with development activities. In addition, Penn provides GLPI with certain administrative and support services on a transitional basis pursuant to a transition services agreement executed in connection with the Spin-Off. The fees charged to GLPI for transition services furnished pursuant to this agreement are 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. Under the transition services agreement, Penn will provide these services for a period of up to two years, unless terminated sooner by GLPI.

General and administrative expenses increased by $12.2 million, or 219.5%, for the three months ended September 30, 2014, as compared to the three months ended September 30, 2013, primarily resulting from general and administrative expenses for our GLP Capital segment of $11.6 million for the three months ended September 30, 2014, which included compensation expense of $0.4 million, stock based compensation charges of $7.4 million, rent expense for those leases assigned to GLPI as part of the Spin-Off of $0.7 million, legal fees of $0.9 million, and transition services fees of $0.3 million. Compensation expense for the three months ended September 30, 2014, was reduced by an approximate $2 million adjustment to the bonus accrual for corporate executives related to the Meadows transaction. General and administrative expenses increased $40.9 million, or 236.2%, for the nine months ended September 30, 2014, primarily resulting from general and administrative expenses for our GLP Capital segment of $40.2 million for the nine months ended September 30, 2014, which included compensation expense of $7.5 million, stock based compensation charges of $20.6 million, rent expense for those leases assigned to GLPI as part of the Spin-Off of $2.1 million, legal fees of $1.7 million, and transition services fees of $1.5 million.

Depreciation expense

Depreciation expense increased by $22.9 million, or 634.6%, to $26.5 million for the three months ended September 30, 2014, as compared to the three months ended September 30, 2013, primarily due to the real property assets in our GLP Capital segment, transferred to GLPI as part of the Spin-Off. For the same reason, depreciation expense increased by $68.6 million, or 633.4%, to $79.4 million for the nine months ended September 30, 2014, as compared to the nine months ended September 30, 2013.

Other income (expenses)

Other income (expenses) for the three and nine months ended September 30, 2014 and 2013 were as follows (in thousands):

Three Months Ended September 30,	2014	2013	Variance	Percentage Variance
Interest expense	$ (29,378)	$ —	$ (29,378)	N/A
Interest income	623	—	623	N/A
Management fee	—	(1,189)	1,189	(100.0)%
Total other expenses	$ (28,755)	$ (1,189)	$ (27,566)	2,318.4 %

Nine Months Ended September 30,	2014	2013	Variance	Percentage Variance
Interest expense	$ (87,460)	$ —	$ (87,460)	N/A
Interest income	1,837	1	1,836	183,600.0 %
Management fee	—	(3,850)	3,850	(100.0)%
Total other expenses	$ (85,623)	$ (3,849)	$ (81,774)	2,124.6 %

Interest expense

For the three months ended September 30, 2014, interest expense was $29.4 million related to our fixed and variable rate borrowings. For the nine months ended September 30, 2014, interest expense was $87.5 million related to our fixed and variable rate borrowings. We had no interest expense for the three and nine months ended September 30, 2013.

Management fee

Management fees decreased by $1.2 million, for the three months ended September 30, 2014, as compared to the three months ended September 30, 2013, due to the management agreement with Penn terminating on November 1, 2013 in connection with the Spin-Off. For the same reason, management fees decreased by $3.9 million, for the nine months ended September 30, 2014, as compared to the nine months ended September 30, 2013.

Taxes

During the three months ended September 30, 2014, we had a net tax benefit of approximately $1.0 million, compared to income tax expense of $1.8 million in the prior year period. For the nine months ended September 30, 2014 and 2013, we recognized income tax expense of $2.5 million and $7.1 million, respectively. Our election to be taxed as REIT for our taxable year beginning on January 1, 2014 contributed to the income tax benefit in the three months ended September 30, 2014 and the decreased income tax expense in the nine months ended September 30, 2014, as compared to the corresponding period in the prior year. Our effective tax rate (income taxes as a percentage of income from operations before income taxes) was negative 2.1% for the three months ended September 30, 2014, as compared to 40.1% for the three months ended September 30, 2013, driven by our REIT election. For the same reason, our effective tax rate decreased to 1.7% from 40.2% for the nine months ended September 30, 2014 as compared to the same period in the prior year. As a REIT, we will no longer be required to pay federal corporate income tax on earnings from operation of the REIT that are distributed to our shareholders. We will continue to be required to pay federal and state corporate income taxes on the earnings of our TRS Properties.

Liquidity and Capital Resources

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

Net cash provided by operating activities was $221.0 million and $13.2 million, respectively, during the nine months ended September 30, 2014 and 2013. The increase in net cash provided by operating activities of $207.8 million for the nine months ended September 30, 2014 compared to the corresponding period in the prior year was primarily comprised of an increase in cash receipts from customers/tenants of $348.4 million, partially offset by an increase in cash paid to suppliers and vendors of $59.5 million, an increase in cash paid to employees of $17.6 million, a net increase of $6.6 million related to cash paid for taxes and intercompany federal and state income tax transfers with Penn by our TRS Properties prior to the Spin-Off, and an increase in cash paid for interest of $57.0 million. The increase in cash receipts collected from our customers/tenants for the nine months ended September 30, 2014 compared to the corresponding period in the prior year was primarily due to nine months of rental income of $357.7 million, partially offset by a decrease of $9.1 million in our TRS Properties' net revenues due to operating pressure and competition in their respective markets.

Net cash used in investing activities totaled $302.2 million and $3.0 million, respectively, for the nine months ended September 30, 2014 and 2013. The increase in net cash used in investing activities of $299.2 million for the nine months ended September 30, 2014 compared to the corresponding period in the prior year was primarily due to a $140.7 million payment associated with the Casino Queen asset acquisition, along with the $43.0 million five year term loan to Casino Queen, less $8.0 million of principal payments, as well as increased capital expenditures of $123.5 million primarily related to construction spend at the two recently opened Ohio facilities for the nine months ended September 30, 2014.

Financing activities used net cash of $172.7 million and $6.2 million, respectively, during the nine months ended September 30, 2014 and 2013. Net cash used in financing activities for the nine months ended September 30, 2014 included dividend payments of $388.7 million, partially offset by proceeds from the issuance of long-term debt, net of repayments and financing costs of $195.7 million and proceeds from stock option exercises of $20.3 million.

Capital Expenditures

Capital expenditures are accounted for as either capital project or capital maintenance (replacement) expenditures. Capital project expenditures are for fixed asset additions that expand an existing facility or create a new facility. Capital maintenance expenditures are expenditures to replace existing fixed assets with a useful life greater than one year that are obsolete, worn out or no longer cost effective to repair.

Capital project expenditures totaled $124.5 million for the nine months ended September 30, 2014 and primarily consisted of $62.2 million and $58.7 million for the real estate related construction costs of the Mahoning Valley Race Course and the Dayton Raceway, respectively.

During the three months ended September 30, 2014, operations at both Hollywood Casino Mahoning Valley Race Course and Hollywood Casino at Dayton Raceway, our two joint development properties with Penn commenced operations. In June 2012, Penn announced that it had filed applications with the Ohio Lottery Commission for Video Lottery Sales Agent Licenses for its Ohio racetracks, and with the Ohio State Racing Commission for permission to relocate the racetracks. In connection with the Spin-Off, Penn transferred these properties to us and we received the appropriate approvals from the Ohio regulatory bodies to participate in the development of the new racetracks. Operations at Hollywood Gaming at Mahoning Valley Race Course commenced on September 17, 2014. The new facility at Mahoning Valley Race Course is a thoroughbred track that opened with 850 video lottery terminals and is located on 193 acres in the Centrepointe Business Park near the intersection of Interstate 80 and Ohio Route 46. Hollywood Gaming at Dayton Raceway opened its doors to the public on August 28, 2014 and is a standardbred track that opened with 1,000 video lottery terminals and is located on 119 acres on the site of an abandoned Delphi Automotive plant near Wagner Ford and Needmore roads in North Dayton. GLPI's share of the budget for these two projects is limited solely to real estate construction costs, which are budgeted at $100.0 million and $89.5 million for the Mahoning Valley Race Course and Dayton Raceway facilities, respectively, of which $100.0 million and $88.2 million has been paid or accrued through September 30, 2014. Both facilities were added to the Master Lease upon commencement of operations.

During the nine months ended September 30, 2014, we spent approximately $2.1 million for capital maintenance expenditures. The majority of the capital maintenance expenditures were for slot machines and slot machine equipment at our TRS Properties. Our tenants are responsible for capital maintenance expenditures at our leased properties.

Debt

The Company participates in a $1,000.0 million Credit Facility, consisting of a $700.0 million revolving credit facility and a $300.0 million Term Loan A facility. The Credit Facility matures on October 28, 2018. At September 30, 2014, the Credit Facility had a gross outstanding balance of $496 million, consisting of the $300.0 million Term Loan A facility and $196.0 million of borrowings under the revolving credit facility. Additionally, at September 30, 2014, the Company was contingently obligated under letters of credit issued pursuant to the senior unsecured credit facility with face amounts aggregating approximately $744 thousand, resulting in $503.3 million of available borrowing capacity under the revolving credit facility as of September 30, 2014.

The Credit Facility contains customary covenants that, among other things, restrict, subject to certain exceptions, the ability of GLPI and its subsidiaries, to grant liens on their assets, incur indebtedness, sell assets, make investments, engage in acquisitions, mergers or consolidations or pay certain dividends and other restricted payments. The Credit Facility contains the following financial covenants, which are measured quarterly on a trailing four-quarter basis: a maximum total debt to total asset value ratio, a maximum senior secured debt to total asset value ratio, a maximum ratio of certain recourse debt to unencumbered asset value and a minimum fixed charge coverage ratio. In addition, GLPI is required to maintain a minimum tangible net worth. GLPI is 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 GLPI intends to make on its U.S. federal income tax return for its 2014 fiscal year. GLPI is permitted to pay dividends to its shareholders as may be required in order to maintain REIT status, subject to the absence of payment or bankruptcy defaults. GLPI is also permitted to make other dividends and distributions subject to pro forma compliance with the financial covenants and the absence of defaults. The Credit Facility also contains certain customary affirmative covenants and events of default. Such events of default include the occurrence of a change of control and termination of the Master Lease (subject to certain replacement rights). The occurrence and continuance of an event of default under the Credit Facility will enable the lenders under the Credit Facility to accelerate the loans, and terminate the commitments, thereunder.

The Notes contain covenants limiting the Company's ability to: incur additional debt and use their assets to secure debt; merge or consolidate with another company; and make certain amendments to the Master Lease. The Notes also require the Company to maintain a specified ratio of unencumbered assets to unsecured debt. These covenants are subject to a number of important and significant limitations, qualifications and exceptions.

At September 30, 2014, the Company was in compliance with all required covenants.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

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

GLPI's primary market risk exposure is interest rate risk with respect to its indebtedness of $2,546.0 million at September 30, 2014. Furthermore, $2,050.0 million of our obligations are the senior unsecured notes that have fixed interest rates with maturity dates ranging from four to nine years. An increase in interest rates could make the financing of any acquisition by GLPI more costly as well as increase the costs of its variable rate debt obligations. Rising interest rates could also limit GLPI's ability to refinance its debt when it matures or cause GLPI to pay higher interest rates upon refinancing and increase interest expense on refinanced indebtedness. GLPI may manage, or hedge, interest rate risks related to its borrowings by means of interest rate swap agreements. GLPI also expects to manage its 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 GLPI's ability to hedge its assets and liabilities.

The table below provides information at September 30, 2014 about our financial instruments that are sensitive to changes in interest rates. For debt obligations, the table presents notional amounts maturing in each fiscal year and the related weighted-average interest rates by maturity dates. Notional amounts are used to calculate the contractual payments to be exchanged by maturity date and the weighted-average interest rates are based on implied forward LIBOR rates at September 30, 2014.

	12/31/2014	12/31/2015	12/31/2016	12/31/2017	12/31/2018	Thereafter	Total	Fair Value at 9/30/2014
				(in thousands)				
Long-term debt:								
Fixed rate	$ —	$ —	$ —	$ —	$ 550,000	$ 1,500,000	$ 2,050,000	$ 2,101,000
Average interest rate					4.38%	5.04%		
Variable rate	$ —	$ —	$ —	$ —	$ 496,000	$ —	$ 496,000	$ 474,920
Average interest rate [(1)]					4.28%			

(1) Estimated rate, reflective of forward LIBOR plus the spread over LIBOR applicable to variable-rate borrowing.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Controls and Procedures

The Company's management, under the supervision and with the participation of our principal executive officer and principal financial officer, has evaluated the effectiveness of the Company's disclosure controls and procedures, as such term is defined under Rule 13a-15(e) promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), as of September 30, 2014, which is the end of the period covered by this Quarterly Report on Form 10-Q. In designing and evaluating the disclosure controls and procedures, management recognized that any controls and procedures, no matter how well-designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Based on this evaluation, our principal executive officer and principal financial officer concluded that the Company's disclosure controls and procedures were effective as of September 30, 2014 to ensure that information required to be disclosed by the Company in reports we file or submit under the Exchange Act is (i) recorded, processed, summarized, evaluated and reported, as applicable, within the time periods specified in the United States Securities and Exchange Commission's rules and forms and (ii) accumulated and communicated to the Company's management, including the Company's principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosures.

Changes in Internal Control over Financial Reporting

There were no changes that occurred during the fiscal quarter covered by this Quarterly Report on Form 10-Q that have materially affected, or are reasonably likely to materially affect, our internal controls over financial reporting.

PART II. OTHER INFORMATION

ITEM 1 — LEGAL PROCEEDINGS

Information in response to this Item is incorporated by reference to the information set forth in "Note 8: Commitments and Contingencies" in the Notes to the condensed consolidated financial statements in Part I of this Quarterly Report on Form 10-Q.

ITEM 1A — RISK FACTORS

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

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

The Company did not repurchase any shares of common stock during the three months ended September 30, 2014.

ITEM 3 — DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4 — MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5 — OTHER INFORMATION

Not applicable.

ITEM 6. EXHIBITS

Exhibit	Description of Exhibit
10.1*	Agreement of Sale, dated as of September 19, 2014, between Wyomissing Professional Center Inc. and GLP Capital, L.P.
10.2*	Construction Management Agreement, dated as of September 24, 2014, between GLP Capital, L.P. and CB Consulting Group, LLC.
31.1*	CEO Certification pursuant to rule 13a-14(a) or 15d-14(a) of the Securities Exchange Act of 1934.
31.2*	CFO Certification pursuant to rule 13a-14(a) or 15d-14(a) of the Securities Exchange Act of 1934.
32.1*	CEO Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2*	CFO Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101*	Interactive data files pursuant to Rule 405 of Regulation S-T: (i) the Condensed Consolidated Balance Sheets at September 30, 2014 and December 31, 2013, (ii) the Condensed Consolidated Statements of Income for the three and nine months ended September 30, 2014 and 2013, (iii) the Condensed Consolidated Statements of Changes in Shareholders' Equity for the nine months ended September 30, 2014, (iv) the Condensed Consolidated Statements of Cash Flows for nine months ended September 30, 2014 and 2013 and (v) the notes to the Condensed Consolidated Financial Statements.

* Filed or furnished, as applicable, herewith

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SIGNATURE

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

GAMING AND LEISURE PROPERTIES, INC.

November 7, 2014	By:	/s/ William J. Clifford
		William J. Clifford
		Chief Financial Officer
		(Principal Financial Officer)

EXHIBIT INDEX

Exhibit	Description of Exhibit
10.1	Agreement of Sale, dated as of September 19, 2014, between Wyomissing Professional Center Inc. and GLP Capital, L.P.
10.2	Construction Management Agreement, dated as of September 24, 2014, between GLP Capital, L.P. and CB Consulting Group, LLC.
31.1	CEO Certification pursuant to rule 13a-14(a) or 15d-14(a) of the Securities Exchange Act of 1934.
31.2	CFO Certification pursuant to rule 13a-14(a) or 15d-14(a) of the Securities Exchange Act of 1934.
32.1	CEO Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	CFO Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101	Interactive data files pursuant to Rule 405 of Regulation S-T: (i) the Condensed Consolidated Balance Sheets at September 30, 2014 and December 31, 2013, (ii) the Condensed Consolidated Statements of Income for the three and nine months ended September 30, 2014 and 2013, (iii) the Condensed Consolidated Statements of Changes in Shareholders' Equity for the nine months ended September 30, 2014, (iv) the Condensed Consolidated Statements of Cash Flows for nine months ended September 30, 2014 and 2013 and (v) the notes to the Condensed Consolidated Financial Statements.

Exhibit 10.1

AGREEMENT OF SALE

THIS AGREEMENT OF SALE (the "Agreement"), made this 19th day of September, 2014, between WYOMISSING PROFESSIONAL CENTER Inc., having an address of 875 Berkshire Boulevard, Suite 102, Wyomissing, PA 19610 (the "Seller"), and GLP CAPITAL, L.P., having an address of 825 Berkshire Boulevard, Suite 400, Wyomissing, PA 19610 (the "Buyer").

WITNESSETH:

WHEREAS, The Wyomissing Professional Center has been developed as an office complex which contains approximately eleven (11) buildings, more or less, known as The Wyomissing Professional Center Campus (the "Campus"), which is located adjacent to Berkshire Boulevard and Paper Mill Roads, in Borough of Wyomissing, Berks County, Pennsylvania; and

WHEREAS, Lot #2 of said Campus is being developed pursuant to a plan which upon the completion of all of the improvements contemplated pursuant to that plan, will be recorded as an as-built plan in the Recorder of Deeds Office of Berks County, Pennsylvania (the "Recorder's Office") which plan in its present form is attached hereto as Exhibit "A"; and

WHEREAS, the developer has recorded a Declaration of Covenants, Easements, Conditions and Restrictions for The Wyomissing Professional Center, which is recorded in the Recorder's Office in Record Book 2972, page 816, which was amended by instrument recorded in the Recorder's Office in Record Book 3347, page 1137 and which has been amended or may be further amended from time to time (which instrument, as amended from time to time, is herein referred to as the "Declaration"); and

WHEREAS, pursuant to the Declaration, the common area of the Campus is governed by a property owners' association known as The Wyomissing Professional Center Property Owners Association (the "Association"), which was created by the filing of articles of incorporation with the Department of State of the Commonwealth of Pennsylvania (the "POA Articles") and organized pursuant to a duly adopted set of bylaws (the "POA Bylaws"); and

WHEREAS, the Association has adopted and will hereafter adopt, from time to time, certain rules and regulations governing the Campus (the "Rules and Regulations"); and

WHEREAS, Seller owns a tract of land on the Campus which is more particularly described in Exhibit "B", attached hereto and made a part hereof (the "Land") which Land constitutes the footprint of the building referred to as 845 Berkshire Boulevard; and

WHEREAS, Seller has agreed to sell, and Buyer has agreed to purchase, the Land upon the terms and conditions herein set forth.

NOW, THEREFORE, in consideration of the matters set forth above and each party intending to be legally bound hereby, Seller and Buyer covenant and agree as follows:

1. Agreement to Sell and Purchase. Seller agrees to sell and convey to Buyer, and Buyer agrees to purchase, the Land more particularly described on Exhibit "B", attached hereto and made a part hereof, including all easements, rights of way, licenses, permits, governmental authorizations, privilege, approvals, and appurtenances, if any, belonging or inuring to the benefit of the land.

2. Purchase Price. The purchase price for the Land (the "Purchase Price") shall be Seven Hundred Twenty-Five Thousand Dollars ($725,000.00).

3. Payment of Purchase Price.

(a) The Purchase Price shall be payable by Buyer at the Closing (as hereinafter defined) upon delivery of the deed and the performance by the Seller of all of Seller's obligations hereunder, by title company check, cashier's or treasurer's check, by wire transfer of funds, or by payment of other immediately available funds.

(b) In the event of Buyer's default under this Agreement, Buyer shall be obligated to pay immediately to Seller the sum of Seventy Five Thousand Dollars ($75,000) as liquidated damages, and not as a penalty.

4. Conveyance and Title.

(a) Conveyance shall be by special warranty deed to Buyer. Title shall be a good and marketable fee simple title, free and clear of all liens and encumbrances; subject, however, to existing visible easements, easements of record, accuracy of description, location of buildings and improvements, rights of public utilities, building and development restrictions, zoning laws, the Declaration, the POA Articles, the POA Bylaws, the Rules and Regulations, and rules, regulations, laws and directives of federal, state, municipal or other governing authorities, and shall be insurable as such at regular rates by a title insurance company maintaining an office in Berks County, Pennsylvania, provided, however, that no such restriction shall prevent the construction of an office building on the Land in conformity with the planned site improvements described in Exhibit “A” and local ordinances for the purpose of Buyer conducting its real estate investment trust business.

(b) In the event that a good and marketable title, subject as aforesaid, cannot be given by the Seller to the Buyer, the Seller may, at Seller’s option, clear the title or rescind this Agreement and return to the Buyer its reasonable title search charges. In the event Seller fails to either clear title or rescind the Agreement, then Buyer shall have the right to terminate the Agreement and receive all of its title expenses wherein Buyer and Seller shall be released from all further liability and this Agreement shall be void and of no further force or effect.

(c) Buyer acknowledges that, as owner of the Land and the building to be constructed thereon, it will be a member of the Association, which owns and maintains the common areas of the Campus, including the parking lots. As a member of the Association, Buyer (including the occupants of the building) will be entitled to use a minimum of 95 shared non-exclusive parking spaces in the parking areas of the Campus immediately adjacent to the Land. Buyer will be required to pay to the Association its share of the maintenance and repair costs of the common areas of the Association, in addition to all other charges, assessments and expenses permitted by the POA Articles and/or the POA Bylaws.

5. Representations and Warranties of Seller. In order to induce Buyer to enter into this Agreement and with full knowledge that Buyer is relying thereon, Seller hereby warrants and represents to Buyer as follows as of the date hereof:

(a) Power to Perform. This Agreement is duly authorized, executed and delivered by Seller, constitutes the legal and valid binding obligation of Seller, and does not violate any provision of any agreement or judicial order to which Seller is a party or to which it is subject.

(b) Fee Owner. Seller is the legal owner of the Land and the adjoining property providing parking for and access to the Land, in fee, with full right to convey same. Seller has not granted any option to purchase, right of first refusal or right of first offer to purchase (any of which remains outstanding) or otherwise made any agreement (which remains outstanding) with any Person other than Buyer to sell the Land.

(c) Condemnation. There is no condemnation proceeding with regard to the Land and Seller does not know of any proposed condemnation proceeding with regard to all or any portion of the Land or the common areas providing parking for, and access to, the Land.

(d) Litigation. There is not now any action, proceeding, litigation or investigation pending or, to the best of Seller’s knowledge, threatened against Seller or the Land, which affects the ability of Seller to perform its obligations under this Agreement, or which questions the validity or enforceability of this Agreement.

(e) Rights of Possession. Except for matters of record and matters that would be shown on a true and accurate survey of the Land, the Land is not subject to any lease and no party other than Seller has any right of possession of the Land or the common areas providing parking for, and access to, the Land.

(f) Violations. Seller has not received notice in writing from a governmental agency having jurisdiction that the Land is in violation of any law, ordinance, rule or regulation applicable to the Land, which has not been resolved.

(g) Environmental Conditions. It is hereby understood between the parties hereto that Seller makes no warranty to Buyer, express or implied, that the Land is free from hazardous or toxic substances, material or wastes which are or become regulated by any federal, state or local governmental authority or that the Land is in compliance with any federal, state, or local environmental laws or regulations. However, to the best of its knowledge, Seller represents that: a) the Land is free of hazardous substances and; b) as of the date of this Agreement that the planned office use is permitted under current zoning.

If Closing occurs, Seller's Representations and Warranties will survive the Closing hereunder, for the benefit of Buyer, for a period ending at 5:00 p.m. prevailing Eastern time on the six (6) month anniversary of the Closing Date (the "Warranty Expiration Date"). No claim for a breach of any Seller's Representations or Warranties after Closing, or the failure or default of a covenant or agreement of Seller that survives Closing, shall be actionable or payable unless the valid claims for all such breaches in respect of Seller collectively aggregate more than Twenty-Five Thousand and No/100 Dollars ($25,000.00), in which event the full amount of such claims shall be actionable. Notwithstanding any provision to the contrary contained in this Agreement or any documents executed by Seller pursuant hereto or in connection herewith, after the Closing except for claims based upon intentional fraud, the maximum aggregate liability of Seller will under no circumstances whatsoever exceed Five Hundred Thousand Dollars ($500,000.00). The provisions of this paragraph shall survive the Closing (and not be merged therein), provided that any claim by Buyer against Seller as described in this paragraph must be made by notice to Seller given within six (6) months of Closing. Seller covenants and agrees that so long as any claim timely made by Buyer has not been adjudicated and satisfied (if a judgment in Buyer's favor has been obtained) that (i) it will maintain its corporate existence through the Warranty Expiration Date and until such timely made claim is adjudicated and satisfied (if a judgment in Buyer's favor has been obtained), and (ii) it will maintain corporate assets sufficient to satisfy any such judgment in Buyer's favor. Seller will not be liable or responsible in any circumstances for any consequential, special or punitive damages or lost profits, and Buyer hereby releases and waives all claims for consequential, special and punitive damages and lost profits. If, on or prior to the Warranty Expiration Date, Buyer has not notified Seller, in writing, of any claim Buyer has against Seller for breach of any of Seller's Warranties and commenced an action against Seller, Buyer will be forever barred and precluded from making a claim based upon any breach of the Seller's Representations and Warranties and Seller will be deemed released from all liabilities and obligations with respect thereto.

6. Representations and Warranties of Buyer. In order to induce Seller to enter into this Agreement and with full knowledge that Seller is relying thereon, Buyer hereby warrants and represents to Seller as follows:

(a) Power to Perform. This Agreement is duly authorized, executed and delivered by Buyer, constitutes the legal and valid binding obligation of Buyer, and does not violate any provision of any agreement or judicial order to which Buyer is a party or to which it is subject.

(b) Litigation. There is not now any action, proceeding, litigation or investigation pending or, to the best of Buyer's knowledge, threatened against Buyer, or affecting the ability of Buyer to perform its obligation under this Agreement, or which questions the validity or enforceability of this Agreement.

7. Real Estate Taxes; Rent; Utility Charges.

(a) Real estate taxes shall be apportioned between the parties as of the Closing Date (hereinafter defined) on a fiscal year basis.

(b) Sewer and Water rent and other utility charges, if any, shall be apportioned as of the Closing Date on the basis of the current term.

8. Expenses.

(a) Seller agrees to pay for the preparation of the deed, acknowledgment of the deed, federal revenue stamps, if any, and on e-half of the Pennsylvania and local real estate transfer taxes.

(b) Buyer shall pay one-half of the Pennsylvania and local real estate transfer taxes.

(c) All other expenses of conveyance shall be paid by the party incurring them.

9. Third Party Brokerage. Seller and Buyer hereby represent and warrant to each other that neither Seller nor Buyer has dealt with any broker or finder in connection with the transaction which is the subject of this Agreement, and each party hereby agrees to indemnify, save harmless and defend the other from and against all claims, losses, liabilities and expenses, including reasonable attorneys' fees, arising out of any claim made by any broker, finder or other intermediary

who claims to have dealt with such party in connection with the transaction which is the subject of this Agreement. The provisions of this paragraph shall survive settlement hereunder.

10. Closing Date. Closing (the “Closing”) on the Land shall be made by the Buyer on or before the expiration of thirty (30) days from the date of this Agreement or, if later, three (3) days following Buyer’s receipt of an Owners’ policy of title insurance with exceptions reasonably acceptable to Buyer (the “Closing Date”). Closing shall take place in Berks County, Pennsylvania, at a location and at a time mutually agreeable by Seller and Buyer.

11. Delivery of Deed and Possession of Property. The Seller shall deliver the deed and possession of the Land on the Closing Date. Formal tender of deed is hereby waived.

12. Seller’s Construction Contract with ICS. Seller has negotiated a contract for the erection of a building shell on the premises being conveyed to Buyer hereunder. As a condition of Seller’s obligation to close under this Agreement and to convey the Land, Buyer agrees that as soon as practicable and in no event later than three (3) business days following the date of the closing for the conveyance of the Land hereunder, the Buyer will enter into a separate contract with ICS providing for the completion of the building shell and payment of all sums previously paid by Seller to ICS or otherwise due. ICS will reimburse Seller for all previously paid costs an expenses following Buyer’s payment to ICS.

13. Improvements Contribution.

(a) Buyer acknowledges that the Seller has entered into a separate contract with ICS whereby all of the site improvements as shown on Exhibit “A” will be constructed by Seller and that said site improvements are primarily for the benefit of the 845 Berkshire Boulevard building footprint being purchased by the Buyer herein. For purposes of this Agreement, site improvements shall include the actual costs of the improvements, costs of any and all permits, sanitary sewage tapping fees, and project management costs. Buyer acknowledges that it has been advised that the Building plan for the entire parcel being developed includes the 845 building being purchased by Buyer and one other potential future building. Buyer and Seller agree that they will apportion the cost of completing the site improvements on a 63% - 37% basis with Buyer being responsible for 63% and the Seller being responsible for 37% of said costs. Seller represents that there is no present plan or intention to construct a second building on the site.

Immediately upon the receipt of any invoices received by Seller pertinent to said costs Seller shall provide copies of the same to Buyer and Buyer shall reimburse Seller not later than thirty (30) days after submission of said invoice for Buyer’s 63% share. A copy of Seller’s contract for the site improvements is attached hereto marked as Exhibit “C”.

Provided, however, that in the event that the Seller does in fact construct another building known as the 835 building within five (5) years of the date of this Agreement Seller shall reimburse Buyer in the amount of thirteen percent (13%) of the total cost of improvements. For purposes of clarity the intent of this clause is to divide the cost of the site improvements equally between the Seller and Buyer if Seller shall have constructed building 835 within the five (5) year time period created above.

(b) Buyer acknowledges that as of the date of this Agreement Buyer’s share of the expenses described in paragraph (a) above and paid by Seller, together with the pre-development expenses paid by Seller that are solely related to the building design, equal Two Hundred Sixty-Nine Thousand One Hundred Ninety-Two Dollars and Eighty-Five Cents ($269,192.85). Buyer will reimburse Seller such amount upon the execution and delivery of this Agreement.

14. Time of Essence. The parties agree that time shall be of the essence of this Agreement, unless extended by mutual consent in writing.

15. Entire Agreement; Modifications. This Agreement constitutes the entire contract between the parties hereto and there are no other understandings, representations or warranties, oral or written, relating to the subject matter hereof. This Agreement may not be changed, modified or amended, in whole or in part, except in writing, signed by all parties.

16. Notices. Notices given pursuant to this Agreement shall be in writing, shall be given by actual delivery or by mailing the same to the party entitled thereto at the addresses set forth below or at such other address as any party may designate in writing to any other party pursuant to the provisions of this paragraph. Notices given by mail shall be sent by United States mail, certified or registered, return receipt requested. Notices shall be deemed to be received on the date of actual receipt, in the case of personal delivery, or on the date of mailing, in the case of mailing. Notices shall be served or mailed to the following addresses, subject to change as provided above:

If to the Seller: Wyomissing Professional Center, Inc
c/o Carlino Development Group
875 Berkshire Boulevard
Suite 102
Wyomissing, PA 19610

If to the Buyer: Gaming and Leisure Properties, Inc.
825 Berkshire Boulevard, Suite 400
Wyomissing, PA 19610

17. Construction. Wherever used in this Agreement the singular shall include the plural, the plural the singular, and the use of any gender shall be applicable to all genders.

18. Assignment and Recording. Buyer hereby covenants not to assign or record this Agreement except after first obtaining the written consent of Seller endorsed hereon. Any attempted assignment or recordation of this Agreement by Buyer without such consent may, at the option of the Seller, be deemed a default hereunder.

19. Binding Effect. This Agreement and all of its terms and conditions shall extend to and be binding upon the parties hereto and upon their respective heirs, executors, administrators, successors and assigns.

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound hereby, have caused this Agreement to be duly executed the day and year first above written.

WYOMISSING PROFESSIONAL CENTER Inc
("Seller")

By: /s/ Peter M. Carlino
President

Attest: /s/ David A. Binder
Vice President

GLP CAPITAL, L.P. ("Buyer")
BY: GAMING AND LEISURE PROPERTIES, INC.,
its general partner

Witness:
/s/ Melissa Furillo

By: /s/ Steven T. Snyder
SVP, Corporate Development

Attest: /s/ Brandon J. Moore
Secretary

EXHIBIT A

Due to size and scale, the plan recorded on May 22, 2014 with the Berks County Recorder of Deeds has been omitted but is available in Gaming and Leisure Properties, Inc.’s corporate office and through the Recorder of Deeds.

EXHIBIT B

DESCRIPTION OF BUILDING 845
WYOMISSING PROFESSIONAL CENTER
Wyomissing Borough, Berks County, PA

ALL THAT CERTAIN tract or piece of land located northwest of Commerce Drive at its intersection with Berkshire Boulevard in Wyomissing Borough, Berks County, Commonwealth of Pennsylvania, to be known as 845 Berkshire Boulevard, being part of Lot 2 of the Wyomissing Professional Center Subdivision, the plan of which is recorded in Plan Book Volume 170, page 64, Berks County records, and being more fully bounded and described in accordance with a survey by Forino Co., L.P. as shown on Forino Co., L.P. Project No. 13623, dated April 15, 2014 as last revised and titled "Revised plan of Record for Lot 2, Wyomissing Professional Center I, Buildings 835 and 845", as follows:

BEGINNING AT A POINT marked by a concrete monument found at the northwestern corner of Lot 2 of the Wyomissing Professional Center Subdivision, said point being in line of the Stonehill Farms development (Plan Book Volume 163, page 26) and on the municipal boundary line dividing the Township of Spring and the Borough of Wyomissing, said point of beginning also being located North 39°23'47" East, 817.79 feet, as measured along land of Stonehill Farm and said municipal line, from a concrete monument found on the eastern right-of-way line of Paper Mill Road;

Thence by said municipal boundary line, partly along the Stonehill Farms development and partly along land now or late of the Reading Hospital and Medical Center (Record Book Volume 5392, page 833), North 39°23'47" East, 499.64 feet;

Thence leaving the aforesaid municipal boundary line and crossing into Lot 2 of the Wyomissing Professional Center Subdivision, South 50°36'13" East, 120.81 feet to the northwestern corner of proposed Building 845 Berkshire Boulevard and the TRUE POINT OF BEGINNING of the herein described tract;

Thence around the perimeter of proposed Building 845 the twelve (12) following courses:
1. North 39°21'37" East, 53.60 feet;
2. North 50°38'23" West, 6.56 feet;
3. North 39°21'37" East, 23.33 feet;
4. South 50°38'23" East, 6.56 feet;
5. North 39°21'37" East, 53.60 feet;
6. South 50°38'23" East, 90.54 feet;
7. South 39°21'37" West, 53.60 feet;
8. South 50°38'23" East, 6.56 feet;
9. South 39°21'37" West, 23.33 feet;
10. North 50°38'23" West, 6.56 feet;
11. South 39°21'37" West, 53.60 feet; and
12. North 50°38'23" West, 90.54 feet to the TRUE POINT OF BEGINNING.

CONTAINING IN AREA 12,125 square feet.

BEING PART OF Tax Parcel 4397-11-55-9734.

BEING A PART OF THE SAME PREMISES which Wyomissing Professional Center, Inc. granted and conveyed to Wyomissing Professional Center I, by deed dated November 6, 1992 and recorded in Record Book Volume 2359, page 1550, Berks County records.

EXHIBIT C

A bound copy of the AIA Construction Agreement between Integrated Construction Service, LLC and Wyomissing Professional Center 1 for the site work has been provided to Buyer.

Document C132™ - 2009

Standard Form of Agreement Between Owner and Construction Manager as Adviser

AGREEMENT made as of the 24th day of September in the year 2014
(In words, indicate day, month and year.)

BETWEEN the Owner:
(Name, legal status, address and other information)

GLP Capital, L.P.
825 Berkshire Boulevard
Suite 400
Wyomissing, PA 19610

and the Construction Manager:
(Name, legal status, address and other information)

CB Consulting Group, LLC
308 Sunshine Road
Reading, PA 19601

for the following Project:
(Name, location and detailed description)

WPC Project: 845
845 Berkshire Boulevard
Wyomissing, PA 19610

The Architect:
(Name, legal status, address and other information)

Architectural Concepts, PC, Professional Corporation
The Grimmet Mansion
626 West Lincoln Highway
Exton, PA 19341
Telephone Number: 610.518.1596
Fax Number: 610.873.1587

The Owner and Construction Manager agree as follows.

ADDITIONS AND DELETIONS:

The author of this document has added information needed for its completion. The author may also have revised the text of the original AIA standard form. An Additions and Deletions Report that notes added information as well as revisions to the standard form text is available from the author and should be reviewed. A vertical line in the left margin of this document indicates where the author has added necessary information and where the author has added to or deleted from the original AIA text.

This document has important legal consequences. Consultation with an attorney is encouraged with respect to its completion or modification.

This document is intended to be used in conjunction with AIA Documents A232™-2009, Standard Form of Agreement Between Owner and Contractor, Construction Manager as Adviser Edition; A232™-2009,General Conditions of the Contract for Construction, Construction Manager as Adviser Edition; and B132™-2009, Standard Form of Agreement Between Owner and Architect, Construction Manager as Adviser Edition.

AIA Document A232™-2009 is adopted in this document by reference. Do not use with other general conditions unless this document is modified.

TABLE OF ARTICLES

ARTICLE 1 INITIAL INFORMATION

§ **1.1** This Agreement is based on the Initial Information set forth in this Section 1.1.
(Paragraph deleted)
§ **1.1.1** The Project scope includes the core and shell of a new building located at 845 Berkshire Boulevard, Wyomissing, PA 19610. The design is complete and construction has already commenced. The Contractor has been working on the Project under a written agreement (and associated Control Budget) that will be terminated simultaneously with the execution of this Agreement and the Contractor and Owner will be entering into a written agreement covering the Work remaining for the Project whereby the Owner will pay the Contractor on the basis of the cost of the work, plus the Contractor's fee, subject to a guaranteed maximum price. The Owner's budget and scheduled completion date have already been set. The Owner's budget is equal to the guaranteed maximum price specified in the agreement between the Owner and the Contractor, plus the Construction Manager's Fee specified in this Agreement. Likewise, the Owner's schedule is specified in the agreement between the Owner and the Contractor.

The Construction Manager acknowledges that it has reviewed the agreement between the Owner and the Contractor, including the general conditions (A232-2009, as amended) of that agreement, and is familiar with the terms of that agreement, including, but not limited to, the guaranteed maximum price and the required completion date.

§ **1.1.2** The Owner identifies the following representative in accordance with Section 5.4:
(List name, address and other information.)

Peter M. Carlino
825 Berkshire Boulevard
Suite 400
Wyomissing, PA 19610

§ **1.1.3** The Construction Manager identifies the following representative in accordance with Section 2.4:

(List name, address and other information.)

David Binder
875 Berkshire Boulevard
Suite 102
Wyomissing, PA 19610

§ **1.1.4** The Construction Manager's staffing plan as required under Section 3.3.2 shall include:
(List any specific requirements and personnel to be included in the staffing plan, if known.)

(Paragraphs deleted) David Binder - Construction Manager's on-site representative.

(Paragraphs deleted)
§ **1.2** The Owner and Construction Manager may rely on the Initial Information. Both parties, however, recognize that such information may materially change and, in that event, the Owner and the Construction Manager shall appropriately adjust the schedules, the Construction Manager's services and the Construction Manager's compensation.

§ **1.2** Any reference in this Agreement similar to "A232" or "General Conditions" refers to the modified version of AIA Document A232-2009, General Conditions of the Contract for Construction, Construction Manager as Advisor Edition, which is attached to the agreement between the Owner and the Contractor as Exhibit I.

ARTICLE 2 CONSTRUCTION MANAGER'S RESPONSIBILITIES
§ **2.1** The Construction Manager shall provide the services as set forth in this Agreement.

§ **2.2** The Construction Manager shall perform its services consistent with the skill and care ordinarily provided by construction managers practicing in the same or similar locality under the same or similar circumstances. The Construction Manager shall perform its services as expeditiously as is consistent with such skill and care and the orderly progress of the Project.

§ **2.3** The Construction Manager shall provide its services in conjunction with the services of the Architect. The Construction Manager shall not be responsible for actions taken by the Architect.

§ **2.4** The Construction Manager shall identify a representative authorized to act on behalf of the Construction Manager with respect to the Project.

§ **2.5** Except with the Owner's knowledge and consent, the Construction Manager shall not engage in any activity, or accept any employment, interest or contribution that would reasonably appear to compromise the Construction Manager's judgment with respect to this Project.

§ **2.6** Upon request from the Owner, the Construction Manager shall provide evidence of adequate liability and Worker's Compensation insurance coverage.

(Paragraphs deleted)
ARTICLE 3 SCOPE OF CONSTRUCTION MANAGER'S BASIC SERVICES
§ 3.1 Definition
The Construction Manager's Basic Services consist of those described in Sections 3.2 and 3.3 and include usual and customary construction coordination and scheduling, constructability review, cost estimating, and allocation of construction activities among Contractors.

§ 3.2 Preconstruction Phase

INTENTIONALLY OMITTED.

(Paragraphs deleted)
§ 3.3 Construction Phase Administration of the Construction Contract
§ 3.3.1 The Construction Manager's responsibility to provide Construction Phase Services commences with the award of the initial Contract for Construction and terminates on the date the Architect issues the final Certificate for Payment.

§ **3.3.2** The Construction Manager shall provide on-site administration of the Contracts for Construction in cooperation with the Architect as set forth below and in AIA Document A232™-2009, General Conditions of the Contract for Construction, Construction Manager as Adviser Edition.

§ **3.3.3** The Construction Manager shall provide administrative, management and related services to coordinate scheduled activities and responsibilities of the Contractors with each other and with those of the Construction Manager, the Owner and the Architect. The Construction Manager shall coordinate the activities of the Contractors in accordance with the latest approved Project schedule and the Contract Documents.

§ **3.3.4** Utilizing the construction schedules provided by the Contractors, the Construction Manager shall prepare and update the Project schedule, incorporating the activities of the Owner, Architect, and Contractors on the Project, including activity sequences and durations, allocation of labor and materials, processing of Shop Drawings, Product Data and Samples, and delivery and procurement of products, including those that must be ordered well in advance of construction. The Project schedule shall include the Owner's occupancy requirements showing portions of the Project having occupancy priority. The Construction Manager shall update and reissue the Project schedule as required to show current conditions. If an update indicates that the previously approved Project schedule may not be met, the Construction Manager shall recommend corrective action, if any, to the Owner and Architect.

§ **3.3.5** The Construction Manager shall schedule and conduct meetings to discuss such matters as procedures, progress, coordination, and scheduling of the Work. The Construction Manager shall prepare and promptly distribute minutes to the Owner, Architect and Contractors.

§ **3.3.6** Utilizing information from the Contractors, the Construction Manager shall schedule and coordinate the sequence of construction and assignment of space in areas where the Contractors are performing Work, in accordance with the Contract Documents and the latest approved Project schedule.

§ **3.3.7** The Construction Manager shall use its best efforts to obtain satisfactory performance from each of the Contractors. The Construction Manager shall recommend courses of action to the Owner when requirements of a Contract are not being fulfilled.

§ **3.3.8** The Construction Manager shall monitor and evaluate actual costs for activities in progress and estimates for uncompleted tasks and advise the Owner and Architect as to variances between actual and budgeted or estimated costs. If the Contractor is required to submit a Control Estimate, the Construction Manager shall meet with the Owner and Contractor to review the Control Estimate. The Construction Manager shall promptly notify the Contractor if there are any inconsistencies or inaccuracies in the information presented. The Construction Manager shall also report the Contractor's cost control information to the Owner.

§ **3.3.9** The Construction Manager shall develop cash flow reports and forecasts for the Project.

(Paragraph deleted)
§ **3.3.10.1** The Construction Manager shall develop and implement procedures for the review and processing of Applications for Payment by Contractors for progress and final payments.

§ **3.3.10.2** Not more frequently than monthly, the Construction Manager shall review and certify the amounts due the respective Contractors as follows:

.1 Where there is only one Contractor responsible for performing the Work, the Construction Manager shall, within seven days after the Construction Manager receives the Contractor's Application for Payment, review the Application, certify the amount the Construction Manager determines is due the Contractor, and forward the Contractor's Application and Certificate for Payment to the Architect.

§ 3.3.10.3 The Construction Manager's certification for payment shall constitute a representation to the Owner, based on the Construction Manager's evaluations of the Work and on the data comprising the Contractors' Applications for Payment, that, to the best of the Construction Manager's knowledge, information and belief, the Work has progressed to the point indicated and the quality of the Work is in accordance with the Contract Documents. The foregoing representations are subject to an evaluation of the Work for conformance with the Contract Documents upon Substantial Completion, to results of subsequent tests and inspections, to correction of minor deviations from the Contract Documents prior to completion and to specific qualifications expressed by the Construction Manager. The issuance of a Certificate for Payment shall further constitute a recommendation to the Architect and Owner that the Contractor be paid the amount certified.

§ 3.3.10.4 The certification of an Application for Payment or a Project Application for Payment by the Construction Manager shall not be a representation that the Construction Manager has (1) made exhaustive or continuous on-site inspections to check the quality or quantity of the Work; (2) reviewed construction means, methods, techniques, sequences for the Contractor's own Work, or procedures; (3) reviewed copies of requisitions received from Subcontractors and material suppliers and other data requested by the Owner to substantiate the Contractor's right to payment; or (4) ascertained how or for what purpose the Contractor has used money previously paid on account of the Contract Sum.

§ 3.3.11 The Construction Manager shall review the safety programs developed by each of the Contractors solely and exclusively for purposes of coordinating the safety programs with those of the other Contractors and for making recommendations to the Owner for any safety programs not included in the Work of the Contractors. The Construction Manager's responsibilities for coordination of safety programs shall not extend to direct control over or charge of the acts or omissions of the Contractor, Contractors, Subcontractors, agents or employees of the Contractors or Contractors or Subcontractors, or any other persons performing portions of the Work and not directly employed by the Construction Manager.

§ 3.3.12 The Construction Manager shall determine in general that the Work of each Contractor is being performed in accordance with the requirements of the Contract Documents and notify the Owner, Contractor and Architect of defects and deficiencies in the Work. The Construction Manager shall have the authority to reject Work that does not conform to the Contract Documents and shall notify the Architect about the rejection. The failure of the Construction Manager to reject Work shall not constitute the acceptance of the Work. The Construction Manager shall record any rejection of Work in its daily log and include information regarding the rejected Work in its progress reports to the Architect and Owner pursuant to Section 3.3.17.1. Upon written authorization from the Owner, the Construction Manager may require and make arrangements for additional inspection or testing of the Work in accordance with the provisions of the Contract Documents, whether or not such Work is fabricated, installed or completed, and the Construction Manager shall give timely notice to the Architect of when and where the tests and inspections are to be made so that the Architect may be present for such procedures.

(Paragraphs deleted)
§ 3.3.13 The Construction Manager shall advise and consult with the Owner and Architect during the performance of its Construction Phase Services. The Construction Manager shall have authority to act on behalf of the Owner only to the extent provided in this Agreement. The Construction Manager shall not have control over, charge of, or responsibility for the construction means, methods, techniques, sequences or procedures, or for safety precautions and programs in connection with the Work of each of the Contractors, since these are solely the Contractor's rights and responsibilities under the Contract Documents. The Construction Manager shall not be responsible for a Contractor's failure to perform the Work in accordance with the requirements of the Contract Documents. The Construction Manager shall be responsible for the Construction Manager's negligent acts or omissions, but shall not have control over or charge of, and shall not be responsible for, acts or omissions of the Contractor or Contractors, Subcontractors, or their agents or employees, or any other persons or entities performing portions of the Work.

§ 3.3.14 The Construction Manager shall transmit to the Architect requests for interpretations and requests for information of the meaning and intent of the Drawings and Specifications with its written recommendation, and assist in the resolution of questions that may arise.

§ 3.3.15 The Construction Manager shall review requests for changes, assist *in* negotiating Contractors' proposals, submit recommendations to the Architect and Owner, and, if they are accepted, prepare Change Orders and Construction Change Directives that incorporate the Architect's modifications to the Contract Documents.

§ 3.3.16 The Construction Manager shall assist in the review, evaluation and documentation of Claims.

§ **3.3.17** The Construction Manager, if requested by Owner, shall keep a daily log containing a record of weather, each Contractor's Work on the site, time work started, time work stopped, number of workers, identification of equipment, Work accomplished, problems encountered, and other similar relevant data as the Owner may require.

§ **3.3.17.1** The Construction Manager shall record the progress of the Project. On a monthly basis, or otherwise as agreed to by the Owner, the Construction Manager shall submit written progress reports to the Owner and Architect, showing percentages of completion and other information identified below:

.1 Work completed for the period;
.2 Project schedule status;
.3 Submittal schedule and status report, including a summary of remaining and outstanding submittals;
.4 Request for information, Change Order, and Construction Change Directive status reports;
.5 Tests and inspection reports;
.6 Status report of nonconforming and rejected Work;
.7 Daily logs;
.8 Summary of all Contractors' Applications for Payment;
.9 Cumulative total of the Cost of the Work to date including the Construction Manager's compensation and reimbursable expenses at the job site, if any;
.10 Cash-flow and forecast reports; and
.11 Any other items the Owner may reasonably require.

§ **3.3.17.2** In addition, for Projects constructed on the basis of the Cost of the Work, the Construction Manager shall include the following additional information in its progress reports:

.1 Contractor's work force report;
.2 Equipment utilization report;
.3 Cost summary, comparing actual costs to updated cost estimates; and
.4 Any other items as the Owner may reasonably require.

§ **3.3.18** Utilizing the documents provided by the Contractor, the Construction Manager shall maintain at the site one copy of all Contracts, Drawings, Specifications, addenda, Change Orders and other Modifications, in good order and marked currently to record all changes and selections made during construction, and in addition, approved Shop Drawings, Product Data, Samples and similar required submittals.

§ **3.3.19** The Construction Manager shall arrange for the delivery, storage, protection and security of Owner-purchased materials, systems and equipment that are a part of the Project until such items are incorporated into the Work.

§ **3.3.20** With the Architect and the Owner's maintenance personnel, the Construction Manager shall observe the Contractor's or Contractors' final testing and start-up of utilities, operational systems and equipment and observe any commissioning as the Contract Documents may require.

(Paragraphs deleted)
§ **3.3.21** When the Construction Manager considers each Contractor's Work or a designated portion thereof is substantially complete, the Construction Manager shall, jointly with the Contractor, prepare for the Architect a list of incomplete or unsatisfactory items and a schedule for their completion. The Construction Manager shall assist the Architect in conducting inspections to determine whether the Work or designated portion thereof is substantially complete.

§ **3.3.22** When the Work or designated portion thereof is substantially complete, the Construction Manager shall prepare, and the Construction Manager and Architect shall execute, a Certificate of Substantial Completion. The Construction Manager shall submit the executed Certificate to the Owner and Contractor. The Construction Manager shall coordinate the correction and completion of the Work. Following issuance of a Certificate of Substantial Completion of the Work or a designated portion thereof, the Construction Manager shall evaluate the completion of the Work of the Contractor or Contractors and make recommendations to the Architect when Work is ready for final inspection. The Construction Manager shall assist the Architect in conducting final inspections.

§ **3.3.23** If requested by the Owner, the Construction Manager shall forward to the Owner, with a copy to the Architect, the following information received from the Contractor or Contractors: (1) certificates of insurance received from the Contractor or Contractors; (2) consent of surety or sureties, if any, to reduction in or partial release of retainage or the making of final payment; (3) affidavits, receipts, releases and waivers of liens or bonds indemnifying the Owner against liens; and (4) any other documentation required of the Contractor under the Contract Documents, including warranties and similar submittals.

§ 3.3.24 The Construction Manager shall deliver all keys, manuals, record drawings and maintenance stocks to the Owner. The Construction Manager shall forward to the Architect a final Project Application for Payment and Project Certificate for Payment or final Application for Payment and final Certificate for Payment upon the Contractor's compliance with the requirements of the Contract Documents.

§ 3.3.25 Duties, responsibilities and limitations of authority of the Construction Manager as set forth in the Contract Documents shall not be restricted, modified or extended without written consent of the Owner and Construction Manager. Consent shall not be unreasonably withheld.

§ 3.3.26 Upon request of the Owner, and prior to the expiration of one year from the date of Substantial Completion, the Construction Manager shall, without additional compensation, conduct a meeting with the Owner to review the facility operations and performance.

ARTICLE 4 ADDITIONAL SERVICES
INTENTIONALLY OMITTED

Services	**Responsibility** *(Construction Manager, Owner or Not Provided)*	**Location of Service Description** *(Section 4.2 below or in an exhibit attached to this document and identified below)*
Intentionally omitted		

(Paragraphs deleted) (Table deleted) (Paragraphs deleted)

ARTICLE 5 OWNER'S RESPONSIBILITIES

§ 5.1 Unless otherwise provided for under this Agreement, the Owner shall provide information in a timely manner regarding requirements for and limitations on the Project, including the Owner's program, other objectives, schedule,constraints and criteria, special equipment, systems, and site requirements. Within 15 days after receipt of a written request from the Construction Manager, the Owner shall furnish the requested information as necessary and relevant for the Construction Manager to evaluate, give notice of, or enforce any lien rights, if any.

§ 5.2 The Owner has established the Owner's budget for the Project, which is the Guaranteed Maximum Price established in the agreement between the Owner and the Contractor, plus the Construction Manager's fee.

§ 5.3 The Owner has retained an Architect to provide services, duties and responsibilities for the Project. If requested in writing by the Construction Manager, the Owner shall provide the Construction Manager a copy of the executed agreement between the Owner and Architect, and any further modifications to the agreement.

§ 5.4 The Owner shall identify a representative authorized to act on the Owner's behalf with respect to the Project. The Owner shall render decisions pertaining to documents the Construction Manager submits in a timely manner in order to avoid unreasonable delay in the orderly and sequential progress of the Construction Manager's services.

§ 5.5 Unless provided by the Construction Manager, and to the extent in the possession of the Owner, the Owner shall furnish surveys to describe physical characteristics, legal limitations and utility locations for the site of the Project, and a written legal description of the site. The surveys and legal information may include, as applicable, grades and lines of streets, alleys, pavements and adjoining property and structures; designated wetlands; adjacent drainage; rights-of-way, restrictions, easements, encroachments, zoning, deed restrictions, boundaries and contours of the site; locations, dimensions and necessary data with respect to existing buildings, other improvements and trees; and information concerning available utility services and lines, both public and private, above and below grade, including inverts and depths. All the information on the survey shall be referenced to a Project benchmark.

§ 5.6 Unless provided by the Construction Manager, and to the extent required for the Work, the Owner shall furnish services of geotechnical engineers, which may include but are not limited to test borings, test pits, determinations of soil bearing values, percolation tests, evaluations of hazardous materials, seismic evaluation, ground corrosion tests and resistivity tests, including necessary operations for anticipating subsoil conditions, with written reports and appropriate recommendations.

§ 5.7 The Owner shall coordinate the services of its own consultants with those services provided by the Construction Manager. Upon the Construction Manager's request, the Owner shall furnish copies of the scope of services in the contracts between the Owner and the Owner's consultants. The Owner shall furnish the services of consultants other than those designated in this Agreement, or authorize the Construction Manager to furnish them as an Additional Service, when the Construction Manager requests such services in writing and demonstrates that they are required by the scope of the Project. The Owner shall require that its consultants maintain professional liability insurance and other liability insurance as appropriate to the services provided.

§ 5.8 The Owner shall furnish tests, inspections and reports required by law or the Contract Documents, such as structural, mechanical, and chemical tests, tests for air and water pollution, and tests for hazardous materials.

§ 5.9 The Owner shall furnish all legal, insurance and accounting services, including auditing services, that may be reasonably necessary at any time for the Project to meet the Owner's needs and interests.

§ 5.10 The Owner shall provide prompt written notice to the Construction Manager and Architect if the Owner becomes aware of any fault or defect in Project, including errors, omissions or inconsistencies in the Architect's Instruments of Service or any fault or defect in the Construction Manager's services.

§ 5.11 The Owner reserves the right to perform construction and operations related to the Project with the Owner's own forces, and to award contracts in connection with the Project which are not part of the Construction Manager's responsibilities under this Agreement. The Construction Manager shall notify the Owner if any such independent action will interfere with the Construction Manager's ability to perform the Construction Manager's responsibilities under this Agreement. When performing construction or operations related to the Project, the Owner agrees to be subject to the same obligations and to have the same rights as the Contractors.

§ 5.12 Except as otherwise provided in this Agreement, or when direct communications have been specially authorized, the Owner shall endeavor to communicate with the Contractor and the Construction Manager's consultants through the Construction Manager about matters arising out of or relating to the Contract Documents. The Owner shall promptly notify the Construction Manager of any direct communications that may affect the Construction Manager's services.

§ 5.13 Before executing the Contract for Construction, the Owner shall coordinate the Construction Manager's duties and responsibilities set forth in the Contract for Construction with the Construction Manager's services set forth in this Agreement. The Owner shall provide the Construction Manager a copy of the executed agreements between the Owner and Contractors, including the General Conditions of the Contracts for Construction.

§ 5.14 The Owner shall provide the Construction Manager access to the Project site and shall obligate the Contractor to provide the Construction Manager access to the Work wherever it is in preparation or progress.

(Paragraph deleted)

Init.

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ARTICLE 6 COST OF THE WORK

§ 6.1 For purposes of this Agreement, the Cost of the Work shall be the total cost to the Owner to construct all elements of the Project designed or specified by the Architect and shall include the contractors' costs, fee, general conditions costs, overhead and profit. The Cost of the Work is subject to the Guaranteed Maximum Price specified in the agreement between the Owner and Contractor, which is identified in Article 1 of this Agreement. The Cost of the Work does not include the compensation of the Construction Manager and Construction Manager's Consultants. The Cost of the Work does not include the compensation of the Architect, the costs of the land, rights-of-way, financing, contingencies for changes in the Work or other costs that are the responsibility of the Owner.

§ 6.2 The Owner's budget for the Cost of the Work is provided in Initial Information, and may be adjusted throughout the Project as required. Evaluations of the Owner's budget, preliminary estimates for the Cost of the Work and detailed estimates of the Cost of the Work prepared by the Construction Manager represent the Construction Manager's judgment as a person or entity familiar with the construction industry. It is recognized, however, that neither the Construction Manager nor the Owner has control over the cost of labor, materials or equipment, over Contractors' methods of determining bid prices, or over competitive bidding, market or negotiating conditions. Accordingly, the Construction Manager cannot and does not warrant or represent that bids or negotiated prices will not vary from the budget proposed, established or approved by the Owner, or from any cost estimate or evaluation prepared by the Construction Manager.

(Paragraphs deleted)

ARTICLE 7 COPYRIGHTS AND LICENSES

The Construction Manager and the Construction Manager's consultants, if any, shall not own or claim a copyright in the Instruments of Service. The Construction Manager, the Construction Manager's consultants, if any, and the Owner warrant that in transmitting Instruments of Service, or any other information, the transmitting party is the copyright owner of such information or has permission from the copyright owner to transmit such information for its use on the Project. If the Owner and Construction Manager intend to transmit Instruments of Service or any other information or documentation in digital form, they shall endeavor to establish necessary protocols governing such transmissions.

ARTICLE 8 CLAIMS AND DISPUTES

§ 8.1 General

§ 8.1.1 The Owner and Construction Manager shall commence all claims and causes of action, whether in contract, tort, or otherwise, against the other arising out of or related to this Agreement in accordance with the requirements of the method of binding dispute resolution selected in this Agreement within the period specified by applicable law, but in any case not more than 10 years after the date of Substantial Completion of the Work. The Owner and Construction Manager waive all claims and causes of action not commenced in accordance with this Section 8.1.1.

§ 8.1.2 To the extent damages are covered by property insurance, the Owner and Construction Manager waive all rights against each other and against the contractors, consultants, agents and employees of the other for damages, except such rights as they may have to the proceeds of such insurance as set forth in AJA Document A232-2009, General Conditions of the Contract for Construction. The Owner or the Construction Manager, as appropriate, shall require of the contractors, consultants, agents and employees of any of them similar waivers in favor of the other parties enumerated herein.

§ 8.1.3 The Construction Manager shall indemnify and hold the Owner and the Owner's officers and employees harmless from and against damages, losses and judgments arising from claims by third parties, including reasonable attorneys' fees and expenses recoverable under applicable law, but only to the extent they are caused by the negligent acts or omissions of the Construction Manager, its employees and its consultants in the performance of professional services under this Agreement. The Construction Manager's duty to indemnify the Owner under this provision shall be limited to the available proceeds of insurance coverage.

§ 8.1.4 The Construction Manager and Owner waive consequential damages for claims, disputes or other matters in question arising out of or relating to this Agreement. This mutual waiver is applicable, without limitation, to all consequential damages due to either party's termination of this Agreement, except as specifically provided in Section 9.7.

§ 8.2 Mediation

§ 8.2.1 Any claim, dispute or other matter in question arising out of or related to this Agreement shall be subject to mediation as a condition precedent to binding dispute resolution. If such matter relates to or is the subject of a lien arising out of the Construction Manager's services, the Construction Manager may proceed in accordance with applicable law to comply with the lien notice or filing deadlines prior to resolution of the matter by mediation or by binding dispute resolution.

§ 8.2.2 The Owner and Construction Manager shall endeavor to resolve claims, disputes and other matters in question between them by mediation which, unless the parties mutually agree otherwise, shall be administered by the American Arbitration Association in accordance with its Construction Industry Mediation Procedures in effect on the date of the Agreement. A request for mediation shall be made in writing, delivered to the other party to the Agreement, and filed with the person or entity administering the mediation. The request may be made concurrently with the filing of a complaint or other appropriate demand for binding dispute resolution but, in such event, mediation shall proceed in advance of binding dispute resolution proceedings, which shall be stayed pending mediation for a period of 60 days from the date of filing, unless stayed for a longer period by agreement of the parties or court order. If an arbitration proceeding is stayed pursuant to this section, the parties may nonetheless proceed to the selection of the arbitrator(s) and agree upon a schedule for later proceedings.

§ 8.2.3 The parties shall share the mediator's fee and any filing fees equally. The mediation shall be held in the place where the Project is located, unless another location is mutually agreed upon. Agreements reached in mediation shall be enforceable as settlement agreements in any court having jurisdiction thereof.

§ 8.2.4 If the parties do not resolve a dispute through mediation pursuant to this Section 8.2, the method of binding dispute resolution shall be the following:
(Check the appropriate box. If the Owner and Construction Manager do not select a method of binding dispute resolution below, or do not subsequently agree in writing to a binding dispute resolution method other than litigation, the dispute will be resolved in a court of competent jurisdiction.)

[X] Arbitration pursuant to Section 8.3 of this Agreement

[ ] Litigation in a court of competent jurisdiction

[ ] Other: (Specify)

§ 8.3 Arbitration
§ 8.3.1 If the parties have selected arbitration as the method for binding dispute resolution in this Agreement any claim, dispute or other matter in question arising out of or related to this Agreement subject to, but not resolved by, mediation shall be subject to arbitration which, unless the parties mutually agree otherwise, shall be administered by the American Arbitration Association in accordance with its Construction Industry Arbitration Rules in effect on the date of the Agreement. A demand for arbitration shall be made in writing, delivered to the other party to this Agreement, and filed with the person or entity administering the arbitration.

§ 8.3.1.1 A demand for arbitration shall be made no earlier than concurrently with the filing of a request for mediation, but in no event shall it be made after the date when the institution of legal or equitable proceedings based on the claim, dispute or other matter in question would be barred by the applicable statute of limitations. For statute of limitations purposes, receipt of a written demand for arbitration by the person or entity administering the arbitration shall constitute the institution of legal or equitable proceedings based on the claim, dispute or other matter in question.

§ 8.3.2 The foregoing agreement to arbitrate and other agreements to arbitrate with an additional person or entity duly consented to by parties to this Agreement shall be specifically enforceable in accordance with applicable law in any court having jurisdiction thereof.

§ 8.3.3 The award rendered by the arbitrator(s) shall be final, and judgment may be entered upon it in accordance with applicable law in any court having jurisdiction thereof.

§ 8.3.4 Consolidation or Joinder
§ 8.3.4.1 Any arbitration arising out of or relating to the Agreement between the Construction Manager and the Owner or the Construction Manager's performance of its duties may include, by consolidation, joinder, or any other manner, any person or entity not a party to the Agreement under which such arbitration arises, provided that the consolidation or joinder involves issues or disputes related to the Project. The Owner and Construction Manager hereby consent to such joinder.

(Paragraphs deleted)

ARTICLE 9 TERMINATION OR SUSPENSION

§ 9.1 If the Owner fails to make payments to the Construction Manager in accordance with this Agreement, such failure shall be considered substantial nonperformance and cause for termination or, at the Construction Manager's option, cause for suspension of performance of services under this Agreement. If the Construction Manager elects to suspend services, the Construction Manager shall give fifteen days' written notice to the Owner before suspending services. In the event of a suspension of services, the Construction Manager shall have no liability to the Owner for delay or damage caused the Owner because of such suspension of services. Before resuming services, the Construction Manager shall be paid all sums due prior to suspension and any expenses incurred in the interruption and resumption of the Construction Manager's services. The Construction Manager's fees for the remaining services and the time schedules shall be equitably adjusted.

§ 9.2 If the Owner suspends the Project, the Construction Manager shall be compensated for services performed prior to notice of such suspension. When the Project is resumed, the Construction Manager shall be compensated for expenses incurred in the interruption and resumption of the Construction Manager's services. The Construction Manager's fees for the remaining services and the time schedules shall be equitably adjusted.

§ 9.3 If the Owner suspends the Project for more than 120 consecutive days for reasons other than the fault of the Construction Manager, the Construction Manager may terminate this Agreement by giving not less than seven days' written notice.

§ 9.4 Either party may terminate this Agreement upon not less than seven days' written notice should the other party fail substantially to perform in accordance with the terms of this Agreement through no fault of the party initiating the termination.

§ 9.5 The Owner may terminate this Agreement upon not less than seven days' written notice to the Construction Manager for the Owner's convenience and without cause.

§ 9.6 In the event of termination not the fault of the Construction Manager, the Construction Manager shall be compensated for services performed prior to termination, together with Reimbursable Expenses then due and all Termination Expenses as defined in Section 9.7.

§ 9.7 Termination Expenses are in addition to compensation for the Construction Manager's services and include expenses directly attributable to termination for which the Construction Manager is not otherwise compensated. Termination Expenses shall not include the Construction Manager's anticipated profit on the value of the services not performed by the Construction Manager, as set forth below.

§ 9.7.1 In the event of termination for the Owner's convenience after commencement of construction, the Construction Manager shall be entitled to receive payment for services performed and costs incurred by reason of such termination. The Construction Manager shall not be entitled to overhead and profit on services not completed during the Construction Phase.

(Paragraph deleted)

ARTICLE 10 MISCELLANEOUS PROVISIONS

§ 10.1 This Agreement shall be governed by the law of the place where the Project is located, except that if the parties have selected arbitration as the method of binding dispute resolution, the Federal Arbitration Act shall govern
Section 8.3.

§ 10.2 Terms in this Agreement shall have the same meaning as those in AIA Document A232-2009, General Conditions of the Contract for Construction, except for purposes of this Agreement, the term "Work" shall include the work of all Contractors under the administration of the Construction Manager.

§ 10.3 The Owner and Construction Manager, respectively, bind themselves, their agents, successors, assigns and legal representatives to this Agreement. Neither the Owner nor the Construction Manager shall assign this Agreement without the written consent of the other, except that the Owner may assign this Agreement to a lender providing financing for the Project if the lender agrees to assume the Owner's rights and obligations under this Agreement.

§ 10.4 If the Owner requests the Construction Manager to execute certificates, the proposed language of such certificates shall be submitted to the Construction Manager for review at least 14 days prior to the requested dates of execution. If the Owner requests the Construction Manager to execute consents reasonably required to facilitate assignment to a lender, the Construction Manager shall execute all such consents that are consistent with this Agreement, provided the proposed consent is submitted to the Construction Manager for review at least 14 days prior to execution. The Construction Manager shall not be required to execute certificates or consents that would require knowledge, services or responsibilities beyond the scope of this Agreement.

§ 10.5 Nothing contained in this Agreement shall create a contractual relationship with or a cause of action in favor of a third party against either the Owner or Construction Manager.

§ 10.6 Unless otherwise required in this Agreement, the Construction Manager shall have no responsibility for the discovery, presence, handling, removal or disposal of, or exposure of persons to, hazardous materials or toxic substances in any form at the Project site.

§ 10.7 The Construction Manager shall have the right to include photographic or artistic representations of the design of the Project among the Construction Manager's promotional and professional materials. The Construction Manager shall be given reasonable access to the completed Project to make such representations. However, the Construction Manager's materials shall not include the Owner's confidential or proprietary. The Owner may provide professional credit for the Construction Manager in the Owner's promotional materials for the Project.

§ 10.8 If the Construction Manager or Owner receives information specifically designated by the other party as "confidential" or "business proprietary," the receiving party shall keep such information strictly confidential and shall not disclose it to any other person except to (1) its employees, (2) those who need to know the content of such information in order to perform services or construction solely and exclusively for the Project, or (3) its consultants and contractors whose contracts include similar restrictions on the use of confidential information.

ARTICLE 11 COMPENSATION

§ 11.1 For the Construction Manager's Basic Services described under Article 3, the Owner shall compensate the Construction Manager as follows:

§ 11.1.1 For Construction Phase Services in Section 3.3:
(Insert amount of, or basis for, compensation, including stipulated sums, multiples or percentages.)

Three percent (3%) of the Cost of the Work, as defined in Article 6 of this Agreement.

(Paragraphs deleted)
§ 11.2
(Paragraphs deleted)
Payments to the Construction Manager

(Paragraphs deleted)

§ 11.2.1 Unless otherwise agreed, payments for services shall be made monthly in proportion to services performed and shall be calculated by multiplying the Construction Manager's Fee by the Cost of the Work incurred during the month for which payment is sought. Payments are due and payable within 30 days of the Owner receiving the Construction Manager's invoice. Amounts unpaid sixty (60) days after the invoice date shall bear interest at the rate entered below.

Prime Rate as published by the Wall Street Journal (U.S. Edition) on the date the payment was due.

§ 11.2.2 The Owner shall not withhold amounts from the Construction Manager's compensation to impose a penalty or liquidated damages on the Construction Manager, or to offset sums requested by or paid to Contractors for the cost of changes in the Work unless the Construction Manager agrees or has been found liable for the amounts in a binding dispute resolution proceeding.

(Paragraphs deleted)
(Table deleted)

ARTICLE 12 SPECIAL TERMS AND CONDITIONS

Special terms and conditions that modify this Agreement are as follows:

ARTICLE 13 SCOPE OF THE AGREEMENT

§ 13.1 This Agreement represents the entire and integrated agreement between the Owner and the Construction Manager and supersedes all prior negotiations, representations or agreements, either written or oral. This Agreement may be amended only by written instrument signed by both Owner and Construction Manager.

§ 13.2 This Agreement is comprised of the following documents listed below:

.1 AIA Document Cl32™-2009, Standard Form Agreement Between Owner and Construction Manager as Adviser

(Paragraphs deleted)
(Table deleted)

This Agreement is entered into as of the day and year first written above.

/s/ Steven T. Snyder	/s/ David A. Binder
OWNER *(Signature)*	**CONSTRUCTION MANAGER** *(Signature)*
Steven T. Snyder, SVP Development	David A. Binder, Member
(Printed name and title)	*(Printed name and title)*

Exhibit 31.1

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

I, Peter M. Carlino, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Gaming and Leisure Properties, Inc.;

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

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

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

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

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

(c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

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

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

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

November 7, 2014

/s/ Peter M. Carlino
Name: Peter M. Carlino
Chief Executive Officer

Exhibit 31.2

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

I, William J. Clifford, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Gaming and Leisure Properties, Inc.;

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

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

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

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

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

(c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

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

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

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

November 7, 2014

/s/ William J. Clifford
Name: William J. Clifford
Chief Financial Officer

Exhibit 32.1

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

In connection with the Quarterly Report of Gaming and Leisure Properties, Inc. (the "Company") on Form 10-Q for the quarter ended September 30, 2014, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Peter M. Carlino, Chief Executive Officer of the Company, certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that, to my knowledge:

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

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

/s/ Peter M. Carlino
Peter M. Carlino
Chief Executive Officer
November 7, 2014

Exhibit 32.2

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

In connection with the Quarterly Report of Gaming and Leisure Properties, Inc. (the "Company") on Form 10-Q for the quarter ended September 30, 2014, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, William J. Clifford, Chief Financial Officer of the Company, certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that, to my knowledge:

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

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

/s/ William J. Clifford
William J. Clifford
Chief Financial Officer
November 7, 2014