

Gaming & Leisure Properties, Inc.

Form S-4/A

December 23, 2015

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As filed with the Securities and Exchange Commission on December 23, 2015

Registration No. 333-206649

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

**Amendment No. 1**  
**to**  
**FORM S-4**  
**REGISTRATION STATEMENT**  
***UNDER***  
***THE SECURITIES ACT OF 1933***

**GAMING AND LEISURE PROPERTIES, INC.**  
**(Exact Name of Registrant as Specified in Its Charter)**

**Pennsylvania**  
**(State or other jurisdiction of**  
**incorporation or organization)**

**6798**  
**(Primary Standard Industrial**  
**Classification Code Number)**

**46-2116489**  
**(IRS Employer**  
**Identification No.)**

**845 Berkshire Blvd., Suite 200**  
**Wyomissing, Pennsylvania 19610**

**(610) 401-2900**

**(Address, including Zip Code, and Telephone Number, Including Area Code, of Registrant's Principal Executive Offices)**

**Brandon J. Moore**

**Senior Vice President, General Counsel & Secretary**

**845 Berkshire Blvd., Suite 200**

**Wyomissing, Pennsylvania 19610**

**(610) 401-2900**

**(Name, Address, including Zip Code, and Telephone Number, including Area Code, of Agent for Service)**

*With a copy to:*

**Daniel A. Neff**

**John. A Godfrey**

**Stephen F. Arcano**

**Gregory E. Ostling** **Executive Vice President, General Counsel & Secretary**

**Neil P. Stronski**

**Wachtell, Lipton,  
Rosen & Katz**

**Pinnacle Entertainment, Inc.**

**Skadden, Arps, Slate, Meagher & Flom LLP**

**51 West 52nd  
Street**

**3980 Howard Hughes Parkway**

**4 Times Square**

**New York, New York 10036**

**New York, New  
York 10019**

**Las Vegas, Nevada 89169**

**(212) 735-3000**

**(702) 541-7777**

**(212) 403-1000**

**Approximate date of commencement of proposed sale of the securities to the public:** As soon as practicable after this registration statement is declared effective and upon completion of the merger described in the joint proxy statement/prospectus contained herein.

If the securities being registered on this form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, please check the following box. "

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act of 1933, as amended (the Securities Act ), check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

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

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. (Check one):

Large accelerated filer  Accelerated filer   
Non-accelerated filer  (Do not check if a smaller reporting company) Smaller reporting company   
If applicable, place an X in the box to designate the appropriate rule provision relied upon in conducting this transaction:

Exchange Act Rule 13e-4(i) (Cross-Border Issuer Tender Offer)

Exchange Act Rule 14d-1(d) (Cross-Border Third-Party Tender Offer)

**The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with section 8(a) of the Securities Act of 1933 or until the registration statement shall become effective on such date as the SEC, acting pursuant to said section 8(a), may determine.**

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**Information contained herein is subject to completion or amendment. A registration statement relating to these securities has been filed with the Securities and Exchange Commission. These securities may not be sold nor may offers to buy be accepted prior to the time the registration statement becomes effective. This joint proxy statement/prospectus shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.**

**PRELIMINARY SUBJECT TO COMPLETION DATED DECEMBER 23, 2015**

**MERGER PROPOSED YOUR VOTE IS IMPORTANT**

**Dear Shareholders of Gaming and Leisure Properties, Inc. and Stockholders of Pinnacle Entertainment, Inc.:**

On July 20, 2015, Gaming and Leisure Properties, Inc. ( GLPI ), Gold Merger Sub, LLC, a direct, wholly owned subsidiary of GLPI ( Merger Sub ), and Pinnacle Entertainment, Inc. ( Pinnacle ) entered into an Agreement and Plan of Merger (the merger agreement ), providing for the merger of Pinnacle with and into Merger Sub, with Merger Sub surviving the merger as a wholly owned subsidiary of GLPI (the merger ) following which GLPI will own all of Pinnacle s real property assets, other than Pinnacle s Belterra Park property and excess land at certain locations. To effect this acquisition of Pinnacle s real estate assets and prior to the merger, subject to the terms and conditions of the agreements described in this joint proxy statement/prospectus, Pinnacle has agreed that it will effect a pro rata distribution to Pinnacle s stockholders of common stock representing a 100% interest in a newly formed public company that will own and operate Pinnacle s gaming and other operating assets and other specified assets (the spin-off ).

In connection with the transactions contemplated by the merger agreement, GLPI will issue shares of common stock of GLPI to stockholders of Pinnacle (the share issuance ). Under the rules of the NASDAQ Global Select Market ( NASDAQ ), GLPI is required to obtain shareholder approval of the share issuance. Accordingly, GLPI will hold a special meeting of shareholders to vote on the share issuance (the share issuance proposal ) and a related proposal to adjourn the special meeting, if necessary or appropriate, to solicit additional proxies if there are not sufficient votes to approve the share issuance proposal (the GLPI adjournment proposal ). Approval of the share issuance proposal requires the affirmative vote, in person or by proxy, of a majority of the votes cast on the proposal by the holders of shares of common stock of GLPI entitled to vote at the special meeting. The special meeting of GLPI s shareholders will be held on [ ] at [ ], at [ ] local time. **GLPI s board of directors unanimously recommends that GLPI shareholders vote FOR the GLPI share issuance and FOR the GLPI adjournment proposal.**

In addition, Pinnacle will hold a special meeting of stockholders to vote on a proposal to adopt the merger agreement and approve related matters as described in the attached joint proxy statement/prospectus. Under the laws of the State of Delaware, the approval of Pinnacle s stockholders must be obtained before the merger can be completed. Adoption of the merger agreement requires the affirmative vote of the holders of a majority of the outstanding shares of Pinnacle common stock. The special meeting of Pinnacle s stockholders will be held on [ ] at [ ], at [ ] local time.

**Pinnacle's board of directors unanimously recommends that Pinnacle stockholders vote FOR the adoption of the merger agreement and FOR the other matters to be considered at the Pinnacle special meeting.**

If the merger is completed, each outstanding share of Pinnacle common stock (with certain exceptions described in the accompanying joint proxy statement/prospectus) will convert into the right to receive 0.85 of a share of GLPI common stock. This merger consideration is in addition to the shares of the new operating company that will previously have been received by Pinnacle stockholders in the spin-off. Although the number of shares of GLPI common stock that Pinnacle stockholders will receive is fixed, the market value of the merger consideration will fluctuate with the market price of GLPI common stock and will not be known at the time that Pinnacle stockholders vote to adopt the merger agreement or at the time GLPI shareholders vote to approve the share issuance. Based on the closing price of GLPI's common stock on NASDAQ on July 20, 2015, the last trading day before the public announcement of the merger, the 0.85 exchange ratio represented approximately \$29.56 in value for each share of Pinnacle common stock. Based on GLPI's closing price on [ ], 2016 of \$[ ], the 0.85 exchange ratio represented approximately \$[ ] in value for each share of Pinnacle common stock. Based upon the estimated number of shares of capital stock as well as the outstanding equity of the parties that will be outstanding immediately prior to the consummation of the merger, we estimate that, upon consummation of the transaction, GLPI shareholders will hold approximately [ ]% and Pinnacle stockholders will hold approximately [ ]% of the outstanding common stock of GLPI. **We urge you to obtain current market quotations for GLPI (trading symbol GLPI ) and Pinnacle (trading symbol PNK ).**

**The obligations of GLPI and Pinnacle to complete the merger are subject to the satisfaction or waiver of a number of conditions set forth in the merger agreement, a copy of which is included as part of Annex A. This joint proxy statement/prospectus describes the special meeting of GLPI, the special meeting of Pinnacle, the merger, the documents and agreements related to the merger and other related matters. It also contains or references information about GLPI and Pinnacle and certain related agreements and matters. Please carefully read this entire joint proxy statement/prospectus, including Risk Factors, beginning on page 38, for a discussion of the risks relating to the proposed merger. You also can obtain information about GLPI and Pinnacle from documents that each has filed with the Securities and Exchange Commission.**

Sincerely,

Peter M. Carlino  
Chairman and Chief Executive Officer  
Gaming and Leisure Properties, Inc.

Anthony M. Sanfilippo  
Chief Executive Officer  
Pinnacle Entertainment, Inc.

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the securities to be issued in connection with the merger described in this joint proxy statement/prospectus or determined if this joint proxy statement/prospectus is accurate or complete. Any representation to the contrary is a criminal offense.**

This document is dated [ ], 2016 and is first being mailed to shareholders of record of GLPI and stockholders of record of Pinnacle on or about [ ], 2016.

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**GAMING AND LEISURE PROPERTIES, INC.**

**845 Berkshire Blvd., Suite 200**

**Wyomissing, Pennsylvania 19610**

**NOTICE OF SPECIAL MEETING OF SHAREHOLDERS TO BE HELD ON [ ]**

This is a notice that a special meeting of shareholders of Gaming and Leisure Properties, Inc. ( GLPI ) will be held on [ ] at [ ], at [ ], local time. This special meeting will be held for the following purposes:

1. to approve the issuance of shares of common stock of GLPI, \$0.01 par value per share, to stockholders of Pinnacle Entertainment, Inc. ( Pinnacle ) in connection with the Agreement and Plan of Merger, dated as of July 20, 2015 (as it may be amended from time to time, the merger agreement ), by and among GLPI, Gold Merger Sub, LLC, a wholly owned subsidiary of GLPI, and Pinnacle (the share issuance proposal ); and
2. to approve the adjournment of the special meeting, if necessary or appropriate, to solicit additional proxies if there are not sufficient votes to approve the share issuance proposal (the GLPI adjournment proposal ).

**This joint proxy statement/prospectus describes the proposals listed above in more detail. Please refer to the attached document, including the merger agreement and all other annexes and any documents incorporated by reference, for further information with respect to the business to be transacted at the special meeting. You are encouraged to read the entire document carefully before voting. In particular, see the section titled The Merger beginning on page 60 for a description of the transactions contemplated by the merger agreement, including the share issuance proposal, and the section titled Risk Factors beginning on page 38 for an explanation of the risks associated with the merger and the other transactions contemplated by the merger agreement, including the share issuance proposal.**

**GLPI s board of directors unanimously determined that it is in the best interests of GLPI and its shareholders, and declared it advisable, to enter into the merger agreement, and approved the execution, delivery and performance of the merger agreement and the consummation of the transactions contemplated by the merger agreement, including the share issuance proposal. GLPI s board of directors recommends that GLPI shareholders vote FOR the share issuance proposal and FOR the GLPI adjournment proposal.**

The GLPI board of directors has fixed the close of business on [ ], 2016 as the record date for determination of GLPI shareholders entitled to receive notice of, and to vote at, the GLPI special meeting or any adjournments or postponements thereof. Only holders of record of GLPI common stock at the close of business on the record date are entitled to receive notice of, and to vote at, the GLPI special meeting.

**YOUR VOTE IS VERY IMPORTANT REGARDLESS OF THE NUMBER OF SHARES THAT YOU OWN.** The merger between GLPI and Pinnacle cannot be completed without the approval of the share issuance proposal by the affirmative vote, in person or by proxy, of a majority of the votes cast on the proposal by the holders of shares of record of GLPI common stock entitled to vote at the special meeting.

**Whether or not you expect to attend the GLPI special meeting in person, we urge you to submit a proxy to have your shares voted as promptly as possible by either: (1) logging onto the website shown on your proxy card and following the instructions to vote online; (2) dialing the toll-free number shown on your proxy card and following the instructions to vote by phone; or (3) signing and returning the enclosed proxy card in the postage-paid envelope provided, so that your shares may be represented and voted at the GLPI**

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**special meeting. Even if you plan to attend the special meeting in person, we request that you complete, sign, date and return the enclosed proxy card and thus ensure that your shares of GLPI common stock will be represented at the special meeting if you are unable to attend.**

If your shares are held the name of a broker, bank, trustee or other nominee, please follow the instructions on the voting instruction card furnished by such broker, bank, trustee or other nominee, as appropriate. If you have any questions concerning the share issuance proposal or the other transactions contemplated by the merger agreement or this joint proxy statement/prospectus, would like additional copies or need help voting your shares of GLPI common stock, please contact GLPI's proxy solicitor:

**MacKenzie Partners, Inc.**

**105 Madison Avenue**

**New York, NY 10016**

**Stockholders may call toll-free: (800) 322-2885**

**Banks and brokers may call collect: (212) 929-5500**

By Order of the Board of Directors

Brandon J. Moore

*Senior Vice President, General Counsel &  
Secretary*



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**PINNACLE ENTERTAINMENT, INC.**

**3980 Howard Hughes Parkway**

**Las Vegas, Nevada 89169**

**NOTICE OF SPECIAL MEETING OF STOCKHOLDERS TO BE HELD ON [ ]**

This is a notice that a special meeting of stockholders of Pinnacle Entertainment, Inc. ( Pinnacle ) will be held on [ ], beginning at [ ] a.m., local time, at 3980 Howard Hughes Parkway, Las Vegas, Nevada 89169. This special meeting will be held for the following purposes:

1. to adopt the Agreement and Plan of Merger, dated as of July 20, 2015 (as it may be amended from time to time, the merger agreement ), by and among Pinnacle, Gaming and Leisure Properties, Inc. ( GLPI ) and Gold Merger Sub, LLC ( Merger Sub ), a wholly owned subsidiary of GLPI, pursuant to which Pinnacle will merge with and into Merger Sub (the merger ) with Merger Sub surviving the merger as a wholly owned subsidiary of GLPI and each outstanding share of Pinnacle common stock will be converted into the right to receive 0.85 shares, par value \$0.01 per share, of common stock of GLPI, together with cash in lieu of fractional shares, if any, pursuant to the merger agreement;
2. to approve on an advisory (non-binding) basis the compensation that may be paid or become payable to Pinnacle s named executive officers that is based on or otherwise related to the proposed merger; and
3. to approve the adjournment of the special meeting, if necessary or appropriate, to solicit additional proxies if there are not sufficient votes to adopt the merger agreement.

**This joint proxy statement/prospectus describes the proposals listed above in more detail, as well as other matters contemplated in connection with the proposed merger. Please refer to the attached document, including the merger agreement and all other annexes and including any documents incorporated by reference, for further information with respect to the business to be transacted at the special meeting. You are encouraged to read the entire document carefully before voting.**

**Pinnacle s board of directors (the Pinnacle board ) unanimously determined that it is advisable and in the best interests of Pinnacle s stockholders to enter into the merger agreement, and unanimously approved the merger agreement and the transactions contemplated by the merger agreement, including the merger, and resolved to recommend adoption of the merger agreement by Pinnacle s stockholders and that the adoption of the merger agreement be submitted to a vote at a meeting of Pinnacle s stockholders. The Pinnacle board recommends that Pinnacle stockholders vote FOR the adoption of the merger agreement; FOR the approval on an advisory (non-binding) basis of the compensation that may be paid or become payable to Pinnacle s named executive officers that is based on or otherwise related to the proposed merger; and FOR the adjournment of the special meeting, if necessary or appropriate, to solicit additional proxies if there are not sufficient votes to adopt the merger agreement.**

The close of business on [ ], 2016 has been fixed as the record date for determination of Pinnacle stockholders entitled to receive notice of, and to vote at, the Pinnacle special meeting or any adjournments or postponements thereof. Only holders of record of Pinnacle common stock at the close of business on the record date are entitled to receive notice of, and to vote at, the Pinnacle special meeting.

A complete list of registered Pinnacle stockholders entitled to vote at the Pinnacle special meeting will be available for inspection at the principal place of business of Pinnacle at 3980 Howard Hughes Parkway, Las Vegas, Nevada 89169, during regular business hours for a period of no less than 10 days before the special meeting and at the place of the Pinnacle special meeting during the meeting.

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**YOUR VOTE IS VERY IMPORTANT REGARDLESS OF THE NUMBER OF SHARES THAT YOU OWN.**

The merger between Pinnacle and GLPI cannot be completed without the adoption of the merger agreement by the affirmative vote, in person or by proxy, of holders of a majority of the outstanding shares of Pinnacle common stock, entitled to vote as of the record date for the special meeting, voting together as a single class.

**Whether or not you expect to attend the Pinnacle special meeting in person, we urge you to submit a proxy to have your shares voted as promptly as possible by either: (1) logging onto the website shown on your proxy card and following the instructions to vote online; (2) dialing the toll-free number shown on your proxy card and following the instructions to vote by phone; or (3) signing and returning the enclosed proxy card in the postage-paid envelope provided, so that your shares may be represented and voted at the Pinnacle special meeting. If your shares are held in a Pinnacle plan or in the name of a broker, bank or other nominee, please follow the instructions on the voting instruction card furnished by the plan trustee or administrator, or such broker, bank or other nominee, as appropriate.**

If you have any questions concerning the merger agreement or the merger contemplated by the merger agreement or this joint proxy statement/prospectus, would like additional copies or need help voting your shares of Pinnacle common stock, please contact Pinnacle's proxy solicitor:

**D. F. King & Co., Inc.**

**48 Wall Street, 22<sup>nd</sup> Floor**

**New York, NY 10005**

**1-800-697-6975 (toll free) or 1-212-269-5550 (call collect)**

By Order of the Board of Directors

John A. Godfrey  
*Secretary*

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**ADDITIONAL INFORMATION**

Both GLPI and Pinnacle file annual, quarterly and current reports, proxy statements and other business and financial information with the Securities and Exchange Commission (the SEC). You may read and copy any materials that either GLPI or Pinnacle files with the SEC at the SEC's Public Reference Room at 100 F Street, N.E., Room 1580, Washington, D.C. 20549. Please call the SEC at (800) 732-0330 for further information on the Public Reference Room. In addition, GLPI and Pinnacle file reports and other business and financial information with the SEC electronically, and the SEC maintains a website located at <http://www.sec.gov> containing this information. You can also obtain these documents, free of charge, from GLPI at <http://investors.glpropinc.com/sec.cfm> or from Pinnacle at <http://investors.pnkinc.com/sec.cfm>. The information contained on, or that may be accessed through, GLPI's and Pinnacle's websites is not incorporated by reference into, and is not a part of, this joint proxy statement/prospectus.

GLPI has filed a registration statement on Form S-4 of which this joint proxy statement/prospectus forms a part with respect to the shares of GLPI common stock to be issued in the merger. This joint proxy statement/prospectus constitutes the prospectus of GLPI filed as part of the registration statement. As permitted by SEC rules, this joint proxy statement/prospectus does not contain all of the information included in the registration statement or in the exhibits or schedules to the registration statement. You may read and copy the registration statement, including any amendments, schedules and exhibits in the SEC's reading room at the address set forth above or at the SEC's website mentioned above. Statements contained in this joint proxy statement/prospectus as to the contents of any contract or other documents referred to in this joint proxy statement/prospectus are not necessarily complete. In each case, you should refer to the copy of the applicable agreement or other document filed as an exhibit to the registration statement. **This joint proxy statement/prospectus incorporates important business and financial information about GLPI and Pinnacle from documents that are not attached to this joint proxy statement/prospectus. This information is available to you without charge upon your request. You can obtain the documents incorporated by reference into this joint proxy statement/prospectus free of charge by requesting them in writing or by telephone from the appropriate company or its proxy solicitor at the following addresses and telephone numbers:**

**For GLPI shareholders:  
Gaming and Leisure Properties, Inc.**

**845 Berkshire Blvd., Suite 200**

**Wyomissing, PA 19610**

**(610)-401-2900**

**Attention: Investor Relations**

**MacKenzie Partners, Inc.**

**105 Madison Avenue**

**New York, NY 10016**

**Shareholders may call toll-free: (800) 322-2885**

**For Pinnacle stockholders:  
Pinnacle Entertainment, Inc.**

**3980 Howard Hughes Parkway**

**Las Vegas, NV 89169**

**(702) 541-7777**

**Attention: Investor Relations**

**D. F. King & Co., Inc.**

**48 Wall Street, 22<sup>nd</sup> Floor**

**New York, NY 10005**

**Stockholders may call toll-free: (800) 697-6975**

**Banks and brokers may call collect: (212) 929-5500      Banks and brokers may call collect: (212) 269-5550**  
**If you would like to request any documents, please do so by [ ], 2016 in order to receive them before the special meetings.**

For a more detailed description of the information incorporated by reference into this joint proxy statement/prospectus and how you may obtain it, see [Where You Can Find More Information](#) beginning on page 192.

### **ABOUT THIS JOINT PROXY STATEMENT/PROSPECTUS**

This joint proxy statement/prospectus, which forms part of a registration statement on Form S-4 (Registration No. 333-206649) filed with the SEC by GLPI, constitutes a prospectus of GLPI under the Securities Act of 1933, as amended (the [Securities Act](#) ), with respect to the shares of GLPI common stock to be issued to Pinnacle stockholders in connection with the merger. This joint proxy statement/prospectus also constitutes a joint proxy statement for both Pinnacle and GLPI under the Securities Exchange Act of 1934, as amended (the [Exchange Act](#) ). It also constitutes a notice of

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meeting with respect to the special meeting of GLPI shareholders and a notice of meeting with respect to the special meeting of Pinnacle stockholders.

You should rely only on the information contained in or incorporated by reference into this joint proxy statement/prospectus. No one has been authorized to provide you with information that is different from that contained in, or incorporated by reference into, this joint proxy statement/prospectus. This joint proxy statement/prospectus is dated [ ], 2016, and you should assume that the information contained in this joint proxy statement/prospectus is accurate only as of such date. You should also assume that the information incorporated by reference into this joint proxy statement/prospectus is only accurate as of the date of such information.

For additional information regarding the spin-off, please see PNK Entertainment, Inc.'s Form 10 filed with the SEC (File No. 001-37666).

**This joint proxy statement/prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, any securities, or the solicitation of a proxy in any jurisdiction to or from any person to whom it is unlawful to make any such offer or solicitation in such jurisdiction. Information contained in this joint proxy statement/prospectus regarding GLPI has been provided by GLPI and information contained in this joint proxy statement/prospectus regarding Pinnacle has been provided by Pinnacle.**

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**QUESTIONS AND ANSWERS**

*The following are some questions that you, as a shareholder of Gaming and Leisure Properties, Inc. ( GLPI ) or a stockholder of Pinnacle Entertainment, Inc. ( Pinnacle ), may have regarding the merger, the issuance of shares of GLPI common stock to Pinnacle stockholders in connection with the merger and other matters being considered at the special meetings of GLPI s shareholders and Pinnacle s stockholders and the answers to those questions. GLPI and Pinnacle urge you to carefully read the remainder of this joint proxy statement/prospectus because the information in this section does not provide all the information that might be important to you with respect to the merger, the issuance of shares of GLPI common stock in connection with the merger and the other matters being considered at the special meetings of GLPI s shareholders and Pinnacle s stockholders. Additional important information is also contained in the annexes to and the documents incorporated by reference into this joint proxy statement/prospectus.*

**Q: Why am I receiving this document?**

A: GLPI, Pinnacle and Gold Merger Sub, LLC, a direct, wholly owned subsidiary of GLPI ( Merger Sub ), have entered into an Agreement and Plan of Merger, dated as of July 20, 2015 (as it may be amended from time to time, the merger agreement ), providing for the merger of Pinnacle with and into Merger Sub, with Merger Sub surviving the merger as a wholly owned subsidiary of GLPI (the merger ), following which GLPI will own all of Pinnacle s real property assets, other than Pinnacle s Belterra Park property and excess land at certain locations. Subject to the terms and conditions of the merger agreement as described in this joint proxy statement/prospectus and prior to the merger, Pinnacle will also separate and spin off to Pinnacle stockholders its operating business and the real property not being transferred to GLPI into an independent publicly traded company which will exist as a new, publicly traded company.

In order to complete the merger, GLPI shareholders must approve the proposal to issue GLPI common stock to the Pinnacle stockholders pursuant to the merger agreement (the share issuance proposal ) and Pinnacle stockholders must approve the proposal to adopt the merger agreement (the merger agreement proposal ), and all other conditions to the merger must be satisfied or waived.

GLPI and Pinnacle will hold separate special meetings to obtain these approvals and other related matters, including, in the case of Pinnacle, a vote to approve on an advisory (non-binding) basis the compensation that may be paid or become payable to Pinnacle s named executive officers that is based on or otherwise related to the proposed merger (the compensation proposal ). No vote of Pinnacle stockholders is required or being sought in connection with the separation and spin-off of Pinnacle s operating business.

This joint proxy statement/prospectus, which you should read carefully, contains important information about the merger, the GLPI share issuance and other matters being considered at the special meetings of each of the shareholders of GLPI and the stockholders of Pinnacle.

**Q: What are the key steps in the proposed transactions?**

A: Below is a summary of the key steps of the proposed transactions. For additional information see The Merger Agreement.

Subject to the satisfaction of the terms and conditions of the merger agreement, each outstanding share of Pinnacle common stock, par value \$0.10 per share ( Pinnacle common stock ), will be converted into the right to receive 0.85 of a share of GLPI common stock, par value \$0.01 per share ( GLPI common stock ). No fractional shares of GLPI s common stock will be issued in the merger. Instead, Pinnacle s stockholders will receive cash in lieu of any such fractional shares.

Prior to the merger, Pinnacle will cause assets relating to its operating business to be transferred to, and the liabilities relating thereto to be assumed by, PNK Entertainment, Inc. ( OpCo ), a wholly owned subsidiary of Pinnacle (the separation ), which, immediately after the consummation of the merger, will be renamed

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Pinnacle Entertainment, Inc. Immediately following the separation but prior to the merger, Pinnacle will effect a pro rata distribution to Pinnacle's stockholders of common stock representing a 100% interest in OpCo (the distribution and, together with the separation, the spin-off). OpCo will then be a stand-alone, publicly traded company owned 100% by Pinnacle stockholders.

Prior to, at the time of or immediately following the distribution of the shares of OpCo, OpCo will enter into debt financings. OpCo will use a portion of the proceeds of such debt financing and/or any cash on hand to pay a cash payment to Pinnacle in an amount equal to the amount of existing Pinnacle debt at the time of the spin-off, less \$2,700.0 million of debt assumed by GLPI (subject to certain adjustments, the OpCo Cash Payment). The proceeds of the OpCo Cash Payment will be used by GLPI, together with certain GLPI proceeds, to pay off Pinnacle's existing debt.

### **Q: What will Pinnacle stockholders receive for their shares of Pinnacle common stock in the merger?**

A: At the effective time of the merger, each Pinnacle stockholder will be entitled to receive 0.85 shares of GLPI common stock for each share of Pinnacle common stock held (the exchange ratio) in book-entry form, together with cash in lieu of fractional shares, if any, pursuant to the merger agreement (the merger consideration). The shares of GLPI common stock received pursuant to the merger agreement will be in addition to the shares of OpCo common stock that Pinnacle stockholders will be entitled to receive in connection with the spin-off. Immediately after the spin-off, Pinnacle stockholders will own 100% of the issued and outstanding shares of OpCo.

In addition, Pinnacle will take all actions as may be necessary so that at the effective time of the merger, each Pinnacle stock option, restricted stock unit (including phantom stock unit awards, restricted stock unit awards, other stock unit awards, performance share grants, director other stock unit awards, deferred shares and any other similar instruments) and cash performance unit will be treated as described in The Merger Interests of Certain Pinnacle Persons in the Merger.

For additional information regarding the consideration to be received in the merger, see the section entitled The Merger Effects of the Merger. For additional information regarding the spin-off, please see PNK Entertainment, Inc.'s Form 10 filed with the SEC (File No. 001-37666).

### **Q: Who will own OpCo and GLPI immediately following the transactions?**

A: Immediately following the consummation of the merger and spin-off, GLPI and Pinnacle estimate that, upon completion of the merger and the related transactions, GLPI shareholders as of immediately prior to the merger will hold approximately 73% and Pinnacle stockholders will hold approximately 27% of the outstanding common stock of GLPI, and that holders of record of Pinnacle common stock will own 100% of OpCo.

### **Q: How important is my vote?**



A: The votes of GLPI's shareholders FOR the share issuance proposal and Pinnacle's stockholders FOR the merger agreement proposal and the compensation proposal are very important. You are encouraged to submit a proxy as soon as possible.

Approval of the share issuance proposal requires the affirmative vote, in person or by proxy, of a majority of the votes cast by holders of shares of GLPI common stock entitled to vote. Any abstention from voting by a GLPI shareholder will have the same effect as a vote against this proposal. The failure of any GLPI shareholder to submit a vote and any broker non-vote will not be counted in determining the votes cast in connection with this proposal and therefore will have no impact on this proposal.

Adoption of the merger agreement proposal requires the affirmative vote, in person or by proxy, of holders of a majority of the outstanding shares of Pinnacle common stock entitled to vote. Any abstention from

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voting by a Pinnacle stockholder, the failure of any Pinnacle stockholder to submit a vote and any broker non-vote will have the same effect as voting against this proposal. The compensation proposal will be approved if more votes are cast in favor of the proposal than against the proposal. Since the compensation proposal is non-binding, if the merger agreement is approved by Pinnacle stockholders and the merger is completed, the compensation that is the subject of the compensation proposal, which includes amounts GLPI or Pinnacle are contractually obligated to pay, would still be paid regardless of the outcome of the non-binding advisory vote. Failure to vote, or failure to instruct your broker, bank or nominee to vote, abstentions and broker nonvotes will not be counted as a vote for or against the merger-related compensation proposal.

**Q: How do the GLPI board and the Pinnacle board recommend that I vote?**

A: GLPI's board of directors unanimously determined that it is in the best interests of GLPI and its shareholders, and declared it advisable, to enter into the merger agreement, and approved the execution, delivery and performance of the merger agreement and the consummation of the transactions contemplated by the merger agreement, including the share issuance proposal. For a detailed description of the various factors considered by the GLPI board of directors, see the section titled "The Merger Recommendation of GLPI's Board of Directors and Reasons for the Merger."

Accordingly, GLPI's board of directors unanimously recommends that GLPI shareholders vote FOR the share issuance proposal and FOR the proposal to adjourn the special meeting of GLPI shareholders, if necessary or appropriate, to solicit additional proxies in favor of the share issuance proposal if there are not sufficient votes at the time of such adjournment to approve the share issuance (the GLPI adjournment proposal).

Pinnacle's board of directors, after considering the various factors described under "The Merger Recommendation of the Pinnacle Board and Reasons for the Merger," the comprehensive process conducted by the Pinnacle board and the alternatives to the merger (including remaining as a stand-alone company), has unanimously determined that it is advisable and in the best interests of Pinnacle's stockholders to enter into the merger agreement, and unanimously approved the merger agreement and the transactions contemplated by the merger agreement, including the merger, and resolved to recommend the adoption of the merger agreement by Pinnacle's stockholders and that the adoption of the merger agreement be submitted to a vote at a meeting of Pinnacle's stockholders.

Accordingly, the Pinnacle board recommends that you vote FOR the merger agreement proposal; FOR the compensation proposal; and FOR the proposal to adjourn the special meeting of Pinnacle stockholders, if necessary or appropriate, to solicit additional proxies in favor of the merger agreement proposal if there are not sufficient votes at the time of such adjournment to adopt the merger agreement (the Pinnacle adjournment proposal).

**Q: Will the GLPI common stock received at the time of completion of the merger be traded on an exchange?**

A: Yes. It is a condition to the consummation of the merger that the shares of GLPI common stock to be issued to Pinnacle stockholders in connection with the merger be authorized for listing on NASDAQ, subject to official notice of issuance.

**Q: Will the shares of OpCo common stock be traded on an exchange?**

A: Immediately following the distribution, OpCo will be a new publicly traded company 100% owned by Pinnacle stockholders of record as of the date for the distribution. Pinnacle will cause the OpCo common stock to be distributed in the distribution to be approved for listing on NASDAQ prior to the consummation of the distribution.

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**Q: How will GLPI shareholders be affected by the merger?**

A: Upon completion of the merger, each GLPI shareholder will hold the same number of shares of GLPI common stock that such shareholder held immediately prior to completion of the merger. As a result of the merger, GLPI shareholders will own shares in a larger company with more assets. However, because in connection with the merger, GLPI will be issuing additional shares of GLPI common stock to Pinnacle stockholders in exchange for their shares of Pinnacle common stock, each outstanding share of GLPI common stock immediately prior to the merger will represent a smaller percentage of the aggregate number of shares of GLPI common stock outstanding after the merger.

**Q: What are the U.S. federal income tax consequences of the merger?**

A: The obligation of the parties to consummate the merger is subject to the receipt by GLPI and Pinnacle of the opinions of their respective counsel to the effect that, on the basis of the facts, representations, assumptions and exclusions set forth in such opinions which are consistent with the state of facts existing as of the closing date, the merger will qualify for U.S. federal income tax purposes as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended (the Code). If the merger so qualifies, then a Pinnacle stockholder generally will not recognize any gain or loss as a result of the merger (other than gain or loss with respect to cash received in lieu of a fractional share, if any).

The particular consequences of the merger to each Pinnacle stockholder depend on such holder's particular facts and circumstances. Pinnacle stockholders are urged to consult their tax advisors to understand fully the consequences to them of the merger in their specific circumstances. A more detailed discussion of the U.S. federal income tax considerations relevant to the merger can be found in the section entitled The Merger U.S. Federal Income Tax Considerations Relating to the Merger.

**Q: When do GLPI and Pinnacle expect to complete the merger?**

A: GLPI and Pinnacle currently expect to complete the merger in the first calendar quarter of 2016. However, neither GLPI nor Pinnacle can predict the actual date on which the merger will be completed, nor can the parties assure that the merger will be completed, because completion is subject to conditions beyond either company's control. See the sections entitled The Merger Regulatory Approvals and The Merger Agreement Conditions to Completion of the Merger.

**Q: What happens if the merger is not completed?**

A: If the merger agreement is not adopted by Pinnacle's stockholders, the share issuance is not approved by GLPI's shareholders or if the merger is not completed for any other reason, Pinnacle's stockholders will not receive any payment for their shares of common stock and OpCo will not be spun off into an independently traded public company. Instead, Pinnacle will remain an independent public company, Pinnacle common stock will continue to be listed and traded on NASDAQ and registered under the Exchange Act and Pinnacle will continue to file

periodic reports with the SEC on account of Pinnacle's common stock. Under specified circumstances, Pinnacle and/or GLPI may be required to reimburse each party's expenses or pay a termination fee, upon termination of the merger agreement, as described under "The Merger Agreement - Expenses and Termination Fees Relating to the Termination of the Merger Agreement."

**Q: When and where is the special meeting of the GLPI shareholders?**

A: The special meeting of GLPI (the "GLPI special meeting") will be held on [ ], beginning at [ ], local time, at [ ].

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**Q: When and where is the special meeting of the Pinnacle stockholders?**

A: The special meeting of Pinnacle (the Pinnacle special meeting ) will be held on [ ], beginning at [ ], local time, at 3980 Howard Hughes Parkway, Las Vegas, Nevada 89169.

**Q: Who can vote at the special meetings?**

A: All GLPI shareholders of record at the close of business on [ ], 2016, the record date for the GLPI special meeting, are entitled to receive notice of and to vote at the special meeting.

All Pinnacle stockholders of record at the close of business on [ ], 2016, the record date for the Pinnacle special meeting, are entitled to receive notice of and to vote at the special meeting.

**Q: What do I need to do now?**

A: After you have carefully read and considered the information contained or incorporated by reference into this joint proxy statement/prospectus, please submit your proxy via the Internet or by telephone in accordance with the instructions set forth on the enclosed proxy card, or complete, sign, date and return the enclosed proxy card in the postage-prepaid envelope provided as soon as possible so that your shares will be represented and voted at the GLPI special meeting or the Pinnacle special meeting, as applicable.

Additional information on voting procedures can be found under the section titled GLPI Special Meeting and under the section titled Pinnacle Special Meeting.

**Q: How will my proxy be voted?**

A: If you submit your proxy via the Internet, by telephone or by completing, signing, dating and returning the enclosed proxy card, your proxy will be voted in accordance with your instructions.

Additional information on voting procedures can be found under the section titled GLPI Special Meeting and under the section titled Pinnacle Special Meeting.

**Q: Who will count the votes?**

A: The votes at the GLPI special meeting and the Pinnacle special meeting will be counted by an independent inspector of election appointed for each special meeting.

**Q: May I vote in person?**

A: Yes. If you are a shareholder of record of GLPI at the close of business on [ ], 2016 or a stockholder of record of Pinnacle at the close of business on [ ], 2016, you may attend your special meeting and vote your shares in person, in lieu of submitting your proxy by Internet, telephone or by completing, signing, dating and returning the enclosed proxy card.

**Q: What must I bring to attend my special meeting?**

A: Only GLPI's shareholders of record, or Pinnacle's stockholders of record, as of the applicable record date, beneficial owners of GLPI common stock or Pinnacle common stock as of the applicable record date, holders of valid proxies for the GLPI special meeting or Pinnacle special meeting, and invited guests of GLPI or Pinnacle may attend the applicable special meeting. All attendees should be prepared to present government-issued photo identification (such as a driver's license or passport) for admittance. The additional items, if any, that attendees must bring depend on whether they are shareholders or stockholders of record, beneficial owners or proxy holders.

Additional information on attending the special meetings can be found under the section titled "GLPI Special Meeting" and under the section titled "Pinnacle Special Meeting."

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**Q: What should I do if I receive more than one set of voting materials for the GLPI special meeting or the Pinnacle special meeting?**

A: You may receive more than one set of voting materials for the GLPI special meeting or the Pinnacle special meeting or both, including multiple copies of this joint proxy statement/prospectus and multiple proxy cards or voting instruction cards. For example, if you hold your GLPI common stock or Pinnacle common stock in more than one brokerage account, you will receive a separate voting instruction card for each brokerage account in which you hold shares. If you are a holder of record and your shares are registered in more than one name, you will receive more than one proxy card. Please submit each separate proxy or voting instruction card that you receive by following the instructions set forth in each separate proxy or voting instruction card.

**Q: What is the difference between holding shares as a shareholder of record and as a beneficial owner?**

A: If your shares of GLPI common stock or Pinnacle common stock are registered directly in your name with GLPI's transfer agent, Continental Stock Transfer & Trust, or Pinnacle's transfer agent, American Stock Transfer & Trust Company, LLC, you are considered, with respect to those shares, to be the shareholder of record, in the case of GLPI, or the stockholder of record, in the case of Pinnacle. If you are a shareholder or stockholder of record, then this joint proxy statement/prospectus and your proxy card have been sent directly to you by GLPI or Pinnacle, as applicable.

If your shares of GLPI common stock or Pinnacle common stock are held through a bank, broker or other nominee, you are considered the beneficial owner of the shares of GLPI common stock or Pinnacle common stock held in street name. In that case, this joint proxy statement/prospectus has been forwarded to you by your bank, broker or other nominee who is considered, with respect to those shares, to be the shareholder of record. As the beneficial owner, you have the right to direct your bank, broker or other nominee how to vote your shares by following their instructions for voting. You are also invited to attend the special meeting. However, because you are not the shareholder of record, you may not vote your shares in person at the special meeting unless you request and obtain a valid proxy from your bank, broker or nominee.

**Q: If my shares are held in street name by my broker, bank or other nominee, will my broker, bank or other nominee automatically vote my shares for me?**

A: No. If your shares are held in the name of a broker, bank or other nominee, you will receive separate instructions from your broker, bank or other nominee describing how to vote your shares. The availability of Internet or telephonic voting will depend on the nominee's voting process. Please check with your broker, bank or other nominee and follow the voting procedures your broker, bank or other nominee provides.

You should instruct your broker, bank or other nominee how to vote your shares. Under the rules applicable to broker-dealers, your broker, bank or other nominee does not have discretionary authority to vote your shares on any of the proposals scheduled to be voted on at the GLPI special meeting or the Pinnacle special meeting. With respect to the merger agreement proposal, a broker non-vote will have the same effect as a vote against the adoption of that proposal.



Additional information on voting procedures can be found under the section titled "GLPI Special Meeting" and under the section titled "Pinnacle Special Meeting."

**Q: What do I do if I am a GLPI shareholder and I want to revoke my proxy?**

A: Shareholders of record may revoke their proxies at any time before their shares are voted at the GLPI special meeting in any of the following ways:

    sending a written notice of revocation to GLPI at 845 Berkshire Boulevard, Suite 200, Wyomissing, Pennsylvania 19610, Attention: Secretary, which must be received before their shares are voted at the special meeting;

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properly submitting a later-dated, new proxy card, which must be received before their shares are voted at the special meeting (in which case only the later-dated proxy is counted and the earlier proxy is revoked);

submitting a proxy via Internet or by telephone at a later date (in which case only the later-dated proxy is counted and the earlier proxy is revoked); or

attending the GLPI special meeting and voting in person. Attendance at the special meeting will not, however, in and of itself, constitute a vote or revocation of a prior proxy.

Beneficial owners of GLPI common stock may change their voting instruction only by submitting new voting instructions to the brokers, banks or other nominees that hold their shares of record.

Additional information can be found under the section titled **GLPI Special Meeting**.

**Q: What do I do if I am a Pinnacle stockholder and I want to revoke my proxy?**

A: Stockholders of record may revoke their proxies at any time before their shares are voted at the Pinnacle special meeting in any of the following ways:

sending a written notice of revocation to Pinnacle at 3980 Howard Hughes Parkway, Las Vegas, Nevada 89169, Attention: John A. Godfrey, General Counsel, which must be received before their shares are voted at the special meeting;

properly submitting a later-dated, new proxy card, which must be received before their shares are voted at the special meeting (in which case only the later-dated proxy is counted and the earlier proxy is revoked);

submitting a proxy via Internet or by telephone at a later date (in which case only the later-dated proxy is counted and the earlier proxy is revoked); or

attending the Pinnacle special meeting and voting in person. Attendance at the special meeting will not, however, in and of itself, constitute a vote or revocation of a prior proxy.

Beneficial owners of Pinnacle common stock may change their voting instruction only by submitting new voting instructions to the brokers, banks or other nominees that hold their shares of record.

Additional information can be found under the section entitled **Pinnacle Special Meeting**.

**Q: Should I send in my Pinnacle stock certificates now?**

A: No. After the merger is completed, if you held certificates representing shares of Pinnacle common stock prior to the merger, GLPI's exchange agent will send you a letter of transmittal and instructions for exchanging your shares of Pinnacle common stock for the merger consideration. Upon surrender of the certificates for cancellation along with the executed letter of transmittal and other required documents described in the instructions, a Pinnacle stockholder will receive the merger consideration. The shares of GLPI common stock you receive in the merger will be issued in book-entry form. You will automatically receive your pro rata share of OpCo stock.

**Q: What happens if I sell or otherwise transfer my shares of Pinnacle common stock before the special meeting?**

A: The record date for shareholders entitled to vote at the Pinnacle special meeting is [ ], 2016, which is earlier than the date of the special meeting. If you sell or otherwise transfer your shares after the record date but before the special meeting, unless special arrangements (such as provision of a proxy) are made between you and the person to whom you transfer your shares and each of you notifies us in writing of such special

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arrangements, you will retain your right to vote such shares at the special meeting but will otherwise transfer ownership of your shares of Pinnacle common stock.

**Q: What happens if I sell or otherwise transfer my shares of Pinnacle common stock before the completion of the merger?**

A: Only holders of shares of Pinnacle common stock at the effective time of the merger will become entitled to receive the merger consideration. If you sell your shares of Pinnacle common stock prior to the completion of the merger, you will not become entitled to receive the merger consideration by virtue of the merger.

Additionally, prior to the completion of the merger, Pinnacle will set a record date and a distribution date for the distribution of OpCo stock in connection with the spin-off. Pinnacle expects such distribution date to be the same date as the date that the merger is completed. Only holders of shares of Pinnacle common stock as of such record date will become entitled to receive shares of OpCo in the spin-off. If you sell your shares of Pinnacle common stock prior to the record date to the distribution for the spin-off, you will also be selling your entitlement to receive shares of OpCo stock.

**Q: Do any of the officers or directors of Pinnacle have interests in the merger that may differ from or be in addition to my interests as a Pinnacle stockholder?**

A: In considering the recommendation of the Pinnacle board that Pinnacle stockholders vote to adopt the merger agreement proposal, to approve the compensation proposal and to approve the Pinnacle adjournment proposal, Pinnacle stockholders should be aware that some of Pinnacle's directors and executive officers have interests in the merger that may be different from, or in addition to, the interests of Pinnacle stockholders generally. The Pinnacle board was aware of and considered these potential interests, among other matters, in evaluating and negotiating the merger agreement and the transactions contemplated therein, in approving the merger and in recommending the adoption of the merger and the approval of the adjournment proposal and the compensation proposal.

For more information and quantification of these interests, please see "The Merger" Interests of Certain Pinnacle Persons in the Merger.

**Q: Why is the separation important and consummation of the spin-off a condition to the closing of the merger?**

A: Under the terms of the merger agreement, Pinnacle will merge with and into Merger Sub, with Merger Sub surviving the merger as a wholly owned subsidiary of GLPI following which GLPI will own substantially all of Pinnacle's real property assets, excluding Pinnacle's Belterra Park property and excess land at certain locations. In order to effect this acquisition, the real property assets of Pinnacle (except the Belterra Park property and excess land at certain locations) will be separated from its operations and transferred to OpCo so that, at the effective time of the merger, Pinnacle only owns the real estate assets that GLPI has agreed to acquire. Accordingly, the separation of Pinnacle's real property is an important step in the transactions agreed to by the parties and the

consummation of the spin-off is a condition to the closing of the merger. For additional information regarding the spin-off, please see PNK Entertainment, Inc.'s Form 10 filed with the SEC (File No. 001-37666).

**Q: Where can I find voting results of the special meeting?**

A: Pinnacle and GLPI intend to announce their respective preliminary voting results at each of the Pinnacle and GLPI special meetings and publish the final results in a Current Report on Form 8-K that will be filed with the SEC following the special meetings. All reports that Pinnacle and GLPI file with the SEC are publicly available when filed. See the section titled [Where You Can Find More Information](#).

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**Q: Do Pinnacle stockholders or GLPI shareholders have appraisal or dissenters' rights?**

A: No. Under the laws of the State of Delaware, Pinnacle stockholders do not have appraisal or dissenters' rights in connection with the merger. Under the laws of the Commonwealth of Pennsylvania, GLPI shareholders do not have appraisal or dissenters' rights in connection with the share issuance proposal. For further information relating to appraisal/dissenters' rights, see the section in this joint proxy statement/prospectus titled "The Merger - No Appraisal Dissenters' Rights."

**Q: How can I find more information about GLPI and Pinnacle?**

A: You can find more information about GLPI and Pinnacle from various sources described in the section titled "Where You Can Find More Information." You can find more information regarding the spin-off by reading PNK Entertainment, Inc.'s Form 10 filed with the SEC (File No. 001-37666).

**Q: Who can answer any questions I may have about the special meeting or the merger?**

A: If you have any questions about the merger or GLPI share issuance, or how to submit your proxy, or if you need additional copies of this joint proxy statement/prospectus or documents incorporated by reference herein, the enclosed proxy card or voting instructions, you should contact:

**For Pinnacle stockholders:**

**Pinnacle Entertainment, Inc.**

**3980 Howard Hughes Parkway**

**Las Vegas, Nevada 89169**

**(702) 541-7777**

**Attention: Investor Relations**

**D.F. King & Co., Inc.**

**48 Wall Street 22<sup>nd</sup> Floor**

**New York, NY 10005**

**(800) 697-6975 (toll free)**

**(212) 269-5550 (collect)**

**For GLPI shareholders:**

**Gaming and Leisure Properties, Inc.**

**845 Berkshire Boulevard, Suite 200**

**Wyomissing, Pennsylvania 19610**

**(610) 401-2900**

**Attention: Investor Relations**

**MacKenzie Partners, Inc.**

**105 Madison Avenue**

**New York, NY 10016**

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**SUMMARY**

*The following summary highlights selected information described in more detail elsewhere in this joint proxy statement/prospectus and the documents incorporated by reference into this joint proxy statement/prospectus and may not contain all the information that may be important to you. To understand the merger and the matters being voted on by Pinnacle stockholders and GLPI shareholders at their respective special meetings more fully, and to obtain a more complete description of the legal terms of the merger agreement and the agreements related thereto, you should carefully read this entire document, including the annexes, and the documents to which GLPI and Pinnacle refer you. Each item in this summary includes a page reference directing you to a more complete description of that topic. See *Where You Can Find More Information*.*

**The Parties (see pages 47 and 48)**

***Gaming and Leisure Properties, Inc.***

On November 15, 2012, Penn National Gaming, Inc. ( 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 real estate investment trust (a REIT ), GLPI (the Penn spin-off ). In connection with the Penn 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 (the TRS properties ) in a tax-free distribution. As a result of the Penn spin-off, GLPI acquired substantially all of Penn s former real property assets and leased back most of those assets to Penn for use by its subsidiaries, pursuant to a triple-net master lease (the Penn master lease ).

Following the Penn spin-off, GLPI became a self-administered and self-managed Pennsylvania REIT. 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 the date of this joint proxy statement/prospectus, GLPI s portfolio consisted of 21 gaming and related facilities including the TRS properties, which GLPI operates through an indirect wholly owned subsidiary and the real property associated with 18 gaming and related facilities operated by Penn under the Penn master lease and the real property associated with the Casino Queen in East St. Louis, Illinois. These facilities are geographically diversified across 12 states and contain approximately 7.0 million of rentable square feet. The principal executive offices of GLPI are located at 845 Berkshire Blvd., Suite 200, Wyomissing, Pennsylvania and its telephone number is (610) 401-2900.

***Gold Merger Sub, LLC***

Merger Sub is a direct, wholly owned subsidiary of GLPI. Merger Sub was formed by GLPI solely in contemplation of the merger, has not conducted any business and has no assets, liabilities or other obligations of any nature other than as set forth in the merger agreement. Its principal executive offices are located at c/o Gaming and Leisure Properties, Inc., 845 Berkshire Blvd., Suite 200, Wyomissing, Pennsylvania and its telephone number is (610) 401-2900.

***Pinnacle Entertainment, Inc.***

Pinnacle is an owner, operator and developer of casinos, a racetrack and related hospitality and entertainment facilities. Pinnacle owns and operates 15 gaming properties in Colorado, Indiana, Iowa, Louisiana, Missouri,





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Mississippi, Nevada and Ohio, fourteen of which will be subject to the master lease (as defined below). Pinnacle also holds a majority interest in the racing license owner, and is a party to a management contract, for Retama Park Racetrack located outside of San Antonio, Texas. In addition to these properties, Pinnacle owns and operates a live and televised poker tournament series under the trade name Heartland Poker Tour.

Pinnacle's mission is to increase stockholder value. Pinnacle seeks to increase revenues through enhancing the guest experience by providing its guests with their favorite games, restaurants, hotel accommodations, entertainment and other amenities in attractive surroundings with high-quality guest service and guest rewards programs. Pinnacle seeks to improve profit by focusing on operational excellence and efficiency while meeting its guests' expectations of value and reducing its leverage. Pinnacle's long-term strategy includes disciplined capital expenditures to improve and maintain its existing properties, while growing the number and quality of its facilities by pursuing gaming entertainment opportunities it can improve, develop, or acquire. In making decisions, Pinnacle considers its stockholders, guests, team members and other constituents in the communities in which it operates. The principal executive offices of Pinnacle are located at 3980 Howard Hughes Parkway, Las Vegas, Nevada 89169, and its telephone number is (702) 541-7777.

### ***PNK Entertainment, Inc.***

PNK Entertainment, Inc. (referred to previously in this joint proxy statement/prospectus as OpCo) is a Delaware corporation and a direct, wholly owned subsidiary of Pinnacle, formed on July 23, 2015 for the purpose of effecting the spin-off of Pinnacle's operations and certain real estate assets into an independent publicly traded company. Immediately following the closing of the merger, OpCo will be renamed Pinnacle Entertainment, Inc. The principal executive offices of OpCo will be located at 3980 Howard Hughes Parkway, Las Vegas, Nevada 89169, and its telephone number is (702) 541-7777.

### **GLPI Special Meeting (see page 49)**

***Date, Time and Place.*** The GLPI special meeting will be held on [ ] at [ ], at [ ] local time.

***Purpose.*** The special meeting of GLPI shareholders is being held to consider and vote on the following proposals:

***Proposal 1.*** To approve the issuance of shares of GLPI common stock to Pinnacle stockholders in connection with the merger agreement (referred to previously in this joint proxy/statement prospectus as the share issuance proposal).

***Proposal 2.*** To approve the adjournment of the GLPI special meeting, if necessary or appropriate, to solicit additional proxies if there are not sufficient votes to approve the share issuance proposal (referred to previously in this joint proxy/statement as the GLPI adjournment proposal).

***Record Date; Voting Rights.*** The record date for the determination of shareholders entitled to notice of and to vote at the GLPI special meeting is the close of business on [ ], 2016. Only GLPI shareholders who held shares at the close of business on [ ], 2016 are entitled to vote at the special meeting and any adjournment or postponement of the special meeting. Each share of GLPI common stock entitles its holder of record to one vote at the GLPI special meeting.

***Vote Required.***

***Proposal 1.*** The affirmative vote, in person or by proxy, of a majority of the votes cast on the share issuance proposal by the holders of shares of GLPI common stock entitled to vote at the GLPI special meeting is required to approve the share issuance proposal.

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**Proposal 2.** The affirmative vote, in person or by proxy, of a majority of the votes cast on the GLPI adjournment proposal by the holders of shares of GLPI common stock entitled to vote at the GLPI special meeting is required to approve the GLPI adjournment proposal.

As of the record date, there were [ ] shares of GLPI common stock outstanding, held by [ ] holders of record. In addition, as of the record date, GLPI directors and executive officers, as a group, owned and were entitled to vote [ ] shares of GLPI common stock, or approximately [ ]% of the outstanding shares of GLPI common stock.

**Pinnacle Special Meeting (see page 54)**

**Date, Time and Place.** The Pinnacle special meeting will be held on [ ], beginning at [ ], local time, at 3980 Howard Hughes Parkway, Las Vegas, Nevada 89169.

**Purpose.** The special meeting of Pinnacle stockholders is being held to consider and vote on the following proposals:

**Proposal 1.** To adopt the merger agreement pursuant to which each outstanding share of Pinnacle common stock will be converted into the right to receive 0.85 of a share of GLPI common stock (referred to previously in this joint proxy statement/prospectus as the merger agreement proposal).

**Proposal 2.** To approve, on a non-binding advisory basis, the compensation to be paid to Pinnacle's named executive officers that is based on or otherwise relates to the merger (referred to previously in this joint proxy statement/prospectus as the compensation proposal), discussed under the heading "The Merger Interests of Certain Pinnacle Persons in the Merger."

**Proposal 3.** To vote to adjourn the Pinnacle special meeting, if necessary or appropriate, in the view of the Pinnacle board of directors, to solicit additional proxies in favor of the merger agreement proposal if there are not sufficient votes at the time of such adjournment to adopt the merger agreement (referred to previously in this joint proxy statement/prospectus as the Pinnacle adjournment proposal).

**Record Date; Voting Rights.** The record date for the determination of stockholders entitled to notice of and to vote at the Pinnacle special meeting is the close of business on [ ], 2016. Only Pinnacle stockholders who held shares of record at the close of business on [ ], 2016 are entitled to vote at the special meeting and any adjournment or postponement of the special meeting, so long as such shares remain outstanding on the date of the special meeting. Each share of Pinnacle common stock entitles its holder of record to one vote at the Pinnacle special meeting.

**Quorum.** In order for business to be conducted at the special meeting, a quorum must be present. A quorum requires the presence, in person or by proxy, of holders of a majority of voting power of all the shares of stock entitled to vote at the meeting, present in person or by proxy. For purposes of determining whether there is a quorum, all shares that are present and entitled to vote will count towards the quorum, which includes abstentions broker non-votes (only when accompanied by broker votes with respect to at least one matter at the meeting). Broker non-votes occur when a beneficial owner holding shares in street name does not instruct the broker, bank or other nominee that is the record owner of such stockholder's shares on how to vote those shares on a particular proposal.

**Vote Required.** The votes required for each proposal are as follows:

***Proposal 1.*** The affirmative vote of at least a majority of the outstanding shares of Pinnacle common stock.

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**Proposal 2.** The affirmative vote, in person or by proxy, of a majority of the votes cast on the compensation proposal by the holders of shares of Pinnacle common stock is required to approve the proposal.

**Proposal 3.** The affirmative vote, in person or by proxy, of a majority of the votes cast on the Pinnacle adjournment proposal by the holders of shares of Pinnacle common stock is required to approve the proposal.

As of the record date, there were [ ] shares of Pinnacle common stock outstanding, held by [ ] holders of record. In addition, as of the record date, Pinnacle directors and executive officers, as a group, owned and were entitled to vote [ ] shares of Pinnacle common stock, or approximately [ ]% of the outstanding shares of Pinnacle common stock. Pinnacle currently expects that these directors and executive officers will vote their shares in favor of the proposal to adopt the merger agreement, although none of them has entered into any agreement obligating them to do so.

### **The Merger (see page 60)**

Pinnacle, GLPI and Merger Sub have entered into a merger agreement, pursuant to which GLPI will acquire substantially all of Pinnacle's real property assets. Prior to the merger, Pinnacle will cause certain assets relating to its operating business to be transferred to, and liabilities relating thereto to be assumed by OpCo. Immediately following the separation, Pinnacle will distribute to Pinnacle's stockholders all of the issued and outstanding shares of common stock of OpCo, a newly formed wholly owned subsidiary of Pinnacle, owning Pinnacle's operating assets and certain other specified assets. Then, upon satisfaction or waiver of the conditions to closing in the merger agreement on the closing date, Pinnacle will merge with and into Merger Sub, a wholly owned subsidiary of GLPI formed for the purpose of effecting the merger. Merger Sub will be the surviving company in the merger and will then own substantially all of Pinnacle's real estate assets that were retained or transferred to Pinnacle in the separation. At the effective time of the merger, each share of Pinnacle common stock issued and outstanding immediately prior to the effective time of the merger will be converted into 0.85 shares of a share of GLPI common stock, with cash paid in lieu of the issuance of fractional shares of GLPI common stock. In addition, Pinnacle will take all actions as may be necessary so that at the effective time of the merger, each Pinnacle stock option, restricted stock unit (including phantom stock unit awards, restricted stock unit awards, other stock unit awards, performance share grants, director other stock unit awards, deferred shares and any other similar instruments) and cash performance unit will be treated as described in "The Merger - Interests of Certain Pinnacle Persons in the Merger."

### **Forms of Agreements to be Entered into Prior to the Closing of the Merger (see page 152)**

The merger agreement attaches forms of certain additional agreements to be entered into prior to the closing of the merger to effect the separation of Pinnacle's real estate assets (except the Belterra Park property and excess land at certain locations) from its operations, including the master lease agreement (the "master lease"), the separation and distribution agreement (the "separation agreement") and the employee matters agreement (the "employee matters agreement"). A tax matters agreement has been entered into as of the date of the execution of the merger agreement and is also attached as an exhibit to the merger agreement (the "tax matters agreement," together with the master lease, separation agreement, employee matters agreement and the merger agreement, the "transaction documents"). A copy of the merger agreement is attached as Annex A to this joint proxy statement/prospectus. GLPI and Pinnacle encourage you to read the entire merger agreement, including the exhibits thereto, carefully, because it is the principal document governing the merger.



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**Separation and Distribution Agreement (see page 156)**

The separation agreement that will be entered into at or prior to closing of the merger, which is attached to the merger agreement in Annex A as Exhibit C thereto, identifies assets to be transferred, liabilities to be assumed and contracts to be assigned to or retained by Pinnacle (which, following completion of the merger, is referred to in this joint proxy statement/prospectus as PropCo ) as part of the separation of Pinnacle's real property assets (except the Belterra Park property and excess land at certain locations) from its operations, which will be retained by or transferred to OpCo, and it will provide for when and how these transfers, assumptions and assignments will occur.

The separation agreement will provide that each holder of Pinnacle common stock will receive one share of OpCo common stock for each share of Pinnacle common stock held by such stockholder as of the record date of the distribution (referred to previously as the distribution). For additional information regarding the distribution, please see PNK Entertainment, Inc.'s Form 10 filed with the SEC (File No. 001-37666). Following the distribution, Pinnacle's stockholders will collectively hold 100% of OpCo.

The separation agreement will also provide that at the time of distribution, OpCo shall pay to PropCo an amount equal to the amount of existing Pinnacle debt at the time of the spin-off, less \$2.7 billion of debt assumed by GLPI (subject to adjustment, the OpCo Cash Payment ), which will be used by PropCo to pay off a portion of Pinnacle's existing indebtedness, substantially concurrently with the consummation of the distribution and the merger, subject to certain adjustments.

The separation agreement will provide that the distribution is subject to the satisfaction of certain conditions:

each of the conditions to the merger agreement has been fulfilled or waived (other than those conditions that by their nature can only be satisfied at the closing of the merger agreement) and GLPI has confirmed to Pinnacle in writing that it is prepared to consummate the merger, subject only to the distribution;

each of the transaction documents contemplated by the merger agreement and the separation agreement having been duly executed and delivered by the parties thereto;

the plan of reorganization to effectuate the separation having been substantially completed in accordance with the plan of reorganization;

the Form 10 filed with the SEC (File No. 001-37666) in connection with the separation has been declared effective by the SEC and no stop order suspending the effectiveness of the Form 10 shall be in effect, no proceedings for such purpose shall be pending before or threatened by the SEC, and the information statement shall have been mailed to holders of Pinnacle common stock as of the record date of the distribution;

prior to the date of the distribution, such registration statements on Form S-8 as are necessary to register the equity awards of OpCo held by or made available to directors and employees of OpCo has been filed with the SEC;



all actions and filings with respect to the OpCo common stock necessary under applicable federal, state or foreign securities or blue sky laws and the rules and regulations thereunder having been taken and, where applicable, become effective or been accepted;

OpCo will have obtained an opinion from a nationally-recognized valuation or accounting firm or investment bank, as to the adequacy of surplus under the laws of the State of Delaware to effect the distribution and the OpCo Cash Payment, and as to the solvency of OpCo and PropCo after giving effect to the distribution and the OpCo Cash Payment in a form reasonably satisfactory to OpCo and PropCo;

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the OpCo common stock to be delivered in the distribution has been accepted for listing on a national securities exchange, subject to compliance with applicable listing requirements; and

no injunction by any court or other tribunal of competent jurisdiction has been entered and continue to be in effect and no law has been adopted or be effective preventing consummation of the distribution or any of the transactions contemplated by the merger agreement.

GLPI and Pinnacle encourage you to read the separation agreement carefully because it is the principal document governing the spin-off and forms a critical part of the transactions.

### **Master Lease (see page 152)**

Immediately prior to the closing of the merger, Pinnacle MLS, LLC, one of Pinnacle's wholly owned subsidiaries ( Tenant ), will enter into a triple-net master lease with Pinnacle ( Landlord ) and lease from Landlord real property assets associated with fourteen (14) of Pinnacle's gaming facilities (the facilities ). Immediately upon closing of the merger, a subsidiary of GLPI will become successor by merger to Landlord. The obligations of the Tenant under the master lease will be guaranteed by OpCo and all subsidiaries of Tenant that will operate the facilities leased under the master lease, or that own a gaming license, other license or other material asset or permit necessary to operate any portion of the facilities. A default by Tenant with regard to any facility will cause a default with regard to the entire portfolio.

The master lease will provide for an initial term of ten years with no purchase option. At Tenant's option, the master lease may be extended for up to five five-year renewal terms beyond the initial ten-year term, on the same terms and conditions. If Tenant elects to renew the term of the master lease, the renewal will be effective as to all, but not less than all, of the leased property then subject to the master lease.

The master lease is commonly known as a triple-net lease. Accordingly, in addition to rent, the Tenant will be required to pay the following: (1) all facility maintenance, (2) all insurance required in connection with the leased properties and the business conducted on the leased properties, (3) taxes levied on or with respect to the leased properties (other than taxes on the income of the Landlord) and (4) all utilities and other services necessary or appropriate for the leased properties and the business conducted on the leased properties. Under the master lease, the initial annual aggregate rent payable by Tenant will be \$377 million.

GLPI and Pinnacle encourage you to read the master lease carefully because it is the principal document governing the relationship between OpCo and GLPI following the merger.

### **Employee Matters Agreement (see page 160)**

The employee matters agreement, a form of which is attached to the merger agreement as Exhibit A thereto, will generally allocate liabilities and responsibilities relating to employee compensation and benefit plans and programs. The Employee Matters Agreement, in conjunction with the merger agreement, will provide for the treatment of Pinnacle's outstanding equity awards in connection with the spin-off (as described more fully below in The Merger Treatment of Pinnacle Long-Term Incentive Compensation ). In addition, the Employee Matters Agreement will set forth the general principles relating to employee matters, including with respect to the assignment of employees and the transfer of employees from Pinnacle to OpCo, the assumption and retention of liabilities and related assets, workers' compensation, labor relations, and related matters.

The Employee Matters Agreement, in conjunction with the merger agreement, will provide that all Pinnacle employees will be transferred to OpCo prior to the separation and distribution. Except with regard to Pinnacle's outstanding long-term incentive awards (as described more fully below in The Merger Treatment of

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Pinnacle Long-Term Incentive Compensation ), OpCo will assume responsibility for, and will pay and be liable for, all wages, salaries, welfare, incentive compensation and employment-related liabilities, and will assume all compensation and employment-related plans and agreements, with respect to each of the employees and directors. Except with regard to certain of Pinnacle's outstanding long-term incentive awards, which will be adjusted and settled in connection with the merger as described more fully below in The Merger Treatment of Pinnacle Long-Term Incentive Compensation, prior to the separation, Pinnacle will transfer all of the assets, if any, and liabilities relating to the compensation and benefit plans and agreements to OpCo.

GLPI and Pinnacle encourage you to read the Employees Matters Agreement carefully.

### **Tax Matters Agreement (see page 160)**

The tax matters agreement, a copy of which is attached to the merger agreement as Exhibit D thereto, will govern OpCo's and GLPI's respective rights, responsibilities and obligations with respect to taxes (including taxes arising in the ordinary course of business and taxes incurred as a result of the spin-off), tax attributes, tax returns, tax contests and certain other tax matters.

Under the tax matters agreement, OpCo will generally be liable for taxes of Pinnacle relating to time periods before the effective time of the merger. GLPI, however, will be liable for taxes of Pinnacle arising as a result of the merger, the spin-off and certain related transactions. GLPI's liability in this regard will be limited by certain assumptions relating to Pinnacle's tax attributes and projected taxable income, with OpCo bearing liability to the extent additional taxes may result from an inaccuracy in such assumptions. OpCo and GLPI have also agreed to share liability for certain taxes relating to the assets to be acquired by GLPI. GLPI will bear liability for any transfer taxes incurred on the merger, the spin-off and certain related transactions.

The tax matters agreement provides that OpCo will generally prepare and file any tax returns for tax periods of Pinnacle ending on or prior to the effective time of the merger and will control any tax contests related to such tax returns, subject to certain review, participation and consent rights of GLPI.

GLPI and Pinnacle encourage you to read the tax matters agreement carefully.

### **Recommendation of GLPI's Board of Directors and Reasons for the Merger (see page 74)**

**GLPI's board of directors recommends that GLPI shareholders vote FOR the share issuance proposal and FOR the GLPI adjournment proposal.**

In the course of reaching its decision to approve the merger agreement and the transactions contemplated by the merger agreement and the other transaction documents, including the share issuance proposal, GLPI's board of directors considered a number of factors in its deliberations. For a more complete discussion of these factors, see The Merger Recommendation of GLPI's Board of Directors and Reasons for the Merger.

### **Recommendation of Pinnacle's Board of Directors and Reasons for the Merger (see page 76)**

**Pinnacle's board of directors recommends that Pinnacle stockholders vote FOR the merger agreement proposal, FOR the compensation proposal and FOR the Pinnacle adjournment proposal.**

In the course of reaching its decision to approve the merger agreement and the transactions contemplated by the merger agreement and the other transaction documents, including the spin-off and merger, Pinnacle's board of

directors considered a number of factors in its deliberations. For a more complete discussion of these factors, see The Merger Recommendation of Pinnacle's Board of Directors and Reasons for the Merger.

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**Opinion of GLPI's Financial Advisor (see page 86)**

In connection with the transactions (including the merger, the share issuance and the spin-off), at a meeting of the GLPI board of directors on July 19, 2015, GLPI's financial advisor, Morgan Stanley & Co. LLC (Morgan Stanley), rendered its oral opinion to the GLPI board of directors, subsequently confirmed by delivery of a written opinion dated July 20, 2015 that, as of that date, and based upon and subject to the various assumptions made, procedures followed, matters considered and qualifications and limitations on the scope of review undertaken as set forth in the written opinion, the exchange ratio pursuant to the merger agreement was fair from a financial point of view to GLPI.

**The full text of the written opinion of Morgan Stanley to the GLPI board of directors, dated as of July 20, 2015, is attached to this joint proxy statement/prospectus as Annex B and is incorporated herein by reference in its entirety. The summary of the opinion of Morgan Stanley in this joint proxy statement/prospectus is qualified in its entirety by reference to the full text of the opinion. You should read Morgan Stanley's opinion, this section and the summary of Morgan Stanley's opinion carefully and in their entirety for a discussion of the assumptions made, procedures followed, matters considered and qualifications and limitations upon the review undertaken by Morgan Stanley in rendering its opinion. Morgan Stanley's opinion was directed to the GLPI board of directors, in its capacity as such, and addressed only the fairness from a financial point of view to GLPI of the exchange ratio pursuant to the merger agreement as of the date of such opinion and does not address any other aspect of the transactions contemplated by the transaction documents.**

**Morgan Stanley's opinion did not address any other aspects or implications of the transactions. It was not intended to, and does not, constitute advice or a recommendation to any holder of shares of GLPI common stock as to how to vote at the GLPI special meeting or whether to take any other action with respect to the transactions.**

**For further information, see the section of this joint proxy statement/prospectus entitled "The Merger Opinion of GLPI's Financial Advisor" and Annex B.**

**Opinion of Pinnacle's Financial Advisor (see page 95)**

On July 20, 2015, at a meeting of the board of directors of Pinnacle, Goldman, Sachs & Co. (Goldman Sachs) rendered to the board of directors its oral opinion, subsequently confirmed in writing, to the effect that, as of July 20, 2015, based upon and subject to the factors and assumptions set forth in Goldman Sachs' written opinion, the exchange ratio of 0.85 shares of GLPI common stock to be paid for each outstanding share of Pinnacle common stock pursuant to the merger agreement was fair from a financial point of view to the holders (other than GLPI and its affiliates) of shares of Pinnacle common stock.

**The full text of the written opinion of Goldman Sachs, dated July 20, 2015, which sets forth the assumptions made, procedures followed, matters considered, qualifications and limitations on the review undertaken in connection with the opinion, is attached to this joint proxy statement/prospectus as Annex C. The summary of the Goldman Sachs opinion contained in this joint proxy statement/prospectus is qualified in its entirety by reference to the full text of Goldman Sachs' written opinion. Goldman Sachs' advisory services and opinion were provided for the information and assistance of the board of directors of Pinnacle in connection with its consideration of the proposed transaction and the opinion does not constitute a recommendation as to how any holder of Pinnacle common stock should vote with respect to the proposed transaction or any other matter.**

**For further information, see the section of this joint proxy statement/prospectus entitled "The Merger Opinion of Pinnacle's Financial Advisor" and Annex C.**



**Table of Contents****Financing of the Transactions (see page 100)***Pinnacle*

Pinnacle anticipates that the total amount of funds necessary for OpCo to pay the OpCo Cash Payment and to pay transaction fees and expenses will be approximately \$975 million, which amount is subject to adjustment as further described in The Merger Agreement The Separation and Distribution Agreement. This amount will be funded through either (but not both) of (i) the Pinnacle Bridge Facility (defined below) or (ii) the Pinnacle Takeout Facilities (defined below), together with the proceeds from any Pinnacle Notes (defined below). Remaining amounts under the Bridge Revolving Credit Facility (defined below) or the Takeout Revolving Credit Facility (defined below), as applicable, will be used for general corporate purposes of OpCo, including, without limitation, permitted acquisitions or dividends.

To provide the debt financing required by Pinnacle to consummate the merger, Pinnacle has entered into:

(1) an amended and restated commitment letter, dated November 17, 2015 (the Pinnacle Bridge Commitment Letter ) from JPMorgan Chase Bank, N.A., Bank of America, N.A., Goldman Sachs Bank USA, Fifth Third Bank, U.S. Bank National Association, Credit Agricole Corporate and Investment Bank, Deutsche Bank AG New York Branch, Wells Fargo Bank, National Association and certain of their affiliates (collectively, the Pinnacle Bridge Commitment Parties ) pursuant to which Pinnacle has received commitments for an aggregate principal amount of \$1.1 billion in financing, comprised of a \$900 million senior secured 364-day term loan bridge facility (the Term Loan Bridge Facility ) and a \$200 million senior secured 364-day revolving credit facility (the Bridge Revolving Credit Facility ) and together with the Term Loan Bridge Facility, collectively, the Pinnacle Bridge Facility ); and

(2) a commitment letter dated November 17, 2015 (the Pinnacle Takeout Commitment Letter ) from JPMorgan Chase Bank, N.A., Bank of America, N.A., Goldman Sachs Bank USA, Fifth Third Bank, U.S. Bank National Association, Credit Agricole Corporate and Investment Bank, Deutsche Bank AG New York Branch, Wells Fargo Bank, National Association and certain of their affiliates (collectively, the Pinnacle Takeout Commitment Parties ) pursuant to which Pinnacle has received commitments for an aggregate principal amount of \$585 million in financing, comprised of a (i) \$185 million senior secured term loan A facility (the Term Loan A Facility ) and (ii) \$400 million senior secured revolving credit facility (the Takeout Revolving Credit Facility , and together with the Term Loan A Facility, collectively, the Committed Takeout Facilities ). The Pinnacle Takeout Commitment Parties have also agreed to use their commercially reasonable efforts to syndicate a \$350 million senior secured term loan B facility, which may, at the election of OpCo, be increased or decreased by up to \$125 million in connection with the issuance of senior unsecured notes to finance a portion of the transactions, as further described in the Pinnacle Takeout Commitment Letter (the Term Loan B Facility , and together with the Committed Takeout Facilities, collectively, the Pinnacle Takeout Facilities ). As noted in the Pinnacle Takeout Commitment Letter, it is anticipated that OpCo will also issue senior unsecured notes (the Pinnacle Notes ) in an aggregate principal amount of \$300 million to provide a portion of the debt financing required by Pinnacle to consummate the transactions. The principal amount of the Pinnacle Notes may, at the election of OpCo, be increased or decreased by up to \$125 million, as further described in, and in accordance with the terms of, the Pinnacle Takeout Commitment Letter. Both the issuance of the Pinnacle Notes and the receipt by the Pinnacle Takeout Commitment Parties of commitments from lenders for the Term Loan B Facility, in each case, on or prior to the closing date of the merger, are conditions to the availability of the Pinnacle Takeout Facilities. Further, the Pinnacle Notes are only contemplated in connection with the Pinnacle Takeout Facilities.

At this time, Pinnacle has not yet determined which of the two commitments described above will be utilized to provide the debt financing required to consummate the proposed transactions because such determination will be dependent on future market conditions. However, Pinnacle intends to use the Pinnacle Takeout Facilities if market



conditions are favorable at the time of the distribution and not use the Pinnacle Bridge Facility.

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The funding under either the Pinnacle Bridge Commitment Letter or the Pinnacle Takeout Commitment Letter, as applicable, is subject to customary conditions, including conditions that do not relate directly to the conditions to closing in the merger agreement. See *The Merger Financing of the Transactions* and *The Merger Agreement Financing Efforts Pinnacle's Financing*.

While the obligation of GLPI to consummate the merger is not subject to any financing condition, the merger agreement provides that, without GLPI's agreement, the closing of the merger will not occur earlier than (a) a date during the Pinnacle marketing period specified by Pinnacle on no less than three business days' notice to GLPI or, if not so specified, on the last day of such Pinnacle marketing period (subject to certain conditions) and (b) the end date (as defined in the merger agreement), subject to certain conditions. The Pinnacle marketing period is the first period of twenty consecutive-days throughout and at the end of which nothing shall have occurred and no condition exists that would cause any of the conditions to closing to fail to be satisfied, assuming the closing to the merger were to be scheduled for any time during such twenty consecutive day period (other than conditions to closing that (i) relate to the stockholder approval, which must be satisfied five business days prior to the end of the Pinnacle marketing period and (ii) conditions to closing that by their nature will not be satisfied until the closing of the merger). Moreover, in no event will the closing of the merger occur prior to November 20, 2015, See *The Merger Agreement Marketing Periods*.

*GLPI*

GLPI anticipates that the total amount of funds necessary to finance the transactions and to pay transaction fees and expenses will be approximately \$3.1 billion. This amount is expected to be funded through one or more of the following sources: available cash on hand, the issuance and sale by GLP Capital, L.P. (*GLP Capital*) and GLP Financing II, Inc. of senior unsecured notes, the issuance and sale by GLPI of common equity interests and borrowings under the GLPI Bridge Facility, the GLPI Limited Conditionality Incremental Term Facility and the GLPI Limited Conditionality Revolver (each defined below).

In connection with the transactions, GLPI has entered into an amended and restated commitment letter dated July 31, 2015 (the *GLPI Commitment Letter*) with JPMorgan Chase Bank, N.A., Bank of America, N.A., Fifth Third Bank, Manufacturers and Traders Trust Company, Wells Fargo Bank, National Association, UBS AG, Stamford Branch, Credit Agricole Corporate and Investment Bank, Suntrust Bank, Nomura Securities International, Inc., Citizens Bank, National Association, Barclays and certain of their affiliates (collectively, the *GLPI Commitment Parties*) to provide debt financing in connection with the transactions. Pursuant to the GLPI Commitment Letter, the GLPI Commitment Parties have committed to provide a \$1.875 billion senior unsecured 364-day term loan bridge facility (the *GLPI Bridge Facility*).

In connection with the transactions, GLP Capital has entered into Amendment No. 1 (the *Credit Agreement Amendment*) dated July 31, 2015 to the Credit Agreement dated as of October 28, 2013 among GLP Capital, the several banks and other financial institutions or entities party thereto, and JPMorgan Chase Bank, N.A., as administrative agent. The Credit Agreement Amendment provides incremental term loan commitments in an aggregate committed amount of \$825 million subject to limited conditionality (the *GLPI Limited Conditionality Incremental Term Facility*). The Credit Agreement Amendment also provides for revolving loans in a principal amount not to exceed \$411 million borrowed in connection with the transactions to be subject to the same limited conditionality as the incremental term loans (the *GLPI Limited Conditionality Revolver*).

The funding under each of the GLPI Bridge Facility, the GLPI Limited Conditionality Incremental Term Facility and the GLPI Limited Conditionality revolver is subject to customary conditions, including conditions that do not relate directly to the conditions to closing in the merger agreement. See *The Merger Financing of the Transactions* and *The Merger Agreement Financing Efforts GLPI's Financing*.



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While the obligation of GLPI to consummate the merger is not subject to any financing condition, the merger agreement provides that, without Pinnacle's agreement, the closing of the merger will not occur earlier than (a) a date during the GLPI marketing period specified by GLPI on no less than three business days' notice to Pinnacle or, if not so specified, on the last day of such GLPI marketing period (subject to certain conditions) and (b) the end date (as defined in the merger agreement), subject to certain conditions. The GLPI marketing period is the first period of twenty consecutive days throughout and at the end of which (a) GLPI and its financing sources have had access to certain required information and such information continues to be compliant during such period (subject to certain exceptions) and (b) nothing shall have occurred and no condition exists that would cause any of the conditions to closing to fail to be satisfied, assuming the closing to the merger were to be scheduled for any time during such twenty consecutive day period (other than conditions to closing that (i) relate to the shareholder approval, which must be satisfied five business days prior to the end of the GLPI marketing period and (ii) conditions to closing that by their nature will not be satisfied until the closing of the merger). Moreover, in no event will the closing of the merger occur prior to November 20, 2015, see The Merger Agreement Marketing Periods.

### **Interests of Certain Pinnacle Persons in the Merger (see page 104)**

When considering the recommendation of the Pinnacle board with respect to the merger, you should be aware that Pinnacle's executive officers and directors may have interests in the merger that are different from, or in addition to, those of Pinnacle's stockholders more generally. Pinnacle's board of directors was aware of these interests during its deliberations on the merits of the merger and in deciding to recommend that Pinnacle stockholders vote for the adoption of the merger agreement at the Pinnacle special meeting.

See the section of this joint proxy statement/prospectus titled The Merger Interests of Certain Pinnacle Persons in the Merger for a more detailed description of the interests of Pinnacle's executive officers and directors.

### **Board of Directors and Management of GLPI following Completion of the Merger (see page 108)**

Upon completion of the merger, the current directors and executive officers of GLPI are expected to continue in their current positions, other than as may be publicly announced by GLPI in the normal course.

### **U.S. Federal Income Tax Considerations Relating to the Merger (see page 110)**

The merger is intended to be non-taxable to shareholders, provided it qualifies as a reorganization within the meaning of Section 368(a) of the Code. The holders of Pinnacle common stock are not expected to recognize any gain or loss for U.S. federal income tax purposes on the exchange of shares of Pinnacle common stock for shares of GLPI common stock in the merger, except with respect to any cash received in lieu of fractional shares of GLPI common stock. The obligations of Pinnacle and GLPI to complete the merger are subject to, among other conditions described in this joint proxy statement/prospectus, the receipt by each of Pinnacle and GLPI of the opinion of its counsel to the effect that the merger will qualify as a reorganization within the meaning of Section 368(a) of the Code.

You should read The Merger U.S. Federal Income Tax Considerations Relating to the Merger for a more complete discussion of the United States federal income tax considerations relevant to the merger. The tax consequences of the merger to you will depend on your particular tax situation. **You should consult your tax advisor to determine the particular tax consequences of the merger to you.**

### **Accounting Treatment of the Merger (see page 124)**

GLPI prepares its financial statements in accordance with Generally Accepted Accounting Principles ( GAAP ). The merger will be accounted for by applying the acquisition method of accounting using the accounting

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guidance for asset acquisitions in ASC 805. When a transaction is deemed an asset acquisition, ASC 805 requires an allocation of the purchase price, including the transaction costs associated with the acquisition of assets, to the fair value of the assets acquired. Based on the guidance of ASC 805, GLPI will be the acquirer of Pinnacle for accounting purposes and will allocate the purchase price, including incurred transaction costs, to the fair value of the acquired Pinnacle real estate assets at the acquisition date.

### **Regulatory Approvals (see page 125)**

Under the merger agreement, the parties have agreed to use their reasonable best efforts to obtain all of the regulatory approvals, including certain gaming approvals, and are required to agree to certain divestiture and other actions in order to obtain such approvals. GLPI and Pinnacle have made or intend to make various filings and submissions with governmental entities. The parties' respective obligations to complete the merger are conditioned upon (1) the absence of any outstanding injunction by any court or other tribunal of competent jurisdiction having been entered and continuing to be in effect and the absence of any law having been adopted or be effective, in each case that prohibits the consummation of the merger or any of the transactions contemplated thereby (2) satisfaction of the regulatory approval condition (defined below).

### **Treatment of Pinnacle Long-Term Incentive Compensation (see page 126)**

See the section of this joint proxy statement/prospectus entitled "The Merger - Interests of Certain Pinnacle Persons in the Merger" for a detailed description of the treatment of Pinnacle Long-Term Incentive Awards.

At the time of the distribution, equity incentive awards and certain cash performance unit awards granted on or prior to July 16, 2015 will be adjusted into OpCo awards and GLPI awards in proportion to the relative value of Pinnacle (after giving effect to the spin-off) and OpCo. Outstanding equity incentive awards and cash performance unit awards granted after July 16, 2015 will be adjusted into OpCo awards. Following the spin-off, all OpCo awards will continue to vest in accordance with their terms based on OpCo service. Upon completion of the merger, each outstanding Pinnacle equity award will be cancelled in exchange for a number of shares of GLPI common stock determined based on the exchange ratio. In addition, certain cash performance unit awards will be cancelled in the merger in exchange for GLPI common stock based on the value of GLPI common stock at the time of the merger.

### **Agreement with Certain GLPI Shareholders (see page 128)**

Concurrently with the execution of the merger agreement, Pinnacle entered into separate voting agreements with (i) Peter M. Carlino and the Carlino Family Trust (the "Carlino Group") and (ii) Fortress Investment Fund V (GLPI SisterCo B) LP, Fortress Investment Fund V (GLPI SisterCo C) LP, Fortress Investment Fund V (GLPI SisterCo F) LP, Fortress Investment Fund V (Coinvestment GLPI Sister Co B) LP, Fortress Investment Fund V (Coinvestment GLPI SisterCo C) LP, Fortress Investment Fund V (Coinvestment GLPI SisterCo F) LP, Fortress Investment Fund V (GLPI SisterCo A) LP, Fortress Investment Fund V (GLPI SisterCo D) LP, Fortress Investment Fund V (GLPI SisterCo E) LP, Fortress Investment Fund V (Coinvestment GLPI SisterCo A) LP and Fortress Investment Fund V (Coinvestment GLPI SisterCo D) LP (the "Fortress Group"), pursuant to which each of the Carlino Group and the Fortress Group has agreed, among other matters and upon the terms and subject to the conditions set forth in their respective voting agreements, to vote all of their shares of GLPI common stock in favor of the share issuance proposal and the other actions contemplated by the merger agreement and against any proposal that would reasonably be expected to materially impair the ability of GLPI or Merger Sub to consummate the merger. The Carlino Group and the Fortress Group hold 24,727,163 shares of GLPI common stock in the aggregate, or approximately 21% of the voting power of GLPI as of the date of this joint proxy statement/prospectus.



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**Listing of GLPI Common Stock; Delisting of Pinnacle Common Stock (see page 129)**

It is a condition to the consummation of the merger that the shares of GLPI common stock to be issued to Pinnacle stockholders in the merger be authorized for listing on NASDAQ, subject to official notice of issuance. As a result of the merger, shares of Pinnacle common stock currently listed on NASDAQ will cease to be listed on NASDAQ.

**No Appraisal/Dissenters Rights (See page 127)**

Under the Delaware General Corporation Law (the "DGCL") as well as the governing documents of Pinnacle, the stockholders of Pinnacle are not entitled to appraisal rights or dissenters' rights in connection with the merger. Under the Pennsylvania Business Corporation Law (the "PBCL") as well as the governing documents of GLPI, the shareholders of GLPI are not entitled to appraisal rights or dissenters' rights in connection with the share issuance proposal.

**No Solicitation of Alternative Proposals (see page 135)**

Pursuant to the merger agreement, Pinnacle has agreed that it will, and will cause each of its and its affiliates' respective officers, directors and employees, agents, financial advisors, investment bankers, attorneys, accountants or other representatives (collectively, "representatives"), among other matters, not to directly or indirectly solicit, initiate, knowingly facilitate or knowingly encourage any inquiries regarding, or the making of any proposal or offer that constitutes, or would reasonably be expected to lead to competing proposals relating to certain alternative transaction proposals or, except as described below, engage in, continue or otherwise participate in any substantive discussions or negotiations regarding, or furnish to any other person any nonpublic information in connection with or for the purpose of encouraging or facilitating, such a proposal.

If Pinnacle receives a certain written unsolicited bona fide transaction proposal, prior to adoption of the merger agreement by its stockholders, that the Pinnacle board of directors has determined in good faith (after consultation with its outside legal counsel and financial advisors) that such proposal constitutes or would reasonably be expected to lead to a company takeover proposal that constitutes a superior proposal (which is defined as an alternative transaction that the Pinnacle board of directors determines is more favorable to the stockholders of Pinnacle from a financial point of view than the transaction contemplated by this merger agreement after taking certain factors into consideration) and that failure to take certain actions with respect to such a superior proposal would be reasonably likely to be inconsistent with its fiduciary duties under applicable law, then, Pinnacle may, subject to certain conditions, furnish nonpublic information to the third party making the superior proposal for an alternative transaction and engage in discussions or negotiations with the third party with respect to the superior proposal for an alternative transaction.

**Conditions to Completion of the Merger (see page 145)**

As more fully described in this joint proxy statement/prospectus and in the merger agreement, the obligations of the parties to effect the merger is subject to the satisfaction or waiver of the following mutual conditions:

adoption of the merger agreement proposal by Pinnacle's stockholders and approval of the share issuance by GLPI shareholders;



absence of an injunction having been entered by any court or other tribunal of competent jurisdiction and continuing to be in effect and any law having been adopted or effective, in each case, prohibiting the consummation of the merger or the other related transactions, including the spin-off;

the registration statement on Form S-4 filed by GLPI in connection with the share issuance having been declared effective by the SEC and no stop order suspending the effectiveness of such Form S-4 having been issued by the SEC and no proceedings for that purpose have been initiated or threatened by the SEC;

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GLPI common stock issued in the merger having been approved for listing on NASDAQ, subject to official notice of issuance;

all requisite gaming approvals having been obtained from the relevant gaming authorities and such approvals being in full force and effect;

OpCo's Form 10 (File No. 001-37666) and any related documents filed in connection with the spin-off having become effective under the Exchange Act, and are not the subject of any stop order or proceedings seeking a stop order and no proceedings for that purpose having been initiated or overtly threatened by the SEC and not concluded or withdrawn;

the distribution having been completed in accordance with the separation agreement; and

no action pending before, or threatened in writing by, the U.S. Antitrust Division of the Department of Justice or the Federal Trade Commission (the "FTC") wherein an unfavorable judgment, decree, injunction, order or ruling would prevent the performance of the transaction documents or any of the transactions contemplated hereby or thereby, declare unlawful the transactions contemplated by the transaction documents or cause such transactions to be rescinded or reasonably be expected to cause a regulatory material adverse effect (the "regulatory approval condition").

The obligation of Pinnacle to effect the merger is also subject to the satisfaction, or waiver by Pinnacle, of the following additional conditions:

the accuracy of the representations and warranties of GLPI and Merger Sub set forth in the merger agreement, subject to the materiality standards set forth in the merger agreement, as of the date of the merger agreement and as of the closing date of the merger (except to the extent such representations and warranties are expressly made as of a specific date, in which case such representations and warranties will be true and correct as of such specific date only), and Pinnacle's receipt of an officer's certificate from GLPI to such effect;

performance of all obligations required to be performed under the merger agreement by GLPI and compliance with all covenants required to be complied with under the merger agreement by GLPI and Merger Sub in all material respects prior to the effective time of the merger (and the receipt of an officer's certificate from GLPI to such effect);

the absence, since the date of the merger agreement, of any event, change, effect, development or occurrence that, individually or in the aggregate, has had or would reasonably be expected to have a material adverse effect with respect to GLPI (and the receipt of an officer's certificate from GLPI to such effect);

the receipt by Pinnacle of a written tax opinion from Skadden, Arps, Slate, Meagher & Flom LLP ( Skadden ) to the effect that the merger will qualify as a reorganization within the meaning of Section 368(a) of the Code; and

the receipt by Pinnacle of a written tax opinion of KPMG LLP to the effect that commencing with GLPI's taxable year ended December 31, 2014, GLPI has been organized and operated in conformity with the requirements for qualification as a REIT under the Code and its proposed method of operation will enable it to continue to meet the requirements for qualification and taxation as a REIT under the Code thereafter.

The obligation of GLPI to effect the merger is also subject to the satisfaction, or waiver by GLPI, of the following additional conditions:

the accuracy of the representations and warranties of Pinnacle set forth in the merger agreement, subject to the materiality standards set forth in the merger agreement, as of the date of the merger agreement and as of the closing date of the merger (except to the extent such representations and

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warranties are expressly made as of a specific date, in which case such representations and warranties will be true and correct as of such specific date only), and GLPI's receipt of an officer's certificate from Pinnacle to such effect;

performance of all obligations required to be performed under the merger agreement by Pinnacle and compliance with all covenants required to be complied with under the merger agreement by Pinnacle in all material respects prior to the effective time of the merger (and the receipt of an officer's certificate from Pinnacle to such effect);

the absence of any event, change, effect, development or occurrence that, individually or in the aggregate, has had or would reasonably be expected to have a material adverse effect with respect to Pinnacle (and the receipt of an officer's certificate from Pinnacle to such effect); and

the receipt by GLPI of a written tax opinion from Wachtell, Lipton, Rosen & Katz (Wachtell Lipton) to the effect that the merger will qualify as a reorganization within the meaning of Section 368(a) of the Code. Neither GLPI nor Pinnacle can be certain when, or if, the conditions to the merger will be satisfied or waived, or that the merger will be completed.

**Termination of the Merger Agreement (see page 150)**

Pinnacle and GLPI may mutually agree to terminate the merger agreement before completing the merger, even after approval of the merger agreement by the Pinnacle stockholders and approval of the share issuance by GLPI shareholders.

In addition, either GLPI or Pinnacle may decide to terminate the merger agreement if:

subject to certain exceptions, the merger is not consummated by March 31, 2016, subject to one three-month extension by GLPI to June 30, 2016, at the election of GLPI, if the only conditions not satisfied at such time relate to regulatory and other government approvals (such date, as may be extended, the end date);

an injunction is entered permanently restraining, enjoining or otherwise prohibiting the consummation of the merger and such injunction shall have become final and nonappealable (provided that the right to terminate will not be available to a party if the injunction was due to the failure of the party to perform any of its obligations under the merger agreement);

the Pinnacle special meeting has concluded without adoption of the merger agreement proposal by Pinnacle's stockholders or if the GLPI special meeting has concluded without approval of GLPI's shareholders of the share issuance proposal; or

there has been a breach of the merger agreement by the other party or there has been a failure to perform any of its representations, warranties, covenants or agreements contained in the merger agreement, which breach or failure to perform (i) if it occurred or was continuing to occur on the closing date, would result in a failure of a condition to close by such breaching party and (ii) is incapable of being cured during the time period set forth in the merger agreement or, if curable, is not cured during the applicable cure period (subject to certain conditions).

GLPI may also terminate the merger agreement if, prior to the adoption of the merger agreement by Pinnacle's stockholders, the Pinnacle board makes an adverse recommendation change.

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**Expenses and Termination Fees Relating to the Termination of the Merger Agreement (see page 150)**

If the merger agreement is validly terminated, the agreement will become void and have no effect, without any liability or obligation on the part of any party except for (i) liabilities in connection with the confidentiality agreement between Pinnacle and GLPI, (ii) termination fees and expense reimbursements as described below, (iii) indemnification and confidentiality provisions arising out of Pinnacle's cooperation with GLPI in connection with GLPI's financing and (iv) liabilities arising out of or the result of fraud or any willful and material breach of any covenant, agreement, representation or warranty in the merger agreement prior to termination, in which case the aggrieved party is not limited to expense reimbursement or the termination fees described below and will be entitled to all rights and remedies available at law or equity. The provisions of the merger agreement relating to the effects of termination, fees and expenses, termination payments, governing law, jurisdiction, waiver of jury trial, nonsurvival of representations and warranties, as well as the confidentiality agreement entered into between Pinnacle and GLPI, will continue in effect notwithstanding termination of the merger agreement.

Pinnacle will be obligated to pay to GLPI a termination fee of \$60 million (subject to REIT restrictions) in the following circumstances:

the merger agreement is terminated by GLPI prior to adoption of the merger agreement by Pinnacle's stockholders in the event Pinnacle's board makes an adverse recommendation change; or

(i) a company takeover proposal has been publicly announced or has become publicly known and not withdrawn by a date that is at least fifteen business days prior to the Pinnacle special meeting, (ii) thereafter, the merger agreement is terminated by either Pinnacle or GLPI because the Pinnacle special meeting has concluded without the adoption of the merger agreement by Pinnacle's stockholders and (iii) within twelve months of the termination of the merger agreement, Pinnacle or any of its subsidiaries enters into a definitive agreement with a third party with respect to or consummates a transaction that is a company takeover proposal with a third party.

In addition, GLPI will be obligated to pay to Pinnacle a termination fee of \$150 million under the following circumstance:

the merger agreement is terminated by either GLPI or Pinnacle because of any injunction, order, decree or ruling relating to gaming, antitrust or related laws or any related consents or approvals or the end has been reached and certain conditions related to regulatory and gaming approvals have not been satisfied; however, GLPI will not be required to pay any such termination fee if the primary cause of such termination was an adverse suitability finding under applicable gaming laws with respect to the business of OpCo and its affiliates.

In addition, in respect of expenses in connection with the merger agreement, (i) in the event of a termination resulting from the failure to obtain approval of the share issuance by GLPI's shareholders, GLPI shall pay Pinnacle \$20 million within two business days after such termination (so long as Pinnacle's stockholders have not failed to adopt the merger agreement) and (ii) in the event of termination resulting from the failure of Pinnacle's stockholders to adopt the merger agreement, Pinnacle shall pay GLPI \$20 million (subject to REIT restrictions) determined in accordance with calculations in the merger agreement within two business days after such termination (so long as GLPI's shareholders have not failed to approve the share issuance proposal).

**Specific Performance (see page 151)**

GLPI, Merger Sub and Pinnacle are entitled to seek specific performance to prevent breaches of the merger agreement and to enforce the terms of the merger agreement in addition to any other remedy to which they are entitled at law or in equity.

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**Expected Timing of the Merger (see page 129)**

The merger is expected to be completed in the first quarter of 2016. However, neither GLPI nor Pinnacle can predict the actual date on which the merger will be completed, nor can the parties assure that the merger will be completed, because completion is subject to conditions beyond each party's control.

**Comparison of Rights of Common Shareholders of GLPI and Common Stockholders of Pinnacle (see page 173)**

Pinnacle stockholders receiving shares of GLPI common stock in connection with the merger will have different rights once they become shareholders of GLPI due to differences between laws of the Commonwealth of Pennsylvania and the State of Delaware and the governing corporate documents of GLPI and Pinnacle. These differences are described in more detail under Comparison of Rights of Common Shareholders of GLPI and Common Stockholders of Pinnacle.

**Risk Factors (see page 38)**

Before voting at the Pinnacle special meeting or the GLPI special meeting, you should carefully consider all of the information contained in or incorporated by reference into this joint proxy statement/prospectus, as well as the specific factors under the heading Risk Factors.



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**SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA OF GLPI**

The following selected historical consolidated financial and operating data of GLPI for the five-year period ended December 31, 2014 and the selected historical consolidated balance sheet data as of the five-year periods ended on December 31, 2014 have been derived from GLPI's audited consolidated financial statements as of and for the fiscal year ended December 31, 2014 contained in its Annual Report on Form 10-K filed with the SEC on February 27, 2015, as amended by Amendment No. 1 thereto on Form 10-K/A filed with the SEC on November 9, 2015, which is incorporated by reference into this joint proxy statement/prospectus.

The selected historical financial information for each of the nine-month periods ended September 30, 2015 and September 30, 2014, and the balance sheet data as of September 30, 2015 have been derived from GLPI's unaudited consolidated financial statements as of and for the quarterly period ended September 30, 2015 contained in GLPI's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2015 filed with the SEC on November 9, 2015, which is incorporated by reference into this joint proxy statement/prospectus. The balance sheet data as of September 30, 2014 has been derived from GLPI's unaudited consolidated financial statements for the quarterly period ended September 30, 2014 contained in GLPI's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2014 filed with the SEC on November 7, 2014 (adjusted to reflect the restatement related to GLPI's revenue recognition of percentage rents received pursuant to GLPI's master lease with Penn, which restatement is described in GLPI's Annual Report on Form 10-K/A and Quarterly Reports on Form 10-Q/A incorporated by reference into this joint proxy statement/prospectus), which is not incorporated by reference into this joint proxy statement/prospectus. In GLPI's view, the unaudited financial statements include all adjustments (consisting of normal recurring adjustments) necessary for a fair presentation of the interim September 30, 2015 financial information. Interim results for the nine months ended and as of September 30, 2015 are not necessarily indicative of, and are not projections for, the results to be expected for the fiscal year ending December 31, 2015.

The information set forth below is only a summary and is not necessarily indicative of the results of future operations of GLPI or GLPI following completion of the merger, and you should read the following information together with GLPI's consolidated financial statements, the related notes and the sections entitled Management's Discussion and Analysis of Financial Condition and Results of Operations contained in GLPI's Annual Report on Form 10-K filed with the SEC on February 27, 2015, as amended by Amendment No. 1 thereto on Form 10-K/A filed with the SEC on November 9, 2015, and in its Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2015, which are incorporated by reference into this joint proxy statement/prospectus, and in GLPI's other reports filed with the SEC. For more information, see the section titled Where You Can Find More Information.

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	For the Year Ended December 31,					Nine Months Ended September 30,	
	2014 <sup>(1)</sup>	2013 <sup>(1)</sup>	2012	2011	2010	2015	2014
	(In thousands, except per share amounts)						
<b>Income Statement Data:</b>							
Net revenues	\$ 591,068	\$ 235,452	\$ 210,643	\$ 231,884	\$ 143,198	\$ 446,364	\$ 445,988
Total operating expenses	332,562	181,547	166,975	179,371	112,067	253,402	247,579
Income from operations	258,506	53,905	43,668	52,513	31,131	192,962	198,409
Total other expenses	114,586	23,456	6,318	6,954	4,874	88,612	85,623
Income before income taxes	143,920	30,449	37,350	45,559	26,257	104,350	112,786
Income tax expense	5,113	15,596	14,431	18,875	10,927	6,001	4,181
Net income	\$ 138,807	\$ 14,853	\$ 22,919	\$ 26,684	\$ 15,330	\$ 98,349	\$ 108,605
<b>Per Share Data:</b>							
Basic earnings per common share	\$ 1.23	\$ 0.13	\$ 0.21	\$ 0.24	\$ 0.14	\$ .86	\$ .97
Diluted earnings per common share	\$ 1.18	\$ 0.13	\$ 0.20	\$ 0.23	\$ 0.13	\$ .83	\$ .92
<b>Other Data:</b>							
Net cash provided by operating activities	\$ 273,259	\$ 80,632	\$ 26,744	\$ 56,840	\$ 29,083	\$ 266,825	\$ 221,007
Net cash used in investing activities	(317,319)	(16,275)	(4,810)	(8,171)	(58,987)	(14,077)	(302,206)
Net cash (used in) provided by financing activities	(205,188)	206,302	(24,518)	(50,436)	41,866	(245,981)	(172,688)
Depreciation	106,843	28,923	14,090	14,568	10,809	82,585	79,397
Interest expense	117,030	19,254				90,373	87,460
<b>Balance Sheet Data:</b>							
Cash and cash equivalents	\$ 35,973	\$ 285,221	\$ 14,562	\$ 17,146	\$ 18,913	\$ 42,740	\$ 31,334
Real estate investments, net	2,180,124	2,010,303				2,113,382	2,201,856
Total assets	2,564,580	2,609,239	267,075	261,342	254,208	2,516,115	2,595,437
Long-term debt, net of current maturities	2,609,487	2,350,000				2,541,313	2,546,000
Shareholders' equity (deficit)	(176,290)	137,452	236,330	219,911	215,388	(236,586)	(115,497)
<b>Property Data:</b>							
Number of rental properties owned at	19	17				19	19

year / period end				
Rentable square feet				
at year / period end	6,970	6,344	6,970	6,970

- (1) Financial results for GLPI's fiscal year ending December 31, 2014 reflect the first full year of operations for both operating segments. GLPI was spun-off from Penn on November 1, 2013. For 2010 through 2012, the selected historical financial data sets forth the historical operations of Louisiana Casino Cruises, Inc. and Penn Cecil Maryland, Inc., which were acquired by a subsidiary of GLPI as part of the Penn spin-off (defined below). See the section titled "Information About GLPI" for additional information about GLPI.

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**SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA OF PINNACLE**

The following selected historical consolidated financial and operating data of Pinnacle for the five-year period ended December 31, 2014 and the selected historical consolidated balance sheet data as of the five-year periods ended on December 31, 2014 have been derived from Pinnacle's audited consolidated financial statements as of and for the fiscal year ended December 31, 2014 contained in its Annual Report on Form 10-K filed with the SEC on March 2, 2015, which is incorporated by reference into this joint proxy statement/prospectus.

The selected historical financial information for each of the nine-month periods ended September 30, 2015 and September 30, 2014, and the balance sheet data as of September 30, 2015 have been derived from Pinnacle's unaudited consolidated financial statements as of and for the quarterly period ended September 30, 2015 contained in Pinnacle's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2015 filed with the SEC on November 9, 2015, which is incorporated by reference into this joint proxy statement/prospectus. The balance sheet data as of September 30, 2014 has been derived from Pinnacle's unaudited consolidated financial statements for the quarterly period ended September 30, 2014 contained in Pinnacle's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2014 filed with the SEC on November 10, 2014, which is not incorporated by reference into this joint proxy statement/prospectus. In Pinnacle's view, the unaudited financial statements include all adjustments (consisting of normal recurring adjustments) necessary for a fair presentation of the interim September 30, 2015 financial information. Interim results for the nine months ended and as of September 30, 2015 are not necessarily indicative of, and are not projections for, the results to be expected for the fiscal year ending December 31, 2015.

The information set forth below is only a summary and is not necessarily indicative of the results of future operations of Pinnacle, or of OpCo following completion of the merger, and you should read the following information together with Pinnacle's consolidated financial statements, the related notes and the sections entitled Management's Discussion and Analysis of Financial Condition and Results of Operations contained in Pinnacle's Annual Report on Form 10-K filed with the SEC on March 2, 2015 and in its Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2015, which are incorporated by reference into this joint proxy statement/prospectus, and in Pinnacle's other reports filed with the SEC. For more information, see the section titled Where You Can Find More Information.

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	For the year ended December 31,					For the nine months ended	
	2014 <sup>(1)</sup>	2013 <sup>(2)</sup>	2012 <sup>(3)</sup>	2011 <sup>(4)</sup>	2010 <sup>(5)</sup>	September 30, 2015	September 30, 2014
	(in millions, except per share data)						
<b>Results of Operations:</b>							
Revenues	\$ 2,210.5	\$ 1,487.8	\$ 1,002.8	\$ 940.9	\$ 859.0	\$ 1,733.4	\$ 1,656.3
Operating income	310.5	104.4	136.7	127.3	52.4	255.2	231.7
Income (loss) from continuing operations, net of income taxes	38.3	(133.4)	(13.2)	28.9	(41.0)	56.3	24.1
Income (loss) from discontinued operations, net of income taxes	5.5	(122.5)	(18.6)	(31.4)	17.6	5.2	5.1
Income (loss) from continuing operations per common share:							
Basic	\$ 0.64	\$ (2.27)	\$ (0.22)	\$ 0.47	\$ (0.67)	\$ 0.94	\$ 0.41
Diluted	\$ 0.62	\$ (2.27)	\$ (0.22)	\$ 0.46	\$ (0.67)	\$ 0.91	\$ 0.39
<b>Other Data:</b>							
Capital expenditures and land additions	\$ 230.8	\$ 292.6	\$ 299.5	\$ 153.5	\$ 157.5	\$ 57.5	\$ 188.7
Ratio of Earnings to Fixed Charges <sup>(6)</sup>	1.1x		1.0x	1.2x		1.4x	1.1x
<b>Cash Flows Provided by (Used in):</b>							
Operating activities	\$ 328.5	\$ 161.1	\$ 186.9	\$ 131.8	\$ 88.7	\$ 316.8	\$ 270.5
Investing activities	33.2	(1,842.7)	(302.1)	(293.4)	(130.7)	(53.0)	75.5
Financing activities	(395.6)	1,778.5	136.7	46.5	108.2	(305.4)	(389.6)
<b>Balance Sheet Data:</b>							
Cash, restricted cash and equivalents <sup>(7)</sup>	\$ 170.3	\$ 203.5	\$ 100.5	\$ 82.9	\$ 199.9	\$ 123.0	\$ 160.7
Total assets	4,833.7	5,159.4	2,109.0	1,950.6	1,883.8	4,588.9	4,848.1
Long-term debt less current portion	3,975.6	4,364.0	1,437.3	1,223.9	1,176.6	3,665.9	3,982.3
Total stockholders equity	289.4	225.2	447.1	519.4	507.4	372.0	271.0

- (1) The financial results for 2014 include the full year impact of the acquisition of Ameristar Casinos, Inc. In addition, financial results include the opening of Belterra Park, which opened May 1, 2014, the redemption of approximately \$514.3 million of aggregate principal amount of term loans, for a net reduction in total debt of \$401.3 million under our Amended and Restated Credit Agreement, a portion of which resulted in a \$8.2 million loss on early extinguishment of debt.
- (2) The financial results for 2013 include the impact of the acquisition of Ameristar in August 2013. In addition, Pinnacle incurred \$85.3 million in costs associated with the acquisition of Ameristar Casinos, Inc., Pinnacle incurred a \$30.8 million loss on early extinguishment of debt, a \$144.6 million charge to discontinued operations for the impairment of the Lumière Place Casino, the Four Seasons Hotel St. Louis and Hotel Lumière and related excess land parcels classified as assets held for sale in 2013, a \$10.0 million charge related to the impairment of our Boomtown Bossier City gaming license, a tax benefit from the release of \$58.4 million of our valuation

allowance as a result of the consolidation of our deferred tax assets with Ameristar's deferred tax liabilities, and a \$92.2 million impairment of our investment in ACDL.

- (3) The financial results for 2012 include the opening of L'Auberge Baton Rouge, which opened September 1, 2012. In addition, Pinnacle incurred a \$20.7 million loss on early extinguishment of debt, a \$10.2 million charge related to cash and land donation commitments made for various projects in the City of St. Louis to satisfy obligations under our redevelopment agreement, and a \$25 million impairment of our investment in ACDL.
- (4) The financial results for 2011 include a full year of operations at River City, and the purchase of River Downs racetrack for approximately \$45.2 million in January 2011, as well as our \$95 million investment in ACDL in August 2011, which results have been included from the time of close. The purchase price of these entities has been excluded from the capital expenditures shown for 2011.

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- (5) The financial results for 2010 reflect impairment charges totaling \$35.5 million related to indefinite-lived intangible assets, land and development costs and buildings and equipment. In addition, the 2010 results reflect the March 2010 opening of River City and income from discontinued operations related to the recovery of insurance proceeds from our former Casino Magic Biloxi property.
- (6) In computing the ratio of earnings to fixed charges: (x) earnings were the income from continuing operations before income taxes and fixed charges, excluding capitalized interest; and (y) fixed charges were the sum of interest expense, amortization of debt issuance costs, capitalized interest and the estimated interest component included in rental expense. Due principally to our large non-cash charges deducted to compute such earnings, earnings so calculated were less than fixed charges by \$44.5 million and \$56.4 million for the years ended December 31, 2013, and 2010, respectively.
- (7) Excludes amounts of cash and cash equivalents associated with entities and operations included in discontinued operations in the respective year.

**Table of Contents****SUMMARY SELECTED UNAUDITED PRO FORMA CONSOLIDATED COMBINED FINANCIAL INFORMATION OF GLPI**

The following summary selected unaudited pro forma consolidated combined balance sheet data gives effect to the proposed merger as if it had occurred on September 30, 2015 while the summary unaudited pro forma consolidated combined statement of operations data for the nine months ended September 30, 2015 and the year ended December 31, 2014 is presented as if the pro forma events had occurred on January 1, 2014.

The following summary selected unaudited pro forma consolidated combined financial information has been prepared for illustrative purposes only and is not necessarily indicative of what the combined company's consolidated financial position or results of operations actually would have been had the pro forma events occurred as of the dates indicated. In addition, the summary selected unaudited pro forma consolidated combined financial information does not purport to project the future financial position or operating results of the combined company. Future results may vary significantly from the results reflected because of various factors, including those discussed in the section entitled Risk Factors. The following summary selected unaudited pro forma consolidated combined financial information should be read in conjunction with the section titled Unaudited Pro Forma Consolidated Combined Financial Information and related notes included in this joint proxy statement/prospectus.

**Summary Unaudited Pro Forma Consolidated Combined Statements of Income Data (in thousands):**

	<b>Nine Months Ended September 30, 2015</b>	<b>Year Ended December 31, 2014</b>
Net Revenues	\$ 720,226	\$ 959,999
Total operating expenses	294,396	392,199
Income from operations	425,830	567,800
Total other expenses	175,140	229,957
Income before income taxes	250,690	337,843
Income tax expense	6,001	5,113
Net income	244,689	332,730

**Summary Unaudited Pro Forma Consolidated Combined Balance Sheet Data (in thousands):**

	<b>September 30, 2015</b>
Cash and cash equivalents	\$ 68,720
Real estate investments, net	3,899,007
Investment in direct financing lease	2,728,209
Total assets	7,086,985
Long-term debt, net of current maturities	4,966,313
Shareholders' equity	1,887,150





**Table of Contents****UNAUDITED COMPARATIVE PER SHARE INFORMATION**

The following table summarizes unaudited per share data for (i) GLPI and Pinnacle on a historical basis for the nine months ended September 30, 2015 and the year ended December 31, 2014, (ii) GLPI on a pro forma combined basis giving effect to the proposed merger (collectively referred to in this joint proxy statement/prospectus as the pro forma events ) and (iii) Pinnacle on a pro forma equivalent basis based on the exchange ratio of 0.85 shares of GLPI common stock for each share of Pinnacle common stock. It has been assumed for purposes of the pro forma combined financial information provided below that the pro forma events occurred on December 31, 2014 for earnings per share purposes and on September 30, 2015 for book value per share purposes. The historical earnings per share information should be read in conjunction with the historical consolidated financial statements and notes thereto of GLPI and Pinnacle incorporated by reference into this joint proxy statement/prospectus. See Where You Can Find More Information. The unaudited pro forma combined earnings per share information is derived from, and should be read in conjunction with, the section titled Unaudited Pro Forma Consolidated Combined Financial Information and related notes included in this joint proxy statement/prospectus. The pro forma information is presented for illustrative purposes only and is not necessarily indicative of the operating results or financial position that would have occurred if the pro forma events had occurred as of the beginning of the periods presented, nor is it necessarily indicative of the future operating results or financial position of the combined company.

	GLPI		Pinnacle	
	Historical	Pro Forma Combined	Historical	Pro Forma Equivalent <sup>(1)</sup>
<b>Nine Months Ended September 30, 2015</b>				
Basic earnings per common share	\$ 0.86	\$ 1.25	\$ 1.03	\$ 1.06
Diluted earnings per common share	\$ 0.83	\$ 1.22	\$ 0.99	\$ 1.04
Cash dividends declared per common share	\$ 1.64	\$ 1.77		\$ 1.50
<b>As of September 30, 2015</b>				
Basic book value per share	\$ (2.07)	\$ 9.67	\$ 6.10	\$ 8.22
<b>Year Ended December 31, 2014</b>				
Basic earnings per common share	\$ 1.23	\$ 1.72	\$ 0.73	\$ 1.46
Diluted earnings per common share	\$ 1.18	\$ 1.68	\$ 0.71	\$ 1.43
Cash dividends declared per common share	\$ 14.32 <sup>(2)</sup>	\$ 14.50		\$ 12.33

- (1) The equivalent Pinnacle amounts are calculated by multiplying the pro forma combined GLPI amounts by the exchange ratio of 0.85. The product excludes the earnings, dividends and value of OpCo.
- (2) Includes one-time dividends of \$0.40 per common share distributed by GLPI in the fourth quarter of 2014 to ensure that GLPI appropriately allocated its historical earnings and profits in connection with the Penn spin-off and distributed 100% of its taxable income for the 2014 year. In addition, includes the February 18, 2014 Purging Distribution, which totaled \$1.05 billion or \$11.84 per common share 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 its spin-off.



**Table of Contents****COMPARATIVE STOCK PRICE DATA AND DIVIDENDS****Stock Prices**

GLPI's common stock is listed on NASDAQ under the symbol GLPI. Pinnacle's common stock is listed on NASDAQ under the symbol PNK. The following table sets forth the closing sales prices per share of GLPI common stock and Pinnacle common stock, on an actual and equivalent per share basis, on the New York Stock Exchange (where Pinnacle's common stock traded until the closing of the market on November 16, 2015) and on NASDAQ on the following dates:

March 6, 2015, the last full trading day before the announcement of GLPI regarding a potential merger,

July 20, 2015, the last full trading day before the public announcement of the merger, and

[ ], the last trading day for which this information could be calculated before the date of this joint proxy statement/prospectus.

	<b>GLPI Common Stock</b>	<b>Pinnacle Common Stock</b>	<b>GLPI Equivalent Per Share<sup>(1)</sup></b>
March 6, 2015	\$ 32.37	\$ 27.42	\$ 27.51
July 20, 2015	\$ 34.77	\$ 39.75	\$ 29.55
[ ]	\$ [ ]	\$ [ ]	\$ [ ]

(1) The equivalent per share data for GLPI common stock has been determined by multiplying the market price of one share of GLPI common stock on each of the dates by the exchange ratio of 0.85.

The following table sets forth, for the periods indicated, the high and low sales prices per share of GLPI common stock and Pinnacle common stock as reported on NASDAQ and the New York Stock Exchange (where Pinnacle's common stock traded until the closing of the market on November 16, 2015), respectively, and cash dividends declared and paid for the same periods.

**GLPI Common Stock**

	<b>GLPI Price Range</b>		<b>Cash Dividends</b>
	<b>High</b>	<b>Low</b>	
<b>Fiscal Year ending December 31, 2015</b>			
Fourth Quarter	\$ [ ]	\$ [ ]	\$ 0.545
Third Quarter	\$ 37.23	\$ 28.50	\$ 0.545
Second Quarter	\$ 38.30	\$ 35.50	\$ 0.545
First Quarter	\$ 37.85	\$ 28.27	\$ 0.545

**Fiscal Year ended December 31, 2014**

Fourth Quarter	\$ 32.73	\$ 27.66	\$ 0.92 <sup>(1)</sup>
Third Quarter	\$ 36.44	\$ 30.76	\$ 0.52
Second Quarter	\$ 38.50	\$ 32.18	\$ 0.52
First Quarter	\$ 51.57	\$ 33.56	\$ 12.36 <sup>(2)</sup>

**Fiscal Year ended December 31, 2013<sup>(3)</sup>**

Fourth Quarter	\$ 53.50	\$ 40.25	
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- (1) Includes one-time dividends of \$0.40 per common share related to distributions to ensure that GLPI appropriately allocated its historical earnings and profits in connection with the Penn spin-off in response to the pre-filing agreement requested from the IRS and distributed 100% of its taxable income for the 2014 year.
- (2) Includes the February 18, 2014 Purging Distribution, which totaled \$1.05 billion or \$11.84 per common share 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 its spin-off.
- (3) GLPI common stock began trading on NASDAQ on October 14, 2013.

**Table of Contents****Pinnacle Common Stock**

	Pinnacle		Cash Dividends
	Price Range High	Low	
<b>Fiscal Year ending December 31, 2015</b>			
Fourth Quarter	\$ [ ]	\$ [ ]	
Third Quarter	\$ 41.66	\$ 32.32	
Second Quarter	\$ 40.42	\$ 33.83	
First Quarter	\$ 36.47	\$ 19.92	
<b>Fiscal Year ended December 31, 2014</b>			
Fourth Quarter	\$ 26.00	\$ 19.66	
Third Quarter	\$ 27.45	\$ 21.46	
Second Quarter	\$ 25.72	\$ 21.57	
First Quarter	\$ 26.77	\$ 20.33	
<b>Fiscal Year ended December 31, 2013</b>			
Fourth Quarter	\$ 26.58	\$ 22.40	
Third Quarter	\$ 25.72	\$ 18.85	
Second Quarter	\$ 21.19	\$ 14.14	
First Quarter	\$ 16.97	\$ 13.28	

As of [ ], 2015, the last date before the date of this joint proxy statement/prospectus for which it was practicable to obtain this information, there were [ ] shares of GLPI common stock outstanding and approximately [ ] holders of record of GLPI common stock, and [ ] shares of Pinnacle common stock outstanding and approximately [ ] holders of record of Pinnacle common stock.

Because the exchange ratio will not be adjusted for changes in the market price of either GLPI common stock or Pinnacle common stock, the market value of the shares of GLPI common stock that holders of Pinnacle common stock will have the right to receive on the date the merger is completed may vary significantly from the market value of the shares of GLPI common stock that holders of Pinnacle common stock would receive if the merger were completed on the date of this joint proxy statement/prospectus. As a result, you should obtain recent market prices of GLPI common stock and Pinnacle common stock prior to voting your shares. See **Risk Factors** **Risks Relating to the Merger**.

**Dividends**

In order to qualify to be taxed as a REIT, GLPI is required to annually distribute dividends, other than capital gain dividends, to its shareholders in an amount at least equal to: (1) the sum of (a) 90% of its REIT taxable income, computed without regard to its net capital gains and the deduction for dividends paid; and (b) 90% of its after tax net income, if any, from foreclosure property; minus (2) the excess of the sum of specified items of non-cash income over 5% of its REIT taxable income, computed without regard to its net capital gain and the deduction for dividends paid. GLPI generally must make these distributions in the taxable year to which they relate. At GLPI's election, a dividend distribution is treated as paid in a taxable year if it is declared before GLPI timely files its tax return for that year and if paid with or before the first regular dividend payment after such declaration as long as the payment is made during the 12-month period following the close of that year. These distributions will be treated as received by GLPI's shareholders in the year in which paid. In order for distributions to be counted as satisfying the annual distribution requirements for REITs, and to provide GLPI with a REIT-level tax deduction, the distributions must not be preferential dividends. A dividend is not a preferential dividend if the distribution is (1) pro rata among all outstanding

shares of stock within a particular class and (2) in accordance with any preferences among different classes of stock as set forth in GLPI's organizational documents.

Pinnacle does not declare or pay cash dividends on its common stock. The indentures governing Pinnacle's senior subordinated notes and credit facility limit the amount of dividends that Pinnacle is permitted to pay.

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**CAUTIONARY STATEMENTS REGARDING FORWARD-LOOKING STATEMENTS**

This joint proxy statement/prospectus and the documents incorporated by reference into this joint proxy statement/prospectus contain forward-looking statements within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 that are not limited to historical facts but reflect GLPI's and Pinnacle's current beliefs, expectations or intentions regarding future events. Words such as anticipate, believe, plan, continue, could, estimate, expect, forecast, guidance, intend, may, plan, possible, potential, predict, project, target, and other similar words, phrases or expressions are intended to identify such forward-looking statements. These forward-looking statements include, without limitation, GLPI's and Pinnacle's expectations with respect to the costs and other anticipated financial impacts of the spin-off and merger; future financial and operating results of OpCo and GLPI; the ability of Pinnacle and GLPI to complete the contemplated financing transactions and reorganizations in connection with the transaction; OpCo's and GLPI's plans, objectives, expectations and intentions with respect to future operations and services; required approvals of the merger by Pinnacle's stockholders and the share issuance by GLPI's shareholders, and by governmental regulatory authorities, including gaming authorities; the stock price of OpCo and GLPI following the consummation of the transactions; the stock price of GLPI prior to the consummation of the transactions; the satisfaction of the closing conditions to the proposed merger; and the timing of the completion of the merger. All forward-looking statements involve significant risks and uncertainties that could cause actual results to differ materially from those expressed or implied in the forward-looking statements, many of which are generally outside the control of GLPI and Pinnacle and difficult to predict. These risks and uncertainties also include those set forth under the section titled "Risk Factors" as well as, among others, risks and uncertainties relating to:

the occurrence of any event, change or other circumstances that could give rise to the termination of the merger agreement or the failure to satisfy the closing conditions;

the possibility that the consummation of the proposed merger is delayed or does not occur, including due to the failure to obtain the required approvals of the GLPI shareholders and Pinnacle stockholders, which may have adverse effects on the business and the stock price of GLPI and Pinnacle;

the ability to obtain the regulatory approvals, including gaming approvals, required to complete the spin-off and the merger as contemplated by the merger agreement, and the timing and conditions for such approvals;

the possibility that the stock price of GLPI falls prior to or following the consummation of the proposed merger;

the taking of governmental action (including the passage of legislation) to block the merger or otherwise adversely affecting GLPI and Pinnacle;

the outcome of any legal proceedings that have been or may be instituted against GLPI, Pinnacle or others following announcement of the merger contemplated by the merger agreement;



the ability to successfully integrate the real property portfolios of GLPI and Pinnacle, unexpected costs or unexpected liabilities that may arise from the merger, whether or not consummated;

the disruption from the merger making it more difficult for Pinnacle to maintain relationships with their respective customers, employees or suppliers;

the inability of Pinnacle to retain key personnel; and

the impact of global or regional economic conditions, fluctuations in exchange rates, labor relations, competitive actions taken by other gaming operators, REITs or other competitors, terrorist attacks or natural disasters.

GLPI and Pinnacle caution that the foregoing list of factors is not exhaustive. Additional information concerning these and other risk factors is contained in GLPI's and Pinnacle's most recently filed Annual Reports on Form 10-K, subsequent Quarterly Reports on Form 10-Q, recent Current Reports on Form 8-K and other SEC filings,

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as such filings may be amended from time to time. All subsequent written and oral forward-looking statements concerning GLPI, Pinnacle, the merger or other matters attributable to GLPI or Pinnacle or any person acting on their behalf are expressly qualified in their entirety by the cautionary statements above. Neither GLPI nor Pinnacle undertakes any obligation to update publicly any of these forward-looking statements to reflect events or circumstances that may arise after the date hereof.

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**RISK FACTORS**

*In addition to the other information included and incorporated by reference into this joint proxy statement/prospectus, including the matters addressed in the section titled **Cautionary Statements Regarding Forward-Looking Statements**, you should carefully consider the following risk factors before deciding whether to vote for the merger agreement proposal, in the case of Pinnacle stockholders, or for the share issuance proposal, in the case of GLPI shareholders. In addition, you should read and consider the risks associated with each of the businesses of Pinnacle and GLPI because these risks will relate to the combined company following the completion of the transactions. Descriptions of some of these risks can be found in the Annual Reports of GLPI and Pinnacle on Form 10-K for the fiscal year ended December 31, 2014, and any amendments thereto for each of GLPI and Pinnacle, as such risks may be updated or supplemented in each company's subsequently filed Quarterly Reports on Form 10-Q or Current Reports on Form 8-K, which are incorporated by reference into this joint proxy statement/prospectus. You should also consider the other information in this document and the other documents incorporated by reference into this document. See the section titled **Where You Can Find More Information**.*

**Risks Relating to the Merger**

***Because the exchange ratio is fixed and the market prices of GLPI's and Pinnacle's common stock may fluctuate, Pinnacle stockholders cannot be sure of the value of the GLPI common stock they will receive on the closing date.***

At the effective time of the merger, each share of Pinnacle common stock will be converted into the right to receive 0.85 of a share of GLPI common stock. If applicable, the exchange ratio will be adjusted appropriately to fully reflect the effect of any stock dividend, subdivision, stock split, reclassification, reorganization or other similar change with respect to the shares of either GLPI common stock or Pinnacle common stock prior to the completion of the merger. The exchange ratio will not, however, be adjusted for cash dividends or changes in the market price of either GLPI common stock or Pinnacle common stock between the date of signing the merger agreement and the effective time. Accordingly, at the time of the GLPI special meeting and at the time of the Pinnacle special meeting, neither GLPI shareholders nor Pinnacle stockholders will know, or be able to determine, the value of GLPI common stock to be issued in connection with the merger. For that reason, the market price of GLPI common stock on the date of the GLPI special meeting and the Pinnacle special meeting may not be indicative of the value of GLPI common stock that Pinnacle stockholders will receive upon completion of the merger.

The market prices of GLPI common stock and Pinnacle common stock are subject to general price fluctuations in the market for publicly traded equity securities and have experienced volatility in the past. Neither GLPI nor Pinnacle is permitted to terminate the merger agreement or re-solicit the vote of GLPI shareholders or Pinnacle stockholders, as applicable, solely because of changes in the market prices of either company's common stock. Stock price changes may result from a variety of factors, including general market and economic conditions and changes in the respective businesses, operations and prospects, regulatory considerations of GLPI and Pinnacle and investor behavior following the merger. Market assessments of the benefits of the proposed merger and the likelihood that the transactions will be completed, as well as general and industry-specific market and economic conditions, may also affect market prices of GLPI common stock and Pinnacle common stock. Many of these factors are beyond GLPI's and Pinnacle's control. Pinnacle stockholders should obtain current market quotations for shares of GLPI common stock and for shares of Pinnacle common stock.

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***The transactions contemplated by the merger agreement are subject to conditions, including certain conditions that may not be satisfied, or completed on a timely basis, if at all. Failure to complete the transactions contemplated by the merger agreement, including the merger, could have material and adverse effects on GLPI and Pinnacle.***

Completion of the merger is subject to a number of conditions, including the approval by GLPI shareholders of the share issuance proposal, approval by Pinnacle stockholders of the merger agreement proposal and consummation of the spin-off, which make the completion and timing of the completion of the transactions uncertain. See the section titled "The Merger Agreement - Conditions to Completion of the Merger" for a more detailed discussion. Also, either GLPI or Pinnacle may terminate the merger agreement if the merger has not been consummated by March 31, 2016 or, in GLPI's sole discretion if the only conditions to closing that have not been satisfied or waived by that date are those related to regulatory approvals, consents or clearances, an outstanding judgment, injunction, order or law of a governmental authority prohibiting or enjoining the transactions or an action pending before, or threatened in writing by, the U.S. Antitrust Division of the Department of Justice or the Federal Trade Commission that would prevent the performance of the transactions June 30, 2016, except that this right to terminate the merger agreement will not be available to any party whose material breach of a representation, warranty, covenant or other agreement of such party under the merger agreement resulted in the failure of the transactions to be consummated on or before that date.

If the transactions contemplated by the merger agreement are not completed on a timely basis, or at all, GLPI's and Pinnacle's respective ongoing businesses may be adversely affected and, without realizing any of the benefits of having completed the transactions, GLPI and Pinnacle will be subject to a number of risks, including the following:

GLPI and Pinnacle will be required to pay their respective costs relating to the transactions, such as legal, accounting, financial advisory and printing fees, whether or not the transactions are completed;

time and resources committed by GLPI's and Pinnacle's management to matters relating to the transactions could otherwise have been devoted to pursuing other beneficial opportunities;

the market price of GLPI common stock or Pinnacle common stock could decline to the extent that the current market price reflects a market assumption that the transactions will be completed; and

if the merger agreement is terminated and the board of directors of Pinnacle seeks another business combination, Pinnacle stockholders cannot be certain that Pinnacle will be able to find a party willing to enter into a transaction agreement on terms equivalent to or more attractive than the terms agreed to in the merger agreement.

***The merger agreement contains provisions that limit Pinnacle's ability to pursue alternatives to the transactions, could discourage a potential competing acquiror of Pinnacle from making a favorable alternative transaction proposal and, in specified circumstances, could require Pinnacle to pay a termination fee of \$60 million to GLPI.***

The merger agreement contains certain provisions that restrict Pinnacle's ability to initiate, solicit, knowingly facilitate or knowingly encourage or, subject to certain exceptions, engage in, continue or otherwise participate in any discussions or negotiations with respect to, or furnish to any other person any nonpublic information in connection with or for the purpose of encouraging or facilitating, or approve, recommend or enter into (or propose to approve recommend or enter into), any third-party proposal for an alternative transaction. Further, even if the Pinnacle board of

directors changes, withholds, modifies, withdraws or qualifies its recommendation with respect to the merger agreement proposal, unless the merger agreement has been terminated in accordance with its terms, Pinnacle will still be required to submit the merger agreement proposal to a stockholder vote at the Pinnacle special meeting. In addition, GLPI generally has an opportunity to offer to modify the terms of the transactions contemplated by the merger agreement in response to any third-party alternative transaction proposal before the Pinnacle board of directors may change, withhold, modify, withdraw or qualify its recommendation

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with respect to the merger agreement proposal. In some circumstances, upon termination of the merger agreement, Pinnacle will be required to pay a termination fee of \$60 million to GLPI. See the sections entitled "The Merger Agreement - No Solicitation of Alternative Proposals," "The Merger Agreement - Termination of the Merger Agreement" and "The Merger Agreement - Expenses and Termination Fees Relating to the Termination of the Merger Agreement."

These provisions could discourage a potential third-party acquiror or merger partner that might have an interest in acquiring all or a significant portion of Pinnacle or pursuing an alternative transaction from considering or proposing such a transaction, even if it were prepared to pay consideration with a higher per share price than the per share price proposed to be received in the merger or might result in a potential third-party acquiror or merger partner proposing to pay a lower price to the stockholders of Pinnacle than it might otherwise have proposed to pay because of the added expense of the \$60 million termination fee that may become payable in certain circumstances.

***Pinnacle's executive officers and directors have interests in the transactions that may be different from, or in addition to, the interests of Pinnacle stockholders generally.***

When considering the recommendation of the Pinnacle board with respect to the merger, you should be aware that Pinnacle's executive officers and directors may have interests in the merger that are different from, or in addition to, those of Pinnacle's stockholders more generally. Pinnacle's board of directors was aware of these interests during its deliberations on the merits of the merger and in deciding to recommend that Pinnacle stockholders vote for the adoption of the merger agreement at the Pinnacle special meeting.

At the time of the distribution, equity incentive awards and certain cash performance unit awards granted on or prior to July 16, 2015 will be adjusted into OpCo awards and Pinnacle awards in proportion to the relative value of Pinnacle (after giving effect to the spin-off) and OpCo. Outstanding equity incentive awards and cash performance unit awards granted after July 16, 2015 will be adjusted into OpCo awards. Following the spin-off, all OpCo awards will continue to vest in accordance with their terms based on OpCo service. Upon completion of the merger, each outstanding Pinnacle equity award will be cancelled in exchange for a number of shares of GLPI common stock determined based on the exchange ratio. In addition, certain cash performance unit awards will be cancelled in the merger in exchange for GLPI common stock based on the value of GLPI common stock at the time of the merger.

See the section of this joint proxy statement/prospectus entitled "The Merger - Interests of Certain Pinnacle Persons in the Merger" for a more detailed description of the interests of Pinnacle's executive officers and directors.

***Pinnacle and GLPI will be subject to business uncertainties while the merger is pending, which could adversely affect their business.***

In connection with the pendency of the transactions, it is possible that certain persons with whom Pinnacle and GLPI have a business relationship may delay or defer certain business decisions or might decide to seek to terminate, change or renegotiate their relationships with Pinnacle or GLPI, as the case may be, as a result of the transactions, which could negatively affect Pinnacle's or GLPI's revenues, earnings and cash flows, as well as the market price of Pinnacle's or GLPI's respective common stock, regardless of whether the merger is completed.

Under the terms of the merger agreement, Pinnacle and GLPI are subject to certain restrictions on the conduct of its business prior to the effective time of the merger, which may adversely affect its ability to execute certain of its business strategies, including, the ability in certain cases to enter into contracts, acquire or dispose of assets, incur indebtedness or incur capital expenditures. Such limitations could negatively affect Pinnacle's businesses and operations prior to the completion of the transactions.



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***The merger is subject to the receipt of approvals, consents or clearances from regulatory authorities that may impose conditions that could have an adverse effect on GLPI or Pinnacle or, if not obtained, could prevent completion of the transactions.***

Completion of the merger is conditioned upon the receipt of certain governmental approvals, including, without limitation, gaming regulatory approvals. Although each party has agreed to use their respective reasonable best efforts to obtain the requisite governmental approvals, there can be no assurance that these approvals will be obtained and that the other conditions to completing the merger will be satisfied. In addition, the governmental authorities from which the regulatory approvals are required may impose conditions on the completion of the merger or require changes to the terms of the merger or other agreements to be entered into in connection with the merger agreement. Such conditions or changes and the process of obtaining regulatory approvals could have the effect of delaying or impeding consummation of the transaction or of imposing additional costs or limitations on GLPI or Pinnacle following completion of the merger, any of which might have an adverse effect on GLPI or Pinnacle following completion of the merger. Under the terms of the merger agreement, however, (i) subject to certain conditions, Pinnacle is not required to agree to amendments to the master lease or take certain divestiture actions and (ii) GLPI is not required to take any divestiture actions that would be expected to result in a loss of \$150 million or more. One or more divestiture actions, in the aggregate, that would reasonably be expected to result in a loss of \$150 million or more is referred to in this joint proxy statement/prospectus as a **Regulatory MAE**. For additional information about the regulatory approvals process, see **The Merger Regulatory Approvals**.

The completion of the transactions may trigger change in control or other provisions in certain agreements to which Pinnacle is a party. If GLPI and Pinnacle are unable to negotiate waivers of those provisions, the counterparties may exercise their rights and remedies under the agreements, potentially terminating the agreements or seeking monetary damages. Even if GLPI and Pinnacle are able to negotiate waivers, the counterparties may require a fee for such waivers or seek to renegotiate the agreements on terms less favorable to Pinnacle.

***GLPI is subject to provisions under the merger agreement that, in specified circumstances, could require GLPI to pay a termination fee of up to \$150 million to Pinnacle.***

As discussed in the risk factor above, completion of the merger is conditioned upon the receipt of certain governmental approvals. If regulatory approvals are not obtained as a result of a **Regulatory MAE** and the merger agreement is terminated by GLPI or Pinnacle under certain conditions, then, so long as the primary cause of such termination was not an adverse suitability finding under gaming laws with respect to the business of OpCo and its affiliates, GLPI will be required to pay Pinnacle a termination fee of \$150 million, less any expense payments previously paid. In addition, GLPI will be required to pay Pinnacle a termination fee of \$150 million, less any expense payments previously paid, if the merger agreement is terminated by either GLPI or Pinnacle because there is a permanent injunction restraining, enjoining or otherwise prohibiting the consummation of the merger and the injunction has become final and nonappellable, so long as the primary cause of such termination was not an adverse suitability finding under gaming laws with respect to the business of OpCo and its affiliates. For more information, see the section titled **The Merger Agreement Expenses and Termination Fees Relating to the Termination of the Merger Agreement**.

If such a termination fee is payable under any such circumstance, the payment of this fee could have material and adverse consequences to the financial condition and operations of GLPI.



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***The unaudited pro forma consolidated combined financial information in this joint proxy statement/prospectus is presented for illustrative purposes only and may not be reflective of the operating results and financial condition of GLPI following completion of the pro forma events.***

The unaudited pro forma consolidated combined financial information in this joint proxy statement/prospectus is presented for illustrative purposes only and is not necessarily indicative of what GLPI's actual financial position or results of operations would have been had the pro forma events been completed on the dates indicated. Further, GLPI's actual results and financial position after the pro forma events may differ materially and adversely from the unaudited pro forma consolidated combined financial data that is included in this joint proxy statement/prospectus. The unaudited pro forma consolidated combined financial information has been prepared with the assumption that GLPI will be identified as the acquirer under GAAP and reflects adjustments based upon preliminary estimates of the fair value of assets to be acquired and liabilities to be assumed.

***If the merger does not qualify as a reorganization within the meaning of Section 368(a) of the Code, Pinnacle stockholders may be required to pay substantial U.S. federal income taxes.***

Although GLPI and Pinnacle intend that the merger qualify as a reorganization within the meaning of Section 368(a) of the Code, it is possible that the Internal Revenue Service (the IRS) may assert that the merger fails to qualify as such. If the IRS were to be successful in any such contention, or if for any other reason the merger were to fail to qualify as a reorganization, each U.S. holder of Pinnacle common stock would recognize gain or loss with respect to all such U.S. holder's shares of Pinnacle common stock based on the difference between (1) that U.S. holder's tax basis in such shares and (2) the aggregate cash and the fair market value of the GLPI common stock received. For additional information, see the section titled "The Merger - U.S. Federal Income Tax Considerations Relating to the Merger."

## **Risks Relating to GLPI After Completion of the Merger**

***Following the merger, the market price of GLPI common stock may be volatile, and holders of GLPI's common stock could lose a significant portion of their investment due to drops in the market price of GLPI's common stock following completion of the transactions.***

The market price of GLPI's common stock may be volatile, and following completion of the merger, shareholders may not be able to resell their shares of GLPI common stock at or above the price at which they acquired the common stock pursuant to the merger agreement or otherwise due to fluctuations in its market price, including changes in price caused by factors unrelated to GLPI's performance or prospects.

Specific factors that may have a significant effect on the market price for GLPI's common stock include, among others, the following:

changes in stock market analyst recommendations or earnings estimates regarding GLPI's common stock or other comparable REITs;

actual or anticipated fluctuations in GLPI's revenue stream or future prospects;

reaction to public announcements by GLPI following the merger;

strategic actions taken by GLPI or its competitors, such as acquisitions;

failure of GLPI to achieve the perceived benefits of the merger, including financial results, as rapidly as or to the extent anticipated by financial or industry analysts;

new laws or regulations or new interpretations of existing laws or regulations applicable to GLPI's business and operations or the gaming industry;

changes in tax or accounting standards, policies, guidance, interpretations or principles;

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adverse conditions in the financial markets or general U.S. or international economic conditions, including those resulting from war, incidents of terrorism and responses to such events; and

sales of GLPI common stock by Pinnacle stockholders, members of GLPI's management team or other significant shareholders.

***If GLPI fails to remain qualified as a REIT, GLPI will be subject to U.S. federal income tax as a regular corporation and could face substantial tax liability, which would substantially reduce funds available for distribution to its shareholders.***

GLPI's qualification as a REIT depends on GLPI's satisfaction of certain asset, income, organizational, distribution, shareholder ownership and other requirements on a continuing basis. GLPI's ability to satisfy the asset tests depends upon its analysis of the characterization and fair market values of its assets, some of which are not susceptible to a precise determination. GLPI's compliance with the REIT income and quarterly asset requirements also depends upon its ability to successfully manage the composition of its income and assets on an ongoing basis. Moreover, the proper classification of one or more of GLPI's investments may be uncertain in some circumstances, which could affect the application of its REIT qualification. Accordingly, there can be no assurance that the IRS will not contend that GLPI does not satisfy the requirements for qualification and taxation as a REIT following the merger.

If GLPI were to fail to qualify as a REIT in any taxable year, it would be subject to U.S. federal income tax, including any applicable alternative minimum tax, on its taxable income at regular corporate rates, and distributions to its shareholders would not be deductible by GLPI in computing its taxable income. Any such corporate tax liability could be substantial and would reduce the amount of cash available for distribution to GLPI's shareholders, which in turn could have an adverse effect on the value of, and trading prices for, GLPI common stock. In addition, unless GLPI is entitled to relief under certain provisions of the Code, it would also be disqualified from taxation as a REIT for the four taxable years following the year during which it initially ceased to qualify as a REIT.

***The future results of GLPI will suffer if GLPI does not effectively manage its expanded portfolio of properties following the completion of the merger and the failure to effectively manage its portfolio could have a material and adverse effect on GLPI's business and its ability to make distribution to shareholders, as required for GLPI to continue to qualify as a REIT.***

Following the completion of the transactions, the size of GLPI's business will materially increase beyond the current size of GLPI's business. GLPI's future success depends, in part, upon its ability to manage this expanded business, which will pose challenges for management, including challenges related to acting as landlord to a larger portfolio of properties and associated increased costs and complexity. There can be no assurances that GLPI will be successful.

In addition, GLPI depends on its tenants to operate the properties that GLPI owns in a manner that generates revenues sufficient to allow the tenants to meet their obligations to GLPI, including their obligations to pay rent, maintain certain insurance coverage, pay real estate taxes and maintain the properties in a manner so as not to jeopardize their operating licenses or regulatory status. The ability of GLPI's tenants to fulfill their obligations may depend, in part, upon the overall profitability of their operations. GLPI's financial position could be materially weakened if any of its tenants were unable to meet their obligations to GLPI or failed to renew or extend any lease as such lease expires, or if GLPI were unable to lease or re-lease GLPI's properties on economically favorable terms.

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***GLPI's business will continue to be dependent on the gaming industry and may be susceptible to the risks associated with it, which could materially and adversely affect GLPI's business, financial position or results of operations.***

GLPI's tenants are primarily in the business of operating gaming facilities. As a result, GLPI will be affected by the risks associated with the gaming industry. Therefore, following the merger, GLPI's success will continue to be dependent on the gaming industry, which could be adversely affected by economic conditions in general, changes in consumer trends and preferences and other factors over which GLPI and its tenants have no control. As GLPI is subject to risks inherent in substantial investments in a single industry, a decrease in the gaming business would likely have a greater adverse effect on GLPI's business than if it owned a more diversified real estate portfolio, particularly because a component of the rent paid to GLPI is based, over time, on the performance of the gaming facilities operated by GLPI's tenants on its properties.

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

***GLPI will be significantly dependent on two tenants and their respective subsidiaries until GLPI substantially diversifies its portfolio, and an event that has a material and adverse effect on either tenant's respective business, financial position or results of operations could have a material and adverse effect on GLPI's business, financial position or results of operations.***

Following completion of the merger, substantially all of GLPI's revenue will be based on the revenue derived under the master leases with Pinnacle and Penn. Because these master leases are triple-net leases, GLPI will depend on Pinnacle and Penn to pay all insurance, taxes, utilities and maintenance and repair expenses in connection with these leased properties and to indemnify, defend and hold GLPI harmless from and against various claims, litigation and liabilities arising in connection with their businesses. There can be no assurance that either Pinnacle or Penn will have sufficient assets, income or access to financing to enable them to satisfy their payment obligations under the master leases. The inability or unwillingness of either Pinnacle or Penn to meet their subsidiaries' rent obligations and other obligations under the master leases, in each case, could materially and adversely affect GLPI's business, financial position or results of operations, including GLPI's ability to pay dividends to its shareholders as required to maintain its status as a REIT.

Due to GLPI's dependence on rental payments from Pinnacle and Penn (and their respective subsidiaries) as GLPI's primary source of revenue, GLPI may be limited in its ability to enforce its rights under the master leases or to terminate the master leases with respect to any particular property. Failure by Pinnacle or Penn to comply with the terms of their respective master leases or to comply with the gaming regulations to which the leased properties are subject could require GLPI to find another lessee for such leased property and there could be a decrease or cessation of rental payments by either Pinnacle or Penn, as the case may be. In such event, GLPI may be unable to locate a suitable lessee at similar rental rates or at all, which would have the effect of reducing GLPI's rental revenues.

***Under the separation agreement, Pinnacle will have to indemnify GLPI for certain liabilities. However, there can be no assurance that these indemnities will be sufficient to insure GLPI against the full amount of such liabilities, or that Pinnacle's ability to satisfy its indemnification obligation will not be impaired in the future.***

Under the separation agreement, Pinnacle will agree to indemnify GLPI for certain liabilities. However, third parties could seek to hold GLPI responsible for any of the liabilities that Pinnacle will agree to retain, and there

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can be no assurance that Pinnacle will be able to fully satisfy its indemnification obligations. Even if GLPI ultimately succeeds in recovering from Pinnacle any amounts for which GLPI is held liable, GLPI may be temporarily required to bear these losses while seeking recovery from Pinnacle.

***GLPI has a material amount of indebtedness that involves debt service obligations, exposes GLPI to interest rate fluctuations and exposes GLPI to the risk of default under its debt obligations and GLPI expects to incur more indebtedness in connection with the transactions contemplated by the merger agreement.***

GLPI has a material amount of indebtedness and debt service requirements. As of September 30, 2015 GLPI had approximately \$2.5 billion in long-term indebtedness, consisting of:

approximately \$490 million of total indebtedness outstanding under GLPI's \$1 billion senior unsecured credit facility (including \$0.9 million of contingent obligations under letters of credit);

\$2.05 billion of outstanding unsecured senior notes; and

approximately \$1.41 million capital lease obligation related to certain assets.

In addition, GLPI expects to incur more indebtedness in connection with the transactions. GLPI's material indebtedness could have important consequences to you, including the following:

it may limit GLPI's ability to obtain additional debt or equity financing for working capital, capital expenditures, acquisitions, debt service requirements and general corporate or other purposes;

a material portion of GLPI's cash flows will be dedicated to the payment of principal and interest on GLPI's indebtedness, including indebtedness it may incur in the future, and will not be available for other purposes, including to pay dividends and make acquisitions;

it could limit GLPI's flexibility in planning for, or reacting to, changes in its business and the industry in which it operates and place GLPI at a competitive disadvantage compared to its competitors that have less debt or are less leveraged;

it could make GLPI more vulnerable to downturns in general economic or industry conditions or in GLPI's business, or prevent GLPI from carrying out activities that are important to its growth;

it could increase GLPI's interest expense if interest rates in general increase because GLPI's indebtedness under the senior unsecured credit facility bears interest at floating rates;

it could limit GLPI's ability to take advantage of strategic business opportunities; and

it could make it more difficult for GLPI to satisfy its obligations with respect to its indebtedness, including under the notes, and any failure to comply with the obligations of any of GLPI's debt instruments, including any financial and other restrictive covenants, could result in an event of default under the indenture governing the notes or under the agreements governing GLPI's other indebtedness which, if not cured or waived, could result in the acceleration of GLPI's indebtedness under the senior credit facility and under the notes.

GLPI cannot assure you that its business will generate sufficient cash flow from operations, or that future borrowings will be available to GLPI under its senior unsecured credit facility or from other debt financing, in an amount sufficient to enable GLPI to pay its indebtedness, including the notes, or to fund its other liquidity needs. If GLPI does not generate sufficient cash flow from operations to satisfy its debt service obligations, including payments on the notes, GLPI may have to undertake alternative financing plans, such as refinancing or restructuring its indebtedness, selling assets or seeking to raise additional capital, including by issuing equity securities or securities convertible into equity securities. GLPI's ability to restructure or refinance its indebtedness will depend on the capital markets and its financial condition at such time. Any refinancing of GLPI's indebtedness could be at higher interest rates and may require GLPI to comply with more onerous covenants, which could further restrict its business operations. GLPI's inability to generate sufficient cash flow to satisfy its debt service requirements, including the inability to service the notes, or to refinance its obligations

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on commercially reasonable terms, would have an adverse effect, which could be material, on its business, financial position and results of operations, as well as on GLPI's ability to satisfy its obligations in respect of the notes. To the extent that GLPI will incur additional indebtedness or such other obligations, the risks associated with GLPI's leverage, including its possible inability to service its debt, would increase.

### ***Adverse changes in GLPI's credit rating may affect GLPI's borrowing capacity and borrowing terms.***

GLPI's outstanding debt is periodically rated by nationally recognized credit rating agencies. The credit ratings are based upon GLPI's operating performance, liquidity and leverage ratios, overall financial position, and other factors viewed by the credit rating agencies as relevant to both GLPI's industry and the economic outlook. GLPI's credit rating may affect the amount of capital GLPI can access, as well as the terms of any financing GLPI obtains. Because GLPI relies in part on debt financing to fund growth, adverse changes in GLPI's credit rating may have a negative effect on GLPI's future growth.

### ***If GLPI cannot obtain additional capital, GLPI's growth may be limited.***

In order to qualify and maintain GLPI's qualification as a REIT each year, GLPI is required to distribute at least 90% of GLPI's REIT taxable income, excluding net capital gains, to GLPI's shareholders. As a result, GLPI's retained earnings available to fund acquisitions, development, or other capital expenditures are nominal, and GLPI relies upon the availability of additional debt or equity capital to fund these activities. GLPI's long-term ability to grow through acquisitions or development, which is an important component of GLPI's strategy, will be limited if GLPI cannot obtain additional debt financing or raise equity capital. Market conditions may make it difficult to obtain debt financing or raise equity capital, and GLPI cannot assure you that GLPI will be able to obtain additional debt or equity financing or that GLPI will be able to obtain such capital on favorable terms.

### ***After the merger is completed, Pinnacle stockholders will become shareholders of a Pennsylvania corporation and have their rights as shareholders governed by GLPI's organizational documents and Pennsylvania law.***

Upon consummation of the merger, Pinnacle stockholders will receive GLPI common stock that will be governed by GLPI's organizational documents and the PBCL. For a detailed discussion of the differences between rights as a stockholders of Pinnacle and rights as a shareholder of GLPI, see Comparison of Rights of Common Shareholders of GLPI and Common Stockholders of Pinnacle.

### ***GLPI is expected to incur substantial expenses related to the completion of the transactions.***

The combined company is expected to incur substantial expenses in connection with the completion of the transactions. While GLPI and Pinnacle have assumed that a certain level of expenses would be incurred, there are many factors beyond their control that could affect the total amount or the timing of the expenses.

## **Other Risk Factors of GLPI and Pinnacle**

GLPI's and Pinnacle's businesses are and will be subject to the risks described above. In addition, GLPI and Pinnacle are, and will continue to be subject to the risks described in GLPI's and Pinnacle's Annual Reports on Form 10-K (including, in the case of GLPI, Amendment No. 1 thereto on Form 10-K/A) for the fiscal year ended December 31, 2014, as updated by subsequent Quarterly Reports on Form 10-Q (including, in the case of GLPI, amendments thereto on Form 10-Q/A for the periods ended March 31, 2015 and June 30, 2015) and Current Reports on Form 8-K, all of which are filed with the SEC and incorporated by reference into this joint proxy statement/prospectus. The risks described above and in those filings represent all known material risks with respect to GLPI's and Pinnacle's



businesses. See [Where You Can Find More Information](#) for the location of information incorporated by reference into this joint proxy statement/prospectus.

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**INFORMATION ABOUT GLPI**

**Gaming and Leisure Properties, Inc.**

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, GLPI (referred to previously in this joint proxy statement/prospectus as the Penn spin-off). In connection with the Penn 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 the TRS properties in a tax-free distribution. As a result of the Penn spin-off, GLPI acquired substantially all of Penn's former real property assets and leased back most of those assets to Penn for use by its subsidiaries, pursuant to the Penn master lease. Triple-net leases are leases in which the lessee pays rent to the lessor, as well as all taxes, insurance, and maintenance expenses that arise from the use of the property and are referred to as triple-net leases in this joint proxy statement/prospectus.

Following the Penn spin-off, GLPI became a self-administered and self-managed Pennsylvania REIT. 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, 2015, GLPI's portfolio consisted of 21 gaming and related facilities including the TRS properties, which GLPI operates through an indirect wholly owned subsidiary and the real property associated with 18 gaming and related facilities operated by Penn under the Penn master lease and the real property associated with the Casino Queen in East St. Louis, Illinois. These facilities are geographically diversified across 12 states and contain approximately 7.0 million of rentable square feet.

**Shares of GLPI Common Stock are Traded on NASDAQ under the Symbol GLPI**

The principal executive offices of GLPI are located at 845 Berkshire Blvd., Suite 200, Wyomissing, Pennsylvania 19610, and its telephone number is (610) 401-2900. Additional information about GLPI and its subsidiaries is included in documents incorporated by reference into this joint proxy statement/prospectus. See [Where You Can Find More Information](#).

**Gold Merger Sub, LLC**

Gold Merger Sub, LLC, a Delaware limited liability company (referred to previously in this joint proxy statement/prospectus as Merger Sub) is a direct, wholly owned subsidiary of GLPI. Merger Sub was formed by GLPI solely in contemplation of the transactions, has not conducted any business and has no assets, liabilities or other obligations of any nature other than as set forth in the merger agreement. Its principal executive offices are located at c/o Gaming and Leisure Properties, Inc., 845 Berkshire Blvd., Suite 200, Wyomissing, Pennsylvania and its telephone number is (610) 401-2900.

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**INFORMATION ABOUT PINNACLE**

**Pinnacle Entertainment, Inc.**

Pinnacle is an owner, operator and developer of casinos, a racetrack and related hospitality and entertainment facilities. Pinnacle owns and operates 15 gaming facilities in Colorado, Indiana, Iowa, Louisiana, Missouri, Mississippi, Nevada and Ohio, of which fourteen will be subject to the master lease. Pinnacle also holds a majority interest in the racing license owner, and Pinnacle is a party to a management contract, for Retama Park Racetrack located outside of San Antonio, Texas. In addition to these properties, Pinnacle owns and operates a live and televised poker tournament series under the trade name Heartland Poker Tour.

Pinnacle's mission is to increase stockholder value. Pinnacle seeks to increase revenues through enhancing the guest experience by providing its guests with their favorite games, restaurants, hotel accommodations, entertainment and other amenities in attractive surroundings with high-quality guest service and guest rewards programs. Pinnacle seeks to improve profit by focusing on operational excellence and efficiency while meeting its guests' expectations of value and reducing its leverage. Pinnacle's long-term strategy includes disciplined capital expenditures to improve and maintain its existing properties, while growing the number and quality of its facilities by pursuing gaming entertainment opportunities it can improve, develop, or acquire. In making decisions, Pinnacle considers its stockholders, guests, team members and other constituents in the communities in which it operates.

Additional information about Pinnacle and its subsidiaries is included in documents incorporated by reference into this joint proxy statement/prospectus. See [Where You Can Find More Information](#).

**Shares of Pinnacle Common Stock are Traded on NASDAQ under the symbol [PNK](#)**

The principal executive offices of Pinnacle are located at 3980 Howard Hughes Parkway, Las Vegas, Nevada 89169, and its telephone number is (702) 541-7777. Additional information about Pinnacle and its subsidiaries is included in documents incorporated by reference into this joint proxy statement/prospectus. See [Where You Can Find More Information](#).

**PNK Entertainment, Inc.**

PNK Entertainment, Inc. (referred to previously in this joint proxy statement/prospectus as OpCo) is a Delaware corporation and a direct, wholly owned subsidiary of Pinnacle, formed on July 23, 2015 for the purpose of effecting the separation of Pinnacle's real estate (except the Belterra Park property and excess land at certain locations) from its operations and spin-off of its operations into an independent publicly-traded company. Immediately following the closing of the merger, OpCo will be renamed [Pinnacle Entertainment, Inc.](#)

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**GLPI SPECIAL MEETING**

**General**

This joint proxy statement/prospectus is being provided to GLPI shareholders as part of a solicitation of proxies by the board of directors of GLPI for use at the GLPI special meeting and at any adjournments or postponements of such special meeting. This joint proxy statement/prospectus provides GLPI shareholders with important information about the GLPI special meeting and should be read carefully in its entirety.

**Date, Time and Place of the GLPI Special Meeting**

The GLPI special meeting will be held on [ ] at [ ], at [ ], local time.

**Purposes of the GLPI Special Meeting**

The GLPI special meeting is being held to consider and vote upon the following proposals:

***Proposal 1:*** to approve the issuance of shares of GLPI common stock to Pinnacle stockholders in connection with the merger, referred to previously as the share issuance proposal; and

***Proposal 2:*** to approve the adjournment of the GLPI special meeting, if necessary or appropriate, to solicit additional proxies if there are not sufficient votes to approve the share issuance proposal, referred to previously as the GLPI adjournment proposal.

**Recommendation of GLPI's Board of Directors**

The board of directors of GLPI recommends that the GLPI shareholders vote:

***Proposal 1:*** **FOR** the approval of the share issuance proposal; and

***Proposal 2:*** **FOR** the GLPI adjournment proposal.

**GLPI's board of directors unanimously determined that it is in the best interests of GLPI and its shareholders, and declared it advisable, to enter into the merger agreement, and approved the execution, delivery and performance of the merger agreement and the consummation of the transactions contemplated by the merger agreement, including the share issuance proposal. GLPI's board of directors recommends that GLPI shareholders vote FOR the share issuance proposal and FOR the GLPI adjournment proposal. See The Merger Recommendation of GLPI's Board of Directors and Reasons for the Merger.**

This joint proxy statement/prospectus contains important information regarding these proposals and factors that GLPI shareholders should consider when deciding how to cast their votes. GLPI shareholders are encouraged to read the entire document carefully, including the annexes to and documents incorporated by reference into this document, for more detailed information regarding the merger agreement and the transactions contemplated by the merger agreement, including the share issuance proposal.

**Attendance at the GLPI Special Meeting**

Only GLPI shareholders of record as of the close of business on the record date, beneficial owners as of the close of business on the record date, holders of valid proxies for the special meeting and invited guests of GLPI may attend the special meeting.

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All attendees should be prepared to present government-issued photo identification (such as a driver's license or passport) for admittance. The additional items, if any, that attendees must bring depend on whether they are stockholders of record, beneficial owners or proxy holders.

A GLPI shareholder who holds shares directly registered in such shareholder's name with GLPI's transfer agent, Continental Stock Transfer & Trust (a shareholder of record), who wishes to attend the special meeting in person should bring government-issued photo identification.

A stockholder who holds shares in street name through a broker, bank, trustee or other nominee (a beneficial owner) who wishes to attend the special meeting in person should bring:

government-issued photo identification; and

proof of beneficial ownership as of the record date (e.g., a letter from the broker, bank, trustee or other nominee that is the record owner of such beneficial owner's shares, a brokerage account statement or the voting instruction form provided by the broker).

A person who holds a validly executed proxy entitling such person to vote on behalf of a record owner of GLPI shares (a proxy holder) who wishes to attend the special meeting in person should bring:

government-issued photo identification;

the validly executed proxy naming such person as the proxy holder, signed by the GLPI shareholder; and

proof of the signing shareholder's record ownership as of the record date.

No cameras, recording equipment or other electronic devices will be allowed in the meeting room. Failure to provide the requested documents at the door or failure to comply with the procedures for the special meeting may prevent shareholders from being admitted to the GLPI special meeting.

## **Record Date**

The record date for the determination of shareholders entitled to notice of and to vote at the GLPI special meeting is the close of business on [ ]. Only GLPI shareholders who held shares of record at the close of business on [ ] are entitled to vote at the special meeting and any adjournment or postponement of the special meeting, so long as such shares remain outstanding on the date of the special meeting.

## **Outstanding Shares as of Record Date**

As of the close of business on the record date, there were [ ] shares of GLPI common stock outstanding, held by [ ] holders of record, and no shares of GLPI preferred stock outstanding. Each share of GLPI common stock entitles its holder of record to one vote at the GLPI special meeting. GLPI common stock is the only class of stock entitled to vote at the special meeting, and holders of GLPI common stock are entitled to vote on each proposal presented.

A complete list of registered GLPI shareholders entitled to vote at the GLPI special meeting will be available for inspection at the principal place of business of GLPI at 845 Berkshire Blvd., Suite 200, Wyomissing, PA 19610, during regular business hours for a period of no less than 10 days before the special meeting and at the place of the GLPI special meeting during the meeting.

#### **Shareholder Voting Agreements with Pinnacle**

Concurrently with the execution of the merger agreement, Pinnacle entered into voting agreements with certain shareholders of GLPI, including (1) the Carlino Group, which collectively beneficially owns approximately 12% of GLPI's outstanding shares (excluding shares beneficially owned in respect of vested options that are not

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currently capable of being voted) and (2) the Fortress Group, which collectively beneficially owns approximately 9% of GLPI's outstanding shares. The voting agreements generally require, subject to certain exceptions, such shareholders to vote all of the shares of GLPI common stock beneficially owned by them and capable of being voted in favor of adoption of the share issuance proposal and certain related matters as applicable and against matters that would reasonably be expected to prevent, impede, materially delay or materially impair the ability of GLPI to consummate the merger.

## **Quorum**

In order for business to be conducted at the special meeting, a quorum must be present. A quorum requires the presence, in person or by proxy, of holders of a majority of the issued and outstanding shares of GLPI common stock entitled to vote at the special meeting. For purposes of determining whether there is a quorum, all shares that are present, including abstentions and broker non-votes (only when accompanied by broker votes with respect to at least one matter at the meeting), will count towards the quorum. Broker non-votes occur when a beneficial owner holding shares in street name does not instruct the broker, bank or other nominee that is the record owner of such stockholder's shares on how to vote those shares on a particular proposal.

## **Vote Required**

The votes required for each proposal are as follows:

***Proposal 1 the share issuance proposal.*** The affirmative vote, in person or by proxy, of a majority of the votes cast on the share issuance proposal by the holders of shares of GLPI common stock is required to approve the proposal. The required vote on the share issuance proposal is based on the number of shares voted not the number of shares outstanding. Abstentions are treated as votes cast and, as a result, any abstention from voting by a GLPI shareholder will have the same effect as a vote against the share issuance proposal. The failure of any GLPI shareholder to submit a vote (*i.e.*, not submitting a proxy and not voting in person) will not be counted in determining the votes cast in connection with the share issuance proposal. Because the share issuance proposal is non-routine, brokers, banks and other nominees do not have discretionary authority to vote on the share issuance proposal and will not be able to vote on the share issuance proposal absent instructions from the beneficial owner. As a result, the failure of a beneficial owner to provide voting instructions to its broker, bank or other nominee will have the effect of not being counted in determining the votes cast in connection with the share issuance proposal.

***Proposal 2 the GLPI adjournment proposal.*** The affirmative vote, in person or by proxy, of a majority of the votes cast on the GLPI adjournment proposal by the holders of shares of GLPI common stock is required to approve the proposal. The required vote on the GLPI adjournment proposal is based on the number of shares voted not the number of shares outstanding. Abstentions are treated as votes cast and, as a result, any abstention from voting by a GLPI shareholder will have the same effect as a vote against the GLPI adjournment proposal. The failure of any GLPI shareholder to submit a vote (*i.e.*, not submitting a proxy and not voting in person) will not be counted in determining the votes cast in connection with the GLPI adjournment proposal. Because the GLPI adjournment proposal is non-routine, brokers, banks and other nominees do not have discretionary authority to vote on the GLPI adjournment proposal and will not be able to vote on the GLPI adjournment proposal absent instructions from the beneficial owner. As a result, the failure of a beneficial owner to provide voting instructions to its broker, bank or other nominee will have the effect of not being counted in determining the votes cast in connection with the GLPI adjournment proposal.

## **How to Vote**



GLPI shareholders as of the record date may have their shares voted by submitting a proxy or may vote in person at the special meeting by following the instructions provided on the enclosed proxy card. GLPI recommends that GLPI shareholders entitled to vote submit a proxy even if they plan to attend the special meeting.

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GLPI shareholders who hold their shares beneficially in street name and wish to submit a proxy must provide instructions to the broker, bank, trustee or other nominee that holds their shares of record as to how to vote their shares with respect to Proposals 1 and 2. GLPI shareholders who hold their shares beneficially and wish to vote in person at the special meeting must obtain proxies issued in their own names (known as a legal proxy).

GLPI shareholders of record may submit a proxy in one of three ways or vote in person at the special meeting:

**Internet:** GLPI shareholders may submit their proxy over the Internet at the web address shown on their proxy card. Internet voting is available 24 hours a day and will be accessible until 11:59 p.m., Eastern time, on [ ]. Shareholders will be given an opportunity to confirm that their voting instructions have been properly recorded.

**Telephone:** GLPI shareholders may submit their proxy by calling the toll-free telephone number shown on their proxy card. Telephone voting is available 24 hours a day and will be accessible until 11:59 p.m., Eastern time, on [ ]. Easy-to-follow voice prompts will guide stockholders through the voting and allow them to confirm that their instructions have been properly recorded.

**Mail:** GLPI shareholders may submit their proxy by properly completing, signing, dating and mailing their proxy card in the postage-paid envelope (if mailed in the United States) included with this joint proxy statement/prospectus. GLPI shareholders who vote this way should mail the proxy card early enough so that it is received before the date of the special meeting.

**In Person:** GLPI shareholders may vote in person at the special meeting or by sending a representative with an acceptable proxy that has been signed and dated. Attendance at the special meeting will not, however, in and of itself constitute a vote or a revocation of a prior proxy.

GLPI shareholders are encouraged to submit a proxy promptly. Each valid proxy received in time will be voted at the special meeting according to the choice specified, if any. Executed but uninstructed proxies (*i.e.*, proxies that are properly signed, dated and returned but are not marked to tell the proxies how to vote) will be voted in accordance with the recommendations of GLPI's board of directors.

## **Proxies and Revocation**

GLPI shareholders of record may revoke their proxies at any time before their shares are voted at the GLPI special meeting in any of the following ways:

sending a written notice of revocation to GLPI at 845 Berkshire Blvd., Suite 200, Wyomissing, Pennsylvania, Attention: Corporate Secretary, which must be received before their shares are voted at the special meeting;

properly submitting a new, later-dated proxy card, which must be received before their shares are voted at the special meeting (in which case only the later-dated proxy is counted and the earlier proxy is revoked);

submitting a proxy via Internet or by telephone at a later date (in which case only the later-dated proxy is counted and the earlier proxy is revoked); or

attending the GLPI special meeting and voting in person.

GLPI beneficial owners may change their voting instruction only by submitting new voting instructions to the brokers, banks or other nominees that hold their shares of record.

### **Judge of Election**

The board of directors of GLPI has selected [ ] to act as the judge of election at the GLPI special meeting.

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### **Solicitation of Proxies**

GLPI will pay for the proxy solicitation costs related to the GLPI special meeting. In addition to sending and making available these materials, some of GLPI's directors, officers and other employees may solicit proxies by contacting GLPI shareholders by telephone, by mail, by e-mail or in person. GLPI shareholders may also be solicited by press releases issued by GLPI and/or Pinnacle, postings on GLPI's or Pinnacle's websites and advertisements in periodicals. None of GLPI's directors, officers or employees will receive any extra compensation for their solicitation services. GLPI has also retained MacKenzie Partners, Inc. to assist in the solicitation of proxies for an estimated fee of approximately \$[ ], plus reasonable out-of-pocket expenses. GLPI will also reimburse brokers, banks and other nominees for their expenses in sending proxy solicitation materials to the beneficial owners of GLPI common stock and obtaining their proxies.

### **Adjournments**

The GLPI special meeting may be adjourned in the absence of a quorum by the chairman of the meeting or the affirmative vote of holders of a majority of the GLPI shares present in person or represented by proxy at the special meeting and entitled to vote at the special meeting.

Even if a quorum is present, the GLPI special meeting could be adjourned in order to provide more time to solicit additional proxies in favor of approval of the share issuance proposal if a majority of votes are cast in favor of the GLPI adjournment proposal. If after the adjournment a new record date is set for the adjourned meeting, a notice of the adjourned meeting must be given to each shareholder of record entitled to vote at the special meeting.

### **No Dissenters' Rights**

Under the PBCL as well as the governing documents of GLPI, the shareholders of GLPI are not entitled to appraisal rights or dissenters' rights in connection with the share issuance proposal.

### **Other Matters**

At this time, GLPI knows of no other matters to be submitted at the GLPI special meeting.

### **Householding of Special Meeting Materials**

Unless GLPI has received contrary instructions, GLPI may send a single copy of this joint prospectus/ proxy statement and notice to any household at which two or more shareholders reside if GLPI believes the shareholders are members of the same family. Each shareholder in the household will continue to receive a separate proxy card. This process, known as householding, reduces the volume of duplicate information received at your household and helps to reduce our expenses.

### **Questions and Additional Information**

GLPI shareholders may contact GLPI's proxy solicitor, MacKenzie Partners, Inc., with any questions about the proposals or how to vote or to request additional copies of any materials at MacKenzie Partners, Inc., 105 Madison Avenue New York, NY 10016. Shareholders may call MacKenzie Partners Inc. collect at (212) 929-5500 or toll-free at (800) 322-2885.



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**PINNACLE SPECIAL MEETING**

**General**

This joint proxy statement/prospectus is being provided to Pinnacle stockholders as part of a solicitation of proxies by the board of directors of Pinnacle for use at the Pinnacle special meeting and at any adjournments or postponements of such special meeting. This joint proxy statement/prospectus provides Pinnacle stockholders with information about the Pinnacle special meeting and should be read carefully in its entirety.

**Date, Time and Place of the Pinnacle Special Meeting**

The Pinnacle special meeting will be held on [ ], 2016, beginning at [ ] a.m., local time, at 3980 Howard Hughes Parkway, Las Vegas, Nevada 89169.

**Purposes of the Pinnacle Special Meeting**

The Pinnacle special meeting is being held to consider and vote upon the following proposals:

***Proposal 1.*** to adopt the merger agreement, a copy of which is attached as Annex A to this joint proxy statement/prospectus, referred to previously as the merger agreement proposal;

***Proposal 2.*** to approve, on a non-binding advisory basis, the compensation to be paid to Pinnacle's named executive officers that is based on or otherwise relates to the merger, referred to previously as the compensation proposal; and

***Proposal 3.*** to vote to adjourn the Pinnacle special meeting, if necessary or appropriate, in the view of the Pinnacle board, to solicit additional proxies in favor of the merger proposal if there are not sufficient votes at the time of such adjournment to approve the merger agreement, referred to previously as the Pinnacle adjournment proposal.

**Recommendation of Pinnacle's Board of Directors**

The board of directors of Pinnacle recommends that the Pinnacle stockholders vote:

***Proposal 1:*** **FOR** the merger agreement proposal;

***Proposal 2:*** **FOR** the compensation proposal; and

***Proposal 3:*** **FOR** the Pinnacle adjournment proposal.

**Pinnacle's board of directors unanimously determined that it is advisable and in the best interests of Pinnacle's stockholders to enter into the merger agreement, and unanimously approved the merger agreement and the**

**transactions contemplated by the merger agreement, including the merger, and resolved to recommend adoption of the merger agreement by Pinnacle's stockholders and that the adoption of the merger agreement be submitted to a vote at a meeting of Pinnacle's stockholders.**

In considering the recommendations of Pinnacle's board of directors, Pinnacle stockholders should be aware that some of Pinnacle's directors and executive officers may have interests that are different from, or in addition to, the interests of Pinnacle stockholders more generally. For more information see the section titled "The Merger - Interests of Certain Pinnacle Persons in the Merger."

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Section 14A of the Exchange Act, which was enacted as part of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, requires that Pinnacle provides its shareholders with the opportunity to vote to approve, on an advisory non-binding basis, the payment of certain compensation that will or may become payable by Pinnacle to its named executive officers in connection with the merger:

RESOLVED, that the stockholders of Pinnacle Entertainment, Inc. approve, on a nonbinding, advisory basis, the compensation that will or may become payable to Pinnacle's named executive officers that is based on or otherwise relates to the merger as disclosed pursuant to Item 402(t) of Regulation S-K.

Pinnacle stockholders should note that the compensation proposal is merely an advisory vote which will not be binding on Pinnacle, GLPI or their respective board of directors. Further, the underlying plans and arrangements are contractual in nature and not, by their terms, subject to stockholder approval. Accordingly, regardless of the outcome of the advisory vote, if the merger is consummated, the eligibility of the Pinnacle named executive officers for such payments and benefits will not be affected by the outcome of the advisory vote.

This joint proxy statement/prospectus contains important information regarding these proposals and factors that Pinnacle stockholders should consider when deciding how to cast their votes. Pinnacle stockholders are encouraged to read the entire document carefully, including the annexes to and documents incorporated by reference into this document, for more detailed information regarding the merger agreement and the merger and other transactions contemplated by the merger agreement, including the spin-off and the merger.

### **Attendance at the Pinnacle Special Meeting**

Only Pinnacle stockholders of record as of the record date, beneficial owners as of the record date, holders of valid proxies for the special meeting and invited guests of Pinnacle may attend the Pinnacle special meeting.

All attendees should be prepared to present government-issued photo identification (such as a driver's license or passport) for admittance. The additional items, if any, that attendees must bring depend on whether they are stockholders of record, beneficial owners or proxy holders.

A Pinnacle stockholder who holds shares directly registered in such stockholder's name with Pinnacle's transfer agent, American Stock Transfer and Trust Company, LLC (a stockholder of record), who wishes to attend the Pinnacle special meeting in person should bring government-issued photo identification.

A beneficial owner of Pinnacle common stock who wishes to attend the Pinnacle special meeting in person should bring:

government-issued photo identification; and

proof of beneficial ownership as of the record date (*e.g.*, a letter from the broker, bank, trustee or other nominee that is the record owner of such beneficial owner's shares, a brokerage account statement or the voting instruction form provided by the broker).



A proxy holder who wishes to attend the Pinnacle special meeting in person should bring:

government-issued photo identification;

the validly executed proxy naming such person as the proxy holder, signed by the Pinnacle stockholder; and

proof of the signing stockholder's record ownership as of the record date.

No cameras, recording equipment or other electronic devices will be allowed in the meeting room. Failure to provide the requested documents at the door or failure to comply with the procedures for the special meeting may prevent stockholders from being admitted to the Pinnacle special meeting.

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Pinnacle is able to provide reasonable assistance to help persons with disabilities participate in the special meeting if Pinnacle is notified in writing in advance of requested accommodations. Please write to Pinnacle's principal executive offices at 3980 Howard Hughes Parkway, Las Vegas, Nevada 89169, Attention: Corporate Secretary.

## **Record Date**

The record date for the determination of stockholders entitled to notice of and to vote at the Pinnacle special meeting is [ ], 2016. Only Pinnacle stockholders who held shares of record at the close of business on [ ], 2016 are entitled to vote at the Pinnacle special meeting and any adjournment or postponement of the Pinnacle special meeting, as long as such shares remain outstanding on the date of the Pinnacle special meeting.

## **Outstanding Shares as of Record Date**

As of the close of business on the record date, there were [ ] shares of Pinnacle common stock outstanding, held by [ ] holders of record. Each share entitles its holder of record to one vote at the Pinnacle special meeting. Pinnacle common stock is the only class of stock entitled to vote, and holders of Pinnacle common stock are entitled to vote on each proposal presented at the Pinnacle special meeting.

A complete list of registered Pinnacle stockholders entitled to vote at the Pinnacle special meeting will be available for inspection at the principal place of business of Pinnacle at 3980 Howard Hughes Parkway, Las Vegas, Nevada 89169, during regular business hours for a period of no less than 10 days before the special meeting and at the place of the Pinnacle special meeting during the meeting.

## **Quorum**

In order for business to be conducted at the Pinnacle special meeting, a quorum must be present. A quorum requires the presence, in person or by proxy, of holders of a majority of voting power of all the shares of stock entitled to vote at the Pinnacle special meeting. For purposes of determining whether there is a quorum, all shares that are present will count towards the quorum, which includes abstentions but excludes broker non-votes. Broker non-votes occur when a beneficial owner holding shares in street name does not instruct the broker, bank or other nominee that is the record owner of such stockholder's shares on how to vote those shares on a particular proposal.

## **Vote Required**

The votes required for each proposal are as follows:

***Proposal 1 the merger agreement proposal.*** The affirmative vote, in person or by proxy, of holders of a majority of the outstanding shares of Pinnacle common stock is required to adopt the merger agreement proposal. The required vote on Proposal 1 is based on the number of outstanding shares not the number of shares actually voted. The failure of any Pinnacle stockholder to submit a vote (*i.e.*, not submitting a proxy and not voting in person) and any abstention from voting by a Pinnacle stockholder will have the same effect as a vote against the merger agreement proposal. Because the merger agreement proposal 1 is non-routine, brokers, banks and other nominees do not have discretionary authority to vote on the merger agreement proposal, and will not be able to vote on the merger agreement proposal absent instructions from the beneficial owner. As a result, a broker non-vote will have the same effect as a vote against the merger agreement proposal.

***Proposal 2 the compensation proposal.*** The affirmative vote, in person or by proxy, of a majority of the votes cast on the compensation proposal by the holders of shares of Pinnacle common stock is required to approve the proposal.

The required vote on the compensation proposal is based on the number of shares present not the number of outstanding shares. Abstentions from voting by a Pinnacle stockholder will have no effect on the outcome on the compensation proposal. The failure of any Pinnacle stockholder to submit a vote (*i.e.*, not

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submitting a proxy and not voting in person) will have no effect on the outcome of the compensation proposal. Brokers, banks and other nominees do not have discretionary authority to vote on the compensation proposal and will not be able to vote on compensation proposal. Broker non-votes will have no effect on the outcome of the compensation proposal. While Pinnacle's board of directors intends to consider the vote resulting from this proposal, the vote is advisory only and therefore not binding on Pinnacle or GLPI, and, if the proposed merger with GLPI is approved by Pinnacle stockholders and consummated, the compensation will be payable even if the compensation proposal is not approved.

**Proposal 3 the Pinnacle adjournment proposal.** The affirmative vote, in person or by proxy, of a majority of the votes cast on the Pinnacle adjournment proposal by the holders of shares of Pinnacle common stock is required to approve the proposal. The required vote on the Pinnacle adjournment proposal is based on the number of shares present not the number of outstanding shares. Abstentions from voting by a Pinnacle stockholder will have no effect on the outcome on the Pinnacle adjournment proposal. The failure of any Pinnacle stockholder to submit a vote (*i.e.*, not submitting a proxy and not voting in person) will have no effect on the outcome of the Pinnacle adjournment proposal. Brokers, banks and other nominees do not have discretionary authority to vote on Proposal 3 and will not be able to vote Proposal 3 absent instructions from the beneficial owner. Broker non-votes will have no effect on the outcome of the adjournment proposal.

## **How to Vote**

Pinnacle stockholders as of the close of business on the record date may have their shares voted by submitting a proxy or may vote in person at the Pinnacle special meeting by following the instructions provided on the enclosed proxy card. Pinnacle recommends that Pinnacle stockholders entitled to vote submit a proxy even if they plan to attend the special meeting.

Pinnacle stockholders who hold their shares beneficially in street name and wish to submit a proxy must provide instructions to the broker, bank, trustee or other nominee that holds their shares of record as to how to vote their shares with respect to Proposals 1, 2 and 3. Pinnacle stockholders who hold their shares beneficially and wish to vote in person at the special meeting must obtain a legal proxy.

Pinnacle stockholders of record may submit a proxy in one of three ways or vote in person at the Pinnacle special meeting:

**Internet:** Pinnacle stockholders may submit their proxy over the Internet at the web address shown on their proxy card. Internet voting is available 24 hours a day and will be accessible until [ ], on [ ], 2016. Stockholders will be given an opportunity to confirm that their voting instructions have been properly recorded. Pinnacle stockholders who submit a proxy this way should NOT send in their proxy card.

**Telephone:** Pinnacle stockholders may submit their proxy by calling the toll-free telephone number shown on their proxy card. Telephone voting is available 24 hours a day and will be accessible until [ ], on [ ]. Pinnacle stockholders who submit a proxy this way should NOT send in their proxy card.

**Mail:** Pinnacle stockholders may submit their proxy by properly completing, signing, dating and mailing their proxy card in the postage-paid envelope (if mailed in the United States) included with this joint proxy

statement/prospectus. Pinnacle stockholders who vote this way should mail the proxy card early enough so that it is received before the date of the special meeting.

***In Person:*** Pinnacle stockholders may vote in person at the special meeting or by sending a representative with an acceptable proxy that has been signed and dated. Attendance at the special meeting will not, however, in and of itself constitute a vote or a revocation of a prior proxy.

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Pinnacle stockholders are encouraged to submit a proxy promptly. Each valid proxy received in time will be voted at the special meeting according to the choice specified, if any. Executed but uninstructed proxies (*i.e.*, proxies that are properly signed, dated and returned but are not marked to tell the proxies how to vote) will be voted in accordance with the recommendations of Pinnacle's board of directors.

## **Proxies and Revocation**

Pinnacle stockholders of record may revoke their proxies at any time before their shares are voted at the Pinnacle special meeting in any of the following ways:

sending a written notice of revocation to Pinnacle at 3980 Howard Hughes Parkway, Las Vegas, Nevada 89169, Attention: Corporate Secretary, which must be received before their shares are voted at the special meeting;

properly submitting a new, later-dated proxy card, which must be received before their shares are voted at the special meeting (in which case only the later-dated proxy is counted and the earlier proxy is revoked);

submitting a proxy via Internet or by telephone at a later date (in which case only the later-dated proxy is counted and the earlier proxy is revoked); or

attending the Pinnacle special meeting and voting in person. Attendance at the special meeting will not, however, in and of itself, constitute a vote or revocation of a prior proxy.

Pinnacle beneficial owners may change their voting instruction only by submitting new voting instructions to the brokers, banks or other nominees that hold their shares of record.

## **Inspector of Election**

The board of directors of Pinnacle has appointed a representative of First Coast Results, Inc. to act as the inspector of election at the Pinnacle special meeting.

## **Solicitation of Proxies**

Pinnacle will pay for the proxy solicitation costs related to the Pinnacle special meeting. In addition to sending and making available these materials, some of Pinnacle's directors, officers and other employees may solicit proxies by contacting Pinnacle stockholders by telephone, by mail, by e-mail or in person. Pinnacle stockholders may also be solicited by press releases issued by Pinnacle and/or GLPI, postings on Pinnacle's or GLPI's websites and advertisements in periodicals. None of Pinnacle's directors, officers or employees will receive any extra compensation for their solicitation services. Pinnacle has also retained D.F. King & Co., Inc. to assist in the solicitation of proxies for approximately \$[ ], plus reasonable out-of-pocket expenses. Pinnacle will also reimburse brokers, banks and other nominees for their expenses in sending proxy solicitation materials to the beneficial owners of Pinnacle common stock and obtaining their proxies.

## **Adjournments**

The Pinnacle special meeting may be adjourned in the absence of a quorum by the affirmative vote of holders of a majority of the Pinnacle shares having voting power present in person or represented by proxy at the special meeting.

Even if a quorum is present, the Pinnacle special meeting could also be adjourned in order to provide more time to solicit additional proxies in favor of adoption of the merger agreement if sufficient votes are cast in favor of Proposal 3.

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If the adjournment is for more than 30 days or if after the adjournment a new record date is set for the adjourned meeting, a notice of the adjourned meeting must be given to each stockholder of record entitled to vote at the special meeting.

### **No Appraisal Rights**

Under the DGCL as well as the governing documents of Pinnacle, the stockholders of Pinnacle are not entitled to appraisal rights or dissenters' rights in connection with the merger.

### **Other Matters**

At this time, Pinnacle knows of no other matters to be submitted at the Pinnacle special meeting.

### **Householding of Special Meeting Materials**

Unless Pinnacle has received contrary instructions, Pinnacle may send a single copy of this joint prospectus/proxy statement and notice to any household at which two or more stockholders reside if Pinnacle believes the stockholders are members of the same family. Each stockholder in the household will continue to receive a separate proxy card. This process, known as householding, reduces the volume of duplicate information received at your household and helps to reduce our expenses.

### **Questions and Additional Information**

Pinnacle stockholders may contact Pinnacle's proxy solicitor, D.F. King & Co., Inc., with any questions about the proposals or how to vote or to request additional copies of any materials at 48 Wall Street, New York, NY 10005. Stockholders may call toll-free at 1-800-697-6975 or call collect at 1-212-269-5550.



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**THE MERGER**

*This section of the joint proxy statement/prospectus describes the material aspects of the proposed merger. This section may not contain all of the information that is important to you. You should carefully read this entire proxy statement/prospectus and the documents incorporated by reference into this joint proxy statement/prospectus, including the full text of the merger agreement, a copy of which is attached to this joint proxy statement/prospectus as Annex A, for a more complete understanding of the proposed merger and the transactions related thereto. In addition, important business and financial information about each of GLPI and Pinnacle is included in or incorporated by reference into this joint proxy statement/prospectus and is included in the annexes hereto. See the section titled *Where You Can Find More Information*.*

**Effects of the Merger**

On the closing date, before the effective time of the merger, Pinnacle will distribute to Pinnacle stockholders all of the issued and outstanding shares of common stock of OpCo, a newly formed wholly owned subsidiary of Pinnacle, containing Pinnacle's operating assets and certain other specified assets. Then, upon satisfaction or waiver of the conditions to closing, on the closing date, Pinnacle will merge with and into Merger Sub, a wholly owned subsidiary of GLPI formed for the purpose of effecting the merger. Merger Sub will be the surviving company in the merger. At the effective time of the merger, each share of Pinnacle common stock issued and outstanding immediately prior to the effective time of the merger will be converted into 0.85 shares of a share of GLPI common stock, with cash paid in lieu of the issuance of fractional shares of GLPI common stock. In addition, Pinnacle will take all actions as may be necessary so that at the effective time of the merger, each Pinnacle stock option, restricted stock unit (including phantom stock unit awards, restricted stock unit awards, other stock unit awards, performance share grants, director other stock unit awards, deferred shares and any other similar instruments) and cash performance unit will be treated as described in *Interests of Certain Pinnacle Persons in the Merger*.

**Background of the Merger**

GLPI is a self-administered and self-managed Pennsylvania REIT that was formed as part of the Penn 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, and GLPI's management has been seeking out and evaluating strategic acquisition opportunities since GLPI's inception. As part of this ongoing evaluation process, GLPI's management identified Pinnacle as a company with real estate assets that would fit into GLPI's growth strategy.

As part of its ongoing evaluation of Pinnacle's business, the Pinnacle board, together with senior management, regularly reviews opportunities to increase shareholder value. Pinnacle's long-term strategy has included disciplined capital expenditures to improve and maintain its existing properties, while growing the number and quality of its facilities by pursuing gaming entertainment opportunities it believes it can improve, develop, or acquire. In recent years, Pinnacle has focused on increasing shareholder value through, among other things, acquiring Ameristar Casinos, Inc. and successfully integrating its operations into Pinnacle's business, opening the Belterra Park Gaming and Entertainment Center property in Cincinnati, Ohio and a 150-room hotel at its Boomtown New Orleans Casino in New Orleans, Louisiana, expanding its River City Casino in St. Louis, completing the sales of its Ameristar Casino Lake Charles development and its ownership interests in its subsidiaries that operate the Lumière Place Casino, Hotel Lumiere, the Four Seasons Hotel St. Louis, and related excess land parcels. In addition, Pinnacle regularly engages with its stockholders to understand their perspectives on the most effective ways to increase shareholder value.

Following Penn's announcement of the Penn spin-off on November 15, 2012, Pinnacle's management and board have considered the possibility of pursuing a separation of Pinnacle's real estate from its operating business. From time to time since the announcement of the Penn spin-off, Pinnacle stockholders have recommended that Pinnacle explore such a separation transaction. However, at that time, Pinnacle's focus had primarily been the successful integration of the Ameristar acquisition.

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In mid-2014, Pinnacle began to explore in greater detail the possibility of separating its real estate assets from its operating assets, and retained Goldman Sachs & Co. ( Goldman Sachs ) as its financial advisor and Skadden as its legal advisor in connection with such review.

At a meeting of the Pinnacle board of directors held on August 18, 2014, members of Pinnacle's management team, as well as representatives of Goldman Sachs and Skadden, reviewed with the Pinnacle board a preliminary assessment of the potential feasibility of such a separation transaction. At this meeting, the Pinnacle board of directors directed management to continue to work with Pinnacle's advisors to further assess the feasibility and desirability of pursuing a REIT separation transaction.

The Pinnacle board of directors met on October 7 and October 8, 2014 and received an update regarding the work being done by management and Pinnacle's financial and legal advisors regarding the possibility of pursuing a REIT separation transaction and other alternatives potentially available to Pinnacle. Representatives of Pinnacle's management, Goldman Sachs and Skadden were in attendance at the meeting. At this meeting, the Pinnacle board of directors received an update from management and Pinnacle's advisors on the potential REIT separation transaction. The Pinnacle board considered the assessment regarding the feasibility of implementing a REIT separation transaction and the additional analysis and work that would need to be performed to implement such a transaction and directed management to begin taking steps to effect the potential REIT separation transaction.

The Pinnacle board of directors met on October 27, 2014. Representatives of Pinnacle's management, Goldman Sachs and Skadden were in attendance at the meeting. At this meeting, the Pinnacle board received an update from management and Pinnacle's advisors on the potential REIT separation transaction and discussed the possible adoption of a stockholder rights plan to help maintain the ability to pursue a REIT separation transaction (which rights plan was subsequently adopted).

On November 6, 2014, Pinnacle announced that the Pinnacle board had approved a plan to pursue a separation of Pinnacle's operating assets and its real estate assets into two publicly traded companies (the REIT Separation Plan ) through the creation of a newly formed, publicly traded REIT that would be distributed to Pinnacle stockholders in a tax-free spin-off, with Pinnacle remaining an operating entity following the transaction. In its announcement, Pinnacle noted that while it had conducted substantial analysis of the feasibility of implementing the REIT Separation Plan, a significant amount of work remained to be completed, with a number of hurdles to be cleared to complete the transaction, including: receipt of a favorable private letter ruling from the Internal Revenue Service; identification and appointment of senior executive leadership of the newly formed REIT; negotiation and execution of a master lease agreement between the newly formed REIT and the operating company, as well as other separation arrangements; gaming regulatory approvals; SEC filings related to the REIT Separation Plan; and debt financing transactions. Pinnacle also noted that it intended to pursue equity financing of approximately \$1 billion to reduce its balance sheet leverage and for general corporate purposes.

In the months that followed, Pinnacle progressed the REIT Separation Plan, including by submitting a private letter ruling request to the Internal Revenue Service on December 19, 2014, developing plans with respect to the proposed financing in connection with such transaction and formulating a plan to separate Pinnacle's operating assets from its real estate assets.

The GLPI board of directors met on November 18, 2014, with representatives of GLPI's management in attendance. At this meeting, members of GLPI management discussed with the GLPI board of directors management's analysis of Pinnacle's REIT Separation Plan based on public information. The GLPI board of directors and management also discussed the potential opportunity for GLPI to create value for GLPI while also providing enhanced value and certainty to Pinnacle's stockholders relative to the REIT Separation Plan by pursuing a strategic transaction between

GLPI and Pinnacle involving the acquisition of Pinnacle's real estate assets by GLPI. The GLPI board of directors instructed management to continue evaluating a potential transaction with Pinnacle, including reaching out to Pinnacle's senior management to gauge Pinnacle's interest in exploring a potential transaction.

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On November 24, 2014, Anthony Sanfilippo, Chief Executive Officer of Pinnacle, and Carlos Ruisanchez, President and Chief Financial Officer of Pinnacle, met with Peter Carlino, Chairman and Chief Executive Officer of GLPI, in New York City. While no specific potential strategic transaction between the parties was discussed, during the course of the meeting Mr. Carlino inquired whether Pinnacle had considered a taxable transaction involving the separation of its real estate assets from its operating assets, and Mr. Ruisanchez noted potentially significant transaction costs in any such transaction structure. In the fall of 2014 and in early 2015, Steven Snyder, GLPI's Senior Vice President of Corporate Development, spoke with an investment banker at Goldman Sachs on several occasions indicating potential interest in a strategic transaction involving Pinnacle's real estate assets.

In early January 2015, certain third parties contacted members of Pinnacle's management to indicate potential interest in providing financing in connection with the REIT Separation Plan or other possible transactions involving Pinnacle's real estate but not involving a merger or acquisition of Pinnacle.

On January 16, 2015, Mr. Carlino and Mr. Sanfilippo had a telephone call during the course of which Mr. Carlino advised that he would be sending a letter indicating GLPI's interest in a transaction between GLPI and Pinnacle. Following that call, Mr. Carlino sent a letter, a draft of which GLPI management had previously distributed to the GLPI board of directors and received its authorization to distribute to Pinnacle, to Mr. Sanfilippo expressing GLPI's interest in pursuing a taxable merger transaction with Pinnacle, as an alternative to the REIT Separation Plan, pursuant to which Pinnacle would spin off Pinnacle's operating assets into a newly formed, publicly traded company and GLPI would acquire Pinnacle's real estate assets, in exchange for GLPI common stock, for an enterprise value of the acquired assets of \$3.75 billion (based on the assumptions set forth in the proposal) (the January 16 Proposal). The same day, Mr. Sanfilippo communicated the January 16 Proposal to the Pinnacle Board.

On January 27, 2015, Mr. Sanfilippo informed Mr. Carlino that Pinnacle's management team would send Mr. Carlino a list of specific questions regarding GLPI's January 16 Proposal. Mr. Sanfilippo and Mr. Carlino also discussed scheduling an in-person meeting on February 18, 2015 in New York City to discuss such proposal. The next day, Mr. Carlino informed Mr. Sanfilippo that GLPI would be available for an in-person meeting on February 18, 2015.

On February 2, 2015, representatives of Pinnacle's and GLPI's senior management held a telephone call to discuss the January 16 Proposal. Those on the call included Mr. Ruisanchez, Geoffrey Goodman, Vice President of Strategic Planning, Analytics and Development of Pinnacle, William Clifford, Chief Financial Officer, Senior Vice President and Treasurer of GLPI and Desiree Burke, Chief Accounting Officer and Senior Vice President of GLPI. During the call, GLPI's representatives explained certain of the assumptions underlying the January 16 Proposal.

On February 4, 2015, another party in the gaming and leisure industry (Party A) contacted Pinnacle's management indicating its possible interest in a potential strategic transaction involving Pinnacle's operating assets.

On February 5, 2015, GLPI provided additional information to Pinnacle with respect to the financial aspects of its proposal.

On February 6, 2015, representatives of Morgan Stanley, GLPI's financial advisor, contacted representatives of Goldman Sachs to discuss GLPI's proposal. The representatives of Goldman Sachs indicated that they would follow up the next week with feedback on the January 16 Proposal.

A regularly scheduled meeting of the Pinnacle board of directors was held on February 10, 2015 at which representatives of Pinnacle's management were present. At that meeting, members of Pinnacle management provided an update regarding the status of the REIT Separation Plan, the communications with Party A and



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analysis of that potential transaction, and updated the Pinnacle board of directors regarding GLPI's January 16 Proposal and subsequent communications with GLPI. The Pinnacle board of directors determined to schedule a meeting for the following week to review further the January 16 Proposal and alternatives available to Pinnacle, and determined that management representatives should not meet with representatives of GLPI prior to that meeting. Following the meeting, the independent directors on the Pinnacle board of directors determined to retain additional legal counsel to represent the independent directors, and subsequently Mr. James Martineau, Chairman of the Pinnacle board, contacted Gibson, Dunn & Crutcher LLP (Gibson) to act as counsel to Pinnacle's independent directors. Pinnacle's independent directors are all of the Pinnacle directors other than Mr. Sanfilippo.

On February 13, 2015, Mr. Sanfilippo called Mr. Carlino to cancel the in-person meeting that the parties had previously discussed.

On February 19, 2015, the Pinnacle board of directors held a telephonic meeting at which representatives of Pinnacle's management, Goldman Sachs, Skadden and Gibson were present. At this meeting, the Pinnacle board reviewed the January 16 Proposal and certain other strategic alternatives potentially available to Pinnacle, including the REIT Separation Plan and the communications from Party A regarding its possible interest in a potential strategic transaction with Pinnacle. Representatives of Goldman Sachs reviewed financial aspects of the various alternatives available to Pinnacle. Representatives from Skadden and Gibson also discussed legal matters including the Pinnacle board's fiduciary duties. Following discussions, the Pinnacle board determined that the January 16 Proposal did not adequately value Pinnacle's real estate assets, and that Pinnacle's management should continue to explore the strategic alternatives potentially available to Pinnacle, including a potential transaction with GLPI, the REIT Separation Plan and transactions with other parties that had contacted Pinnacle's management. The independent members of Pinnacle's board of directors then met separately to discuss the REIT Separation Plan and alternatives available to Pinnacle, and to receive legal advice from Gibson, after which Mr. Sanfilippo rejoined the meeting to receive guidance regarding next steps.

On February 20, 2015, Mr. Carlino and Mr. Sanfilippo had a telephone call in which they agreed to request that the parties' respective financial advisors meet to discuss the January 16 Proposal and additional information provided on February 5, 2015. Later that day, Morgan Stanley and Goldman Sachs had a telephone call to discuss next steps and agreed that Morgan Stanley would provide Goldman Sachs with a list of high-priority due diligence requests and Goldman Sachs would provide Morgan Stanley with a form of nondisclosure agreement (an NDA) pursuant to which such due diligence information could be provided. Later that day Morgan Stanley sent Goldman Sachs the list of high-priority due diligence requests and Goldman Sachs sent Morgan Stanley a proposed NDA in order to facilitate discussions between Pinnacle and GLPI regarding a potential transaction. The draft NDA included standstill provisions that, subject to certain exceptions, would have prohibited GLPI from pursuing any form of public or unsolicited proposal with respect to Pinnacle.

On February 23, 2015, Messrs. Sanfilippo and Carlino had a telephone call to discuss the draft NDA sent by Goldman Sachs. Mr. Sanfilippo communicated Pinnacle's willingness to provide due diligence information if an appropriate NDA, including a standstill provision, could be agreed to between the parties. During this call, it was suggested that the parties' respective General Counsels, Mr. Godfrey of Pinnacle and Brandon Moore of GLPI, have a call to further discuss the terms of the proposed NDA.

On February 25, 2015, Messrs. Godfrey and Moore had a telephone call to discuss the terms of the NDA. The parties expressed differing views as to whether the NDA should contain a standstill provision, with GLPI taking the position that no such provision should be included. That same day, GLPI sent Pinnacle a revised draft of the NDA, which did not contain a standstill provision, along with a list of priority diligence requests.

On February 27, 2015, Mr. Sanfilippo sent a letter to Mr. Carlino stating that Pinnacle's board had determined the January 16 Proposal did not adequately value Pinnacle's real estate assets, and that Pinnacle would be willing to share confidential information with GLPI under an acceptable NDA in order to explore whether there would



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be a path to a more attractive transaction for Pinnacle's stockholders. That same day representatives of Pinnacle's and GLPI's senior management communicated regarding the parties' respective positions regarding the terms of the NDA, with no resolution.

On March 3, 2015, the GLPI board of directors held a telephonic meeting at which members of GLPI management were also in attendance. At this meeting, GLPI management updated the GLPI board of directors on developments in GLPI's attempts to engage with Pinnacle with respect to a transaction between the companies and provided the GLPI board of directors with a detailed overview of GLPI's most recent proposal to Pinnacle. The GLPI board of directors also discussed with management the potential benefits and risks of making GLPI's proposal public as a means of facilitating and accelerating progress towards an agreed transaction with Pinnacle, and determined to authorize GLPI management to do so.

On March 4, 2015, representatives of Pinnacle's senior management spoke with members of senior management of Party A and scheduled a meeting for March 18, 2015 to discuss the possibility of a potential strategic transaction between the parties.

On March 6, 2015, Mr. Carlino sent a letter with a revised proposal to Mr. Sanfilippo regarding a taxable transaction pursuant to which GLPI would acquire, in exchange for GLPI common stock, Pinnacle's real estate assets for an enterprise value of \$4.1 billion (based on the assumptions set forth in the proposal) (the "March 6 Proposal") and a request that Pinnacle respond to the March 6 Proposal by the close of business on March 9, 2015.

Later on March 6, 2015, a representative of Morgan Stanley called a representative of Goldman Sachs to follow up on Mr. Carlino's email and discuss next steps. The representative of Goldman Sachs indicated that while Pinnacle's board of directors was reviewing the proposal, it was unlikely that GLPI would receive a substantive response to Mr. Carlino's email by the March 9, 2015 date that Mr. Carlino had requested and they believed that GLPI's March 6 Proposal was unlikely to be accepted. In a follow-up call on March 8, 2015, representatives of Goldman Sachs reiterated to representatives of Morgan Stanley the same view.

On March 9, 2015, Mr. Sanfilippo emailed Mr. Carlino acknowledging receipt of the March 6 Proposal and indicated that such proposal was being reviewed by the Pinnacle board of directors. Shortly thereafter on that same day, GLPI sent a letter to the Pinnacle Board of directors describing the March 6 Proposal in greater detail and issued a press release (which included a copy of GLPI's proposal letter) and an investor presentation regarding the March 6 Proposal.

On March 12, 2015, the Pinnacle board of directors held a telephonic meeting. Representatives of Pinnacle's management, Goldman Sachs, Skadden, and Gibson were in attendance at the meeting. Representatives from Goldman Sachs then discussed the financial aspects of the March 6 Proposal and offered perspectives on potential alternatives available to Pinnacle. Representatives from Skadden and Gibson also discussed certain legal matters, including directors' duties. After discussion, the Pinnacle board of directors concluded that the March 6 Proposal did not adequately value Pinnacle's real estate assets and determined to continue to pursue the steps necessary to implement the REIT Separation Plan, as well as to continue to explore potential third party interest in a transaction, including with GLPI and Party A.

On March 13, 2015, Mr. Carlino sent a letter to Mr. Sanfilippo reiterating the March 6 Proposal and GLPI's outstanding diligence requests, suggesting that the senior management teams of both companies meet to negotiate a transaction.

On March 15, 2015, members of Pinnacle's senior management contacted representatives of a third party in the gaming and leisure industry ("Party B") to gauge its interest in a potential strategic transaction involving Pinnacle.



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On March 16, 2015, Mr. Sanfilippo sent a letter to Mr. Carlino indicating that the Pinnacle board of directors had unanimously determined that the March 6 Proposal did not adequately value Pinnacle's real estate assets, but that Pinnacle would be willing to explore a potential transaction and provide the limited due diligence information requested by GLPI on the condition that GLPI enter into an acceptable NDA that, while not itself including any standstill provisions, would include as an exhibit the form of a NDA with a standstill which the parties would commit to execute if Pinnacle provided any further information beyond the limited due diligence already requested by GLPI. Drafts of both versions of the NDA were included in the e-mail containing the letter.

On March 17, 2015, Mr. Moore and Mr. Godfrey held a telephone call to discuss the two versions of the NDA sent by Mr. Sanfilippo.

On March 18, 2015, members of Pinnacle's senior management met with members of senior management of Party A to discuss a potential transaction involving Pinnacle's operating assets. That same day, members of Pinnacle's senior management had a call with members of senior management of Party B to discuss a potential transaction involving Pinnacle's operating assets and certain assets of Party B. In addition, on March 18, 2015, GLPI sent a revised draft of the NDA to Pinnacle, which removed the references to a future agreement containing standstill provisions.

On March 19, 2015, the Pinnacle board of directors held a telephonic meeting at which representatives of Pinnacle's management, Goldman Sachs, Skadden, and Gibson were in attendance. Pinnacle's management updated the Pinnacle board of directors on its communications with GLPI, the feedback it had received from Pinnacle's stockholders and a review of the market's reaction to the March 6 Proposal, as well as the discussions they had with Party A and Party B. Representatives of Goldman Sachs also offered perspectives on the alternatives potentially available to Pinnacle. Representatives from Goldman Sachs, Skadden and Gibson then offered advice regarding potential next steps. After discussion, the Pinnacle board of directors determined that Pinnacle should execute an NDA not containing a standstill with GLPI, which would apply to the provision of limited information requested by GLPI, so that GLPI could further develop its proposal. The Pinnacle board of directors also authorized management and Goldman Sachs to continue discussions with other interested third parties regarding a potential transaction, including Party A and Party B. The independent members of Pinnacle's board of directors then met separately with representatives from Gibson to discuss Pinnacle's current situation, during which representatives of Gibson provided legal advice and observations on the process undertaken to date.

On March 20, 2015, Pinnacle and GLPI executed an NDA without a standstill, pursuant to which Pinnacle would provide certain limited information to GLPI, including certain tax and financial information.

On March 23, 2015, Goldman Sachs provided Morgan Stanley with certain of the due diligence information that GLPI had requested from Pinnacle, including summary information relating to Pinnacle's estimated tax basis, net operating loss carryforward position and accumulated earnings and profits.

On March 25, 2015, Pinnacle's senior management met with members of senior management of Party A to discuss a potential transaction involving Pinnacle's operating assets. During this meeting, Party A discussed a preliminary framework with respect to a potential strategic transaction, which involved purchasing Pinnacle's operating assets and separating Pinnacle's real estate into an independent, publicly traded REIT.

On March 25, 2015, GLPI submitted to Pinnacle a list of follow-up questions and supplemental requests related to the due diligence information that had been provided by Goldman Sachs.

On March 26, 2015, representatives of GLPI and representatives of Pinnacle held a conference call in which they discussed the due diligence information that Pinnacle had provided on March 23, 2015 and related matters. The

representatives of Pinnacle indicated that certain additional due diligence information that GLPI had requested was in the process of being prepared and would be sent when available.

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On March 27, 2015, following several communications between representatives of each of Pinnacle and Party B, Pinnacle's senior management met with members of senior management of Party B to discuss potential transaction structures involving Pinnacle. That same day, representatives of Goldman Sachs spoke with Party A's financial advisor and informed it that Party A's proposal did not adequately value Pinnacle's assets when compared to other alternatives potentially available to Pinnacle.

On March 31, 2015, Pinnacle signed an NDA with Party B, which contained a customary standstill provision.

On April 3, 2015, Pinnacle signed an NDA with Party A, which contained a customary standstill provision.

In the following weeks, Pinnacle provided the additional due diligence requested by GLPI and engaged in discussions with GLPI regarding the assumptions underlying the March 6 Proposal, with a goal of further assisting GLPI in developing a revised and improved proposal. Pinnacle also continued discussions with each of Party A and Party B regarding potential strategic transactions with these parties and engaged in due diligence with each party with respect thereto.

On April 7, 2015, the GLPI board of directors held a telephonic meeting at which members of GLPI management and representatives of Morgan Stanley and Wachtell Lipton, outside legal counsel to GLPI, were also in attendance. At this meeting, GLPI management updated the GLPI board of directors on developments since the public announcement of the March 6 Proposal, including the due diligence process and discussions with Pinnacle and certain of its stockholders regarding the March 6 Proposal. Following discussion with GLPI management and the advisors present at the meeting regarding the financial and strategic considerations of submitting a revised proposal to Pinnacle based upon the due diligence information received to date, the GLPI board of directors requested that management work with Morgan Stanley to conduct additional analysis and present the Board with a proposed revised offer when complete.

On April 10, 2015, the GLPI board of directors held a follow-up meeting at which GLPI management presented, and the GLPI board of directors discussed, a potential revised proposal to Pinnacle. At the conclusion of this meeting, the GLPI board of directors authorized management to present the revised proposal to Pinnacle and to continue negotiating with Pinnacle towards a mutually agreeable transaction. That same day, Mr. Carlino delivered a letter to the Pinnacle board with a revised proposal for a transaction pursuant to which GLPI would acquire Pinnacle's real estate assets through the acquisition of Pinnacle, following the spin-off of Pinnacle's operating business, at an exchange ratio of 0.675 shares of GLPI common stock for each share of Pinnacle common stock, for an enterprise value of the acquired assets of \$4.7 billion (based on the assumptions set forth in the proposal) (the April 10 Proposal).

On April 13 and 14, 2015, the Pinnacle board of directors met at a regularly-scheduled meeting. Representatives of Pinnacle's management, Goldman Sachs, Skadden and Gibson were present during relevant portions of the meeting. The Pinnacle board of directors reviewed Pinnacle's current situation, including the status of the REIT Separation Plan, the April 10 Proposal and the other strategic alternatives potentially available to Pinnacle. Pinnacle's management and representatives of Goldman Sachs provided an update on the REIT Separation Plan and on the discussions with GLPI, Party A and Party B and provided information and advice regarding the financial elements of each of the strategic options. Representatives from Skadden and Gibson also offered their perspectives on certain legal matters. After discussion, the Pinnacle board of directors determined to pursue due diligence and discussions with GLPI subject to entering into a new mutual NDA appropriate to the provision of additional information. In addition, the Pinnacle board of directors directed management to continue exploring the other strategic alternatives potentially available to Pinnacle, including with Party A and Party B. The independent members of Pinnacle's board of directors then met separately with representatives from Gibson to discuss Pinnacle's current situation, during which representatives of

Gibson provided legal advice and observations on the process undertaken to date.

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On April 14, 2015, it was reported by multiple media outlets that GLPI had increased the value of its proposal as compared to the March 6 Proposal. That same day, Mr. Sanfilippo sent Mr. Carlino a letter regarding the April 10 Proposal noting that the Pinnacle board believed that such proposal did not fully reflect the value of Pinnacle's real estate assets, requesting certain clarifications regarding such proposal and suggesting that GLPI execute a mutual NDA so that the parties could share additional information and that the parties should schedule an in-person meeting to further discuss a potential transaction.

On April 15, 2015, Mr. Carlino sent the Pinnacle board of directors a letter including detailed responses to the questions regarding the April 10 Proposal posed in Pinnacle's April 14, 2015 letter and noting that while GLPI was open to an in-person meeting, it would not sign a mutual NDA that contained a standstill. On April 16, 2015, Mr. Sanfilippo sent Mr. Carlino a letter noting that, in the interest of facilitating open discussions between the parties, Pinnacle was prepared to execute a mutual NDA without a standstill. That same day, GLPI and Pinnacle executed a mutual NDA without a standstill.

That same day, advisors and senior management of each of Pinnacle and Party B engaged in discussions regarding a potential transaction.

On April 17, 2015, Party B's financial advisor delivered a proposal for the acquisition of certain of Pinnacle's operating assets and Pinnacle's acquisition of certain of Party B's real estate assets, and on April 18, 2015, senior management of Pinnacle and Party B, along with representatives of Goldman Sachs and Party B's financial advisor, conducted a telephone call to discuss the terms of Party B's proposal.

On April 20, 2015, Pinnacle sent a counterproposal to Party B.

That same day, representatives of senior management of Pinnacle and GLPI, as well as representatives from Goldman Sachs, Morgan Stanley, Skadden and Wachtell Lipton met in Las Vegas to discuss a potential transaction involving GLPI and Pinnacle. As a result of such meeting, it was agreed that Pinnacle would send GLPI a counterproposal reflecting, among other things, its positions on the terms of a potential master lease and the valuation of Pinnacle's real estate assets.

On April 21, 2015, both Party A and Party B separately submitted revised proposals to Pinnacle with respect to their respective interest in a potential strategic transaction. Each of the proposals involved purchasing Pinnacle's operating assets and the separation of Pinnacle's real estate assets into an independent, publicly traded REIT. Party A's proposal involved the acquisition of Pinnacle's operating assets and Party B's proposal involved the acquisition of Pinnacle's operating assets and the acquisition by Pinnacle of certain of Party B's real estate assets.

On April 22, 2015, representatives of senior management of Pinnacle and Party B had a call to discuss the terms of Party B's revised proposal. On April 23, 2015, Party B submitted a revised proposal involving the acquisition of Pinnacle's operating assets and the acquisition by Pinnacle of certain of Party B's real estate assets, which revised certain of the financial terms of the proposed transaction.

Also on April 23, 2015, the Pinnacle board of directors held a telephonic meeting. Representatives of Pinnacle's management, Goldman Sachs, Skadden and Gibson also participated during such call. Management updated the Pinnacle board of directors on the latest communications with each of GLPI, Party A and Party B, and representatives from Goldman Sachs reviewed financial terms and financial assumptions underlying each proposal. Representatives from Skadden and Gibson also offered their perspectives on certain legal matters. After discussion, the Pinnacle board of directors determined that management should continue to negotiate with GLPI and communicate to Party A and Party B that their respective proposals were inadequate. That same day, Mr. Sanfilippo sent a letter to Mr. Carlino

communicating the key areas where Pinnacle believed that GLPI needed to improve its proposal, including with respect to the valuation of Pinnacle's real estate assets, the terms of a master lease and the amount of and circumstances under which any termination fees would be payable.



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On April 24, 2015, Mr. Sanfilippo communicated to Party A and Party B that their respective proposals did not adequately value Pinnacle's assets, and with regard to Party B, that Pinnacle had concerns regarding the uncertainty and feasibility of implementing its proposal.

Also on April 24, 2015, representatives of GLPI, Pinnacle, Morgan Stanley and Goldman Sachs held a telephonic meeting to discuss the letter sent by Mr. Sanfilippo on April 23, 2015, including the key areas where Pinnacle believed that GLPI needed to improve its proposal.

On April 25, 2015, Mr. Carlino delivered a letter to the Pinnacle board of directors reflecting a revised proposal for a taxable transaction pursuant to which GLPI would acquire, at an exchange ratio of 0.8281 shares of GLPI common stock for each share of Pinnacle common stock, Pinnacle's real estate assets (the April 25 Proposal). Based on the assumptions set forth therein, the April 25 Proposal reflected a total enterprise value for Pinnacle's real estate assets to be acquired in the transaction of approximately \$4.75 billion. The letter also reflected GLPI's position on certain of the other open issues between the parties, including the terms of a master lease and the size of any termination fees and circumstances under which such fees would be payable.

On April 28, 2015, the Pinnacle board of directors held a telephonic meeting. Representatives of Pinnacle's management, Goldman Sachs, Skadden and Gibson also participated during such call. Management updated the Pinnacle board on the latest communications with each of GLPI, Party A and Party B, noting that neither Party A nor Party B had submitted a revised proposal. A potential response to GLPI's April 25 Proposal was also discussed. After receiving advice from representatives of Goldman Sachs, Skadden and Gibson, the Pinnacle board of directors determined to respond to GLPI with Pinnacle's position on GLPI's proposal. Following the meeting, Mr. Sanfilippo sent Mr. Carlino a letter regarding the April 25 Proposal stating that, despite meaningful progress in the negotiations with GLPI, key terms (including the consideration to be provided to Pinnacle stockholders and the allocation of certain transaction costs) remained outstanding, and communicating Pinnacle's position on certain of the remaining open issues between the parties.

On April 29, 2015, Mr. Carlino delivered a letter to the Pinnacle board of directors, a draft of which GLPI management had previously distributed to the GLPI board of directors and received its authorization to distribute to Pinnacle, reflecting GLPI's positions on the open issues between the parties, including with respect to valuation of Pinnacle's real estate assets, and proposing an exchange ratio of 0.8140 shares of GLPI common stock for each share of Pinnacle common stock, as well as any vested employee equity awards outstanding, and indicating GLPI's position concerning the allocation of certain transaction costs and the terms of the master lease (the April 29 Proposal). GLPI's response indicated that, while GLPI could be flexible regarding allocation of certain transaction costs, the GLPI board of directors was not supportive of any further valuation enhancement.

On May 1, 2015, the Pinnacle board of directors held a telephonic meeting. Representatives of Pinnacle's management, Goldman Sachs, Skadden and Gibson also participated during such call. Management updated the Pinnacle board of directors on the status of each of the alternatives Pinnacle had been exploring, including the REIT Separation Plan, the April 29 Proposal and potential transactions involving Party A and Party B, and representatives of Goldman Sachs provided a financial analysis of the April 29 Proposal. Representatives of Skadden and Gibson also discussed certain legal matters and offered perspectives on each of the alternatives potentially available to Pinnacle. After discussion, the Pinnacle board of directors determined to send a counterproposal to the April 29 Proposal, reflecting a fixed exchange ratio of 0.85 shares of GLPI common stock for each share of Pinnacle common stock and other terms, and instructed Mr. Sanfilippo to continue negotiations with GLPI. The independent members of Pinnacle's board of directors then met separately with representatives from Gibson, Skadden and Goldman Sachs to discuss Pinnacle's current situation. The independent directors discussed certain economic factors related to the proposed transaction with GLPI with input from Goldman Sachs, as well as certain legal matters with Skadden and Gibson. Later that same

day, representatives of senior management of GLPI and Pinnacle held a telephonic meeting to discuss the April 29 Proposal. Following this telephonic meeting, Mr. Sanfilippo delivered a letter to Mr. Carlino with a counterproposal to the April 29 Proposal and a request for a telephonic meeting on May 2, 2015.

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On May 2, 2015, representatives of senior management of Pinnacle and GLPI discussed certain key open points regarding a proposed transaction and came to a preliminary understanding, subject to board review and negotiation of definitive agreements, on certain key value terms, including a fixed exchange ratio of 0.85 shares of GLPI common stock for each share of Pinnacle common stock, initial rent under the master lease of \$358 million and an obligation of GLPI to refinance the principal amount of all of Pinnacle's existing indebtedness except \$1.1 billion, subject to certain adjustments (the May 2 Proposal). Later that same day, Mr. Carlino sent the Pinnacle board of directors a letter confirming the terms of the May 2 Proposal. That same day, the Pinnacle board of directors held a telephonic meeting. Representatives of Pinnacle's management, Goldman Sachs, Skadden and Gibson also participated during such call. Management summarized the status of discussions with GLPI, and Goldman Sachs provided an overview and financial analysis of the May 2 Proposal. A representative of Skadden reviewed legal matters. The Pinnacle board of directors authorized management to continue negotiations with GLPI with respect to a potential transaction based on the framework of the May 2 Proposal.

On May 4, 2015, Pinnacle issued a press release confirming its discussions with GLPI regarding a potential transaction involving its real estate assets. That same day, during GLPI's first quarter earnings call, GLPI updated investors regarding certain developments with respect to a potential transaction involving Pinnacle's real estate assets.

During the ensuing weeks, Pinnacle, GLPI and their respective representatives continued their mutual due diligence and negotiations of definitive transaction documents with respect to a potential transaction based on the framework of the May 2 Proposal.

During the week of May 11, 2015, Skadden and Wachtell Lipton exchanged initial drafts of the transaction documents in connection with a potential transaction between Pinnacle and GLPI, including drafts of the merger agreement, the master lease and the agreements to effect the separation of Pinnacle's operating business from its real estate assets.

On May 17, 2015, Skadden and Wachtell Lipton exchanged a list of the key issues in the draft transaction documents. These issues included, among others, the allocation of Pinnacle's existing assets and liabilities, the treatment of certain of Pinnacle's and GLPI's expenses, the treatment of Pinnacle's existing indebtedness, rent adjustments and capital improvements under the master lease, the nature and extent of Pinnacle's non-solicit obligation, the allocation of regulatory risk between the parties, the conditionality of GLPI's obligation to close a transaction and the circumstances under which termination fees would be payable.

On May 18, 2015, representatives of management from each of Pinnacle and GLPI held a telephonic meeting to discuss the key issues each party had identified in the transaction documents. Representatives from Skadden, Goldman Sachs, Wachtell Lipton and Morgan Stanley also participated during the call. As a result of the call, the parties refined and clarified the open issues in the transaction documents. During the week of May 18, 2015, Skadden and Wachtell Lipton exchanged revised drafts of the transaction documents and held calls to discuss the open issues in such transaction documents.

On May 19, 2015, the Pinnacle board of directors held an in-person meeting. Representatives of Pinnacle's management, Goldman Sachs, Skadden and Gibson also participated in such meeting. During the meeting management provided an update on the status of negotiations with GLPI and the progress that had been made regarding the REIT Separation Plan. Pinnacle senior management and representatives of Goldman Sachs also provided financial analysis regarding a potential transaction with GLPI and offered perspectives on the REIT Separation Plan. The Pinnacle board of directors determined that management and Pinnacle's advisors should continue negotiating with GLPI to see if a potential transaction could be negotiated on acceptable terms, while at the same time continuing to work on the REIT Separation Plan.

During the week of May 25, 2015, Skadden and Wachtell Lipton continued exchanging drafts of the transaction documents and held calls to discuss the open issues in such transaction documents. On May 27, 2015, Skadden

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and Wachtell Lipton exchanged a list of the key issues in the draft transaction documents. These issues included, among others, the allocation of Pinnacle's assets and liabilities, the amount of Pinnacle's existing indebtedness that GLPI would be obligated to refinance, the nature and extent of Pinnacle's non-solicit obligations, the allocation of regulatory risk between the parties and the terms of the master lease.

On May 29, 2015, representatives of senior management from each of Pinnacle and GLPI met in the New York offices of Skadden with a goal of resolving the remaining open issues. Representatives of Goldman Sachs, Skadden, Morgan Stanley and Wachtell Lipton also attended such meeting. As a result of the meeting, the parties were able to resolve certain open issues but other open issues remained, including, among others, the structure of the master lease and the allocation of certain expenses between the two parties.

During the week of June 1, 2015, Skadden and Wachtell Lipton continued exchanging drafts of the transaction documents and continued to discuss such documents. On June 1, 2015, certain representatives of senior management of each of Pinnacle and GLPI had a telephone conversation to discuss certain financial diligence matters.

On June 5, 2015, the Pinnacle board of directors met telephonically. Representatives of Pinnacle's management, Goldman Sachs, Skadden and Gibson also participated during such call. Representatives of management provided the Pinnacle board with an update on the status of negotiations with GLPI and representatives of Skadden updated the Pinnacle board of directors on the current status of the transaction documents. Representatives of Goldman Sachs also offered perspectives on the process to date and next steps to resolve open issues with GLPI, which included the allocation of regulatory risk, the nature and extent of Pinnacle's non-solicit obligations, the circumstances under which termination fees would be payable and certain issues relating to the master lease. After deliberation, the Pinnacle board directed management to continue the negotiations with GLPI.

During the week of June 8, 2015, Skadden and Wachtell Lipton continued to exchange revised drafts of the transaction documents and continued to discuss such documents. Open issues at this point included, among others, allocation of regulatory risk, circumstances under which the termination fees would be payable, the nature and extent of Pinnacle's non-solicit obligations, the treatment of Pinnacle's existing indebtedness, cost allocation issues and the terms of the master lease.

On June 11, 2015, the Pinnacle board of directors met telephonically. Representatives of Pinnacle's management, Goldman Sachs, Skadden and Gibson also participated on such call. Management updated the Pinnacle board on the progress that had been made in the negotiations with GLPI since the previous meeting of the Pinnacle board and representatives of Goldman Sachs then provided an analysis on the financial aspects of a potential transaction with GLPI, comparing it to the other options potentially available to Pinnacle. The Pinnacle board of directors instructed Pinnacle's management and advisors to continue negotiating with GLPI with respect to a potential transaction.

Following this meeting, Pinnacle and GLPI set up a meeting to try to resolve open issues, to be held on June 15, 2015 in New York City.

On June 13, 2015, Skadden sent Wachtell Lipton a list of the open issues in the transaction documents which included, among others, allocation of regulatory risk, circumstances under which the termination fees would be payable, the treatment of Pinnacle's existing indebtedness, certain terms of the master lease and the nature and extent of Pinnacle's non-solicit obligations.

On June 14, 2015, Mr. Clifford called Mr. Ruisanchez to report that, based upon changes to the terms of the transaction that had been requested by Pinnacle and negotiated between the parties in the preceding weeks, GLPI no longer believed the proposed transaction in its currently contemplated form represented a valuation acceptable to

GLPI and its shareholders, and accordingly GLPI was reexamining certain value points with respect to the May 2 Proposal.

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On June 15, 2015, representatives of management from each of Pinnacle and GLPI met in New York in the offices of Wachtell Lipton. Representatives of Goldman Sachs, Skadden, Morgan Stanley and Wachtell Lipton also attended such meeting. While the meeting had originally been scheduled to resolve the remaining open issues that had been identified between the two parties, the parties spent a substantial portion of the meeting discussing the implications of the message conveyed by GLPI on June 14, 2015, regarding GLPI's valuation issues. GLPI identified several possible combinations of modifying the exchange ratio, the initial rent payment under the master lease and the amount of existing Pinnacle indebtedness that GLPI would be responsible for refinancing. Pinnacle noted to GLPI that Pinnacle would not be able to provide GLPI with a substantive response to any proposed adjustments to the transaction until GLPI provided Pinnacle with a complete revised proposal. The parties agreed that GLPI would send Pinnacle a revised proposal.

On June 16, 2015, representatives of Goldman Sachs and Party B's financial advisor had a call to discuss the feasibility of a potential transaction. That same day, representatives of each of Goldman Sachs and Morgan Stanley had a call to discuss the status of discussions between Pinnacle and GLPI.

On June 17 and June 18, 2015, the GLPI board of directors met at a regularly-scheduled meeting. Representatives of GLPI management and Morgan Stanley were present during relevant portions of the meeting. At this meeting, GLPI management provided the GLPI board of directors with an update regarding the current status of negotiations with respect to the proposed transaction with Pinnacle, including a discussion of the valuation issues which GLPI management had recently identified to Pinnacle. GLPI management and Morgan Stanley reviewed with the GLPI board of directors a revised form of proposal which represented acceptable value to GLPI in the judgment of GLPI management. The GLPI board of directors discussed with Morgan Stanley and GLPI management the economic terms of the revised proposal and remaining open contractual issues, including Pinnacle's stated position on each. The discussion concluded with the GLPI board of directors' determination that GLPI management should present a revised offer to Pinnacle's Board of Directors generally reflecting the economic terms discussed at the meeting and continue negotiations with Pinnacle, with the caveat that any agreed transaction between GLPI and Pinnacle would be subject to the GLPI board of directors' approval.

On June 19, 2015, Mr. Carlino sent a letter to the Pinnacle board of directors presenting a revised proposal for Pinnacle's real estate assets (the June 19 Proposal) reflecting a fixed exchange ratio of 0.7550 shares of GLPI common stock for each Pinnacle share of common stock, an initial annual rent payment under the master lease of \$363 million and an obligation by GLPI to refinance \$2.575 billion in principal amount of existing Pinnacle indebtedness, representing an enterprise value of the acquired assets of approximately \$4.8 billion (based on the assumptions set forth in the proposal).

On June 21, 2015, Wachtell Lipton sent Skadden revised drafts of the transaction documents reflecting the June 19 Proposal, as well as GLPI's position on the remaining open points.

On June 23, 2015, Mr. Sanfilippo informed Mr. Carlino that Pinnacle was in the process of reviewing the June 19 proposal and expected to respond no later than June 29, 2015.

On June 23, 2015, representatives of Morgan Stanley and Goldman Sachs held a telephonic meeting to discuss the June 19 Proposal. The representatives of Goldman Sachs indicated that while they understood the revised terms of the proposal, Pinnacle and its advisors were still in the process of evaluating it.

On June 26, 2015, the Pinnacle board of directors held a telephonic meeting. Representatives of Pinnacle's management, Goldman Sachs, Skadden, and Gibson also participated during such call. Mr. Ruisanchez and representatives from Goldman Sachs each detailed the financial implications of the June 19 Proposal and compared

such proposal to the REIT Separation Plan. Pinnacle senior management and representatives of Goldman Sachs also reviewed other strategic alternatives potentially available to Pinnacle, including the REIT Separation Plan and contacting Party B to gauge its potential interest at that time in a potential strategic transaction. The Pinnacle board of directors decided that Pinnacle should communicate to GLPI that the June 19



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Proposal was not acceptable, but that Pinnacle remained open to pursuing a value-enhancing transaction with GLPI. The Pinnacle board also instructed Pinnacle's management to continue its work on the REIT Separation Plan and contact Party B to gauge its level of interest in a potential strategic transaction.

On June 29, 2015, Mr. Sanfilippo sent a letter to Mr. Carlino reflecting Pinnacle's position that the June 19 Proposal did not adequately value Pinnacle's real estate assets. The letter did not include a specific counterproposal to the June 19 Proposal, but indicated that Pinnacle remained open to a potential value-enhancing transaction. In connection with the letter, senior management of Pinnacle spoke with Mr. Carlino to discuss the status of the negotiation process.

On June 30, 2015, Mr. Sanfilippo contacted representatives of senior management of Party B to gauge Party B's interest in a potential strategic transaction involving Pinnacle.

On July 7, 2015, Mr. Carlino sent a letter, a draft of which GLPI management had previously distributed to the GLPI board of directors and received its authorization to distribute to Pinnacle, to the Pinnacle board of directors with a revised proposal to acquire Pinnacle's real estate assets for a fixed exchange ratio of 0.85 shares of GLPI common stock per share of Pinnacle common stock, an initial annual rent payment under the master lease of \$377 million and an obligation by GLPI to refinance existing Pinnacle indebtedness of \$2.648 billion in principal amount (the July 7 Proposal). Based on the assumptions set forth therein, the July 7 Proposal reflected a total enterprise value for Pinnacle's real estate assets to be acquired in the transaction of approximately \$5.0 billion. Simultaneously with the delivery of this letter to Pinnacle, GLPI issued a press release, which included a copy of such letter, disclosing the terms of the July 7 Proposal. That same day, the Pinnacle board of directors held a telephonic meeting. Representatives of Pinnacle's management, Goldman Sachs, Skadden and Gibson also participated during such call. Representatives of Goldman Sachs, Skadden and Gibson offered their perspectives on the process to date, including the comparative merits and drawbacks of a transaction with GLPI as compared to the REIT Separation Plan. After discussion, the Pinnacle board determined to reconvene the next day to consider potential next steps.

On July 8, 2015, the Pinnacle board of directors held a telephonic meeting. Representatives of Pinnacle's management, Goldman Sachs, Skadden, and Gibson also participated during such call. Management updated the Pinnacle board of directors on conversations they had with certain of Pinnacle's stockholders, who generally were of the view that a transaction with GLPI offered greater certainty of value than the REIT Separation Plan. Representatives from Goldman Sachs, Skadden and Gibson offered perspectives on the merits and drawbacks of pursuing a transaction with GLPI pursuant to the July 7 Proposal as compared to the REIT Separation Plan. In addition, representatives of Skadden and Gibson discussed legal matters, including the Pinnacle board's duties. After discussion, the Pinnacle board determined that the July 7 Proposal offered a better path to a value-enhancing transaction as compared to the REIT Separation Plan, if GLPI would be willing to raise the overall value of its proposal to Pinnacle's stockholders. The Pinnacle board authorized Pinnacle's management to negotiate with GLPI in order to get GLPI to the maximum value GLPI could offer.

On July 9, 2015, Pinnacle sent a letter to GLPI stating that while the July 7 Proposal was an improvement from the June 19 Proposal, it still did not adequately value Pinnacle's real estate assets. Such letter also provided a counterproposal to the July 7 Proposal, which included a fixed exchange ratio of 0.90 shares of GLPI common stock per share of Pinnacle common stock, an initial annual rent payment under the master lease of \$377 million per year and GLPI being obligated to refinance \$2,675 million of Pinnacle's existing indebtedness. That same day, senior management of Pinnacle met with senior management of Party B to discuss a potential transaction; however, Party B never submitted an updated proposal for any such transaction.

Later on July 9, 2015, representatives of Goldman Sachs called representatives of Morgan Stanley to discuss Pinnacle's letter.



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On July 10, 2015, Messrs. Carlino and Sanfilippo, along with members of their respective management teams, held a call to discuss Pinnacle's counterproposal and the remaining open points between the two parties. As a result of the call, the parties agreed to try to finalize negotiating the transaction documents, after which the parties would finalize the open value points.

Between July 10, 2015 and July 18, 2015, Skadden and Wachtell Lipton exchanged drafts of the transaction documents with a goal of resolving all open points in such documents.

On July 15, 2015, Messrs. Carlino and Sanfilippo held a call to discuss the remaining open value points between the two parties. As a result of the call, the parties reached an understanding with respect to such points which included a fixed exchange ratio of 0.85 shares of GLPI common stock per share of Pinnacle common stock, an initial annual rent payment under the master lease of \$377 million per year and GLPI being obligated to refinance \$2.7 billion of Pinnacle's existing indebtedness.

On July 17, 2015, the GLPI board of directors held a telephonic meeting. Representatives of GLPI management, Morgan Stanley and Wachtell Lipton also attended the meeting. Management updated the GLPI board of directors on events since the last board meeting and informed the GLPI board of directors that the parties had reached an understanding on transaction terms, subject to finalization of definitive documents and approval of each company's board. Representatives of Morgan Stanley then reviewed the financial analyses that it had performed on the current proposal. Representatives of Wachtell Lipton and management reviewed the terms of the draft transaction documents and described the changes to such documents since the last meeting of the GLPI board of directors. Representatives of Wachtell Lipton and Mr. Moore also reviewed the directors' fiduciary duties and discussed various legal matters. The GLPI board of directors then authorized management and GLPI's advisors to seek to finalize the transaction documents, subject to the GLPI board of directors' final review and approval at a subsequent meeting.

On July 18, 2015, the Pinnacle board of directors held a telephonic meeting. Representatives of Pinnacle's management, Goldman Sachs, Skadden and Gibson also participated during such call. Management updated the Pinnacle board of directors on the conversation with Mr. Carlino and the proposed resolution of the key open value points. A representative of Skadden then described the current terms of the transaction documents and the changes thereto, reviewed the directors' fiduciary duties and discussed various legal matters. A representative of Gibson also offered observations on the process the Pinnacle board had undertaken with respect to the proposed transaction. Representatives of Goldman Sachs then reviewed the financial analyses that it had performed on the current proposal. The Pinnacle board of directors then authorized management and Pinnacle's advisors to seek to finalize the transaction documents, with a goal of executing such documents as soon as practicable.

During the period from July 18, 2015 through July 20, 2015, Pinnacle's and GLPI's management and advisors worked to finalize the draft transaction documents.

On July 19, 2015, the GLPI board of directors met telephonically. Representatives of GLPI management, Morgan Stanley and Wachtell Lipton also attended the meeting. The representatives of Wachtell Lipton reviewed the terms of the draft transaction documents and described the changes to such documents since the last meeting of the GLPI board of directors. The representatives of Morgan Stanley again reviewed the financial analyses Morgan Stanley had presented at the previous meeting of the GLPI board of directors and rendered Morgan Stanley's oral opinion to the GLPI board of directors, subsequently confirmed by delivery of a written opinion dated July 20, 2015, that, as of that date and based upon and subject to the assumptions, procedures, qualifications and limitations set forth in its written opinion, the exchange ratio pursuant to the merger agreement was fair from a financial point of view to GLPI. For more information about Morgan Stanley's opinion, see below under the heading "Opinion of GLPI's Financial Advisor." After discussing potential reasons for and against the proposed transaction, the GLPI board of directors unanimously

determined that the transactions with Pinnacle are in the best interests of GLPI and its shareholders and are advisable, approved such transactions and

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the transaction agreements and resolved to recommend that GLPI's shareholders vote to approve the GLPI share issuance at any meeting of shareholders of GLPI to be called for the purposes of acting thereon.

On the evening of July 20, 2015, the Pinnacle board of directors met telephonically. Also participating were members of Pinnacle's management and representatives of Goldman Sachs, Skadden and Gibson. The representatives of Skadden reviewed the terms of the draft transaction documents and described the changes to such documents since the last meeting of the Pinnacle board. Representatives of Goldman Sachs again reviewed the financial analyses it had presented at the previous meeting of the Pinnacle board of directors and rendered its oral opinion to the Pinnacle board of directors, subsequently confirmed by delivery of a written opinion dated July 20, 2015, to the effect that, based upon and subject to the factors and assumptions set forth in Goldman Sachs' written opinion, the exchange ratio to be paid for each outstanding share of Pinnacle common stock pursuant to the merger agreement was fair from a financial point of view to the holders (other than GLPI and its affiliates) of shares of Pinnacle common stock. For more information about Goldman Sachs' opinion, see below under the heading "Opinion of Pinnacle's Financial Advisor." After discussing potential reasons for and against the proposed transaction, the Pinnacle board of directors unanimously determined that the transactions with GLPI are in the best interests of Pinnacle's stockholders and are advisable, approved such transactions and the transaction agreements and recommended that Pinnacle's stockholders vote to adopt the merger agreement at any meeting of stockholders of Pinnacle to be called for the purposes of acting thereon.

After the meeting of the Pinnacle board of directors on July 20, 2015, each party finalized its respective debt commitment letter with its lenders and the parties finalized the transaction documents. Late in the evening, the parties executed the agreements in connection with the transaction. Pinnacle also amended its rights agreement such that the merger agreement and the transactions contemplated thereby would not trigger any rights pursuant to such agreement.

On July 21, 2015, prior to the opening of trading of Pinnacle's and GLPI's common stock on the New York Stock Exchange (where Pinnacle's common stock traded until the closing of the market on November 16, 2015) and NASDAQ, respectively, Pinnacle and GLPI issued a joint press release announcing the execution of the merger agreement.

On November 17, 2015, Pinnacle received revised commitment papers from the commitment parties (including the Pinnacle Takeout Commitment Letter and the Pinnacle Bridge Commitment Letter) to provide the debt financing necessary to fund Pinnacle's obligations in connection with the merger.

## **Recommendation of GLPI's Board of Directors and Reasons for the Merger**

At a meeting held on July 19, 2015, the GLPI board of directors unanimously determined that the merger agreement and the transactions contemplated by the merger agreement, including the merger and the share issuance, were in the best interests of GLPI and its shareholders and declared it advisable to enter into the merger agreement and approved the execution, delivery and performance of the merger agreement and the consummation of the transactions contemplated by the merger agreement, including the merger and the share issuance. **GLPI's board of directors recommends that GLPI shareholders vote FOR the share issuance proposal.**

In evaluating the proposed transactions, GLPI's board of directors consulted with GLPI's management and legal and financial advisors and, in reaching its determination and recommendation, the GLPI board of directors considered a number of factors. The GLPI board of directors also consulted with outside legal counsel regarding its obligations, legal due diligence matters and the terms of the merger agreement and other transaction agreements.

Many of the factors considered favored the conclusion of the GLPI board of directors that the merger agreement and the transactions contemplated by the merger agreement, including the GLPI share issuance, are advisable and in the best interests of GLPI and its shareholders, including the following:

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the expectation that, following the merger, GLPI will be well positioned as the third largest triple-net REIT with the scale and financial strength to continue to pursue value-creating transactions in both domestic regional and destination gaming markets and potentially other sectors if attractive opportunities arise;

the belief that the triple-net lease structure with a long-term master lease will provide GLPI with strong revenue stability and a dependable cash flow stream;

the opportunity to create a more diversified tenant base that will reduce GLPI's reliance on any single tenant for a significant portion of its revenue stream;

the opportunity to expand and diversify GLPI's property portfolio from 21 properties in 12 states to 35 properties in 14 states;

the expectation that, following the merger, GLPI's enhanced scale and diversification will help reduce market specific risk;

the expectation, based on estimates by GLPI management prior to the execution of the merger agreement, that the transactions will result in low double-digit percentage adjusted funds from operations per share accretion in the first year following the merger;

information from and discussions with GLPI's management and advisors regarding Pinnacle's current business strategy and prospects, including the projected long-term financial results of Pinnacle as a stand-alone company and Pinnacle's own plan to pursue a separation of Pinnacle's operating assets and real estate assets into two publicly traded companies in a tax-free spin-off and the expected pro forma effect of the proposed transactions on GLPI;

the GLPI board of directors' understanding of Pinnacle's business as well as its financial performance, results of operations and future prospects, which supported the GLPI board of directors' view that the merger consideration reflected, among other things, a reasonable price for substantially all of Pinnacle's real estate assets;

the oral opinion Morgan Stanley delivered to GLPI's board of directors on July 19, 2015, which was subsequently confirmed by delivery of a written opinion dated July 20, 2015, that, as of that date and based upon and subject to the assumptions, procedures, factors, qualifications and limitations set forth in its written opinion, the exchange ratio provided for in the merger agreement was fair from a financial point of view to GLPI, as more fully described under Opinion of GLPI's Financial Advisor. The full text of the written opinion of Morgan Stanley, dated July 20, 2015, which sets forth the assumptions made, procedures followed, matters considered, limitations and scope of the review undertaken by Morgan Stanley in rendering its opinion, is attached as Annex B to this joint proxy statement/prospectus;

the review by GLPI's board of directors with its advisors of the structure of the proposed transactions and the financial and other terms of the merger agreement, including the parties' representations, warranties and covenants, the conditions to their respective obligations and the termination provisions, as well as the likelihood of consummation of the proposed transactions and GLPI board's evaluation of the likely time period necessary to complete the transactions. GLPI's board of directors also considered the following specific aspects of the transactions contemplated by the merger agreement:

the nature of the closing conditions included in the merger agreement, including the reciprocal exceptions to the events that would constitute a material adverse effect on either GLPI or Pinnacle for purposes of the merger agreement, as well as the likelihood of satisfaction of all conditions to completion of the transactions;

the efforts required by each party to obtain approvals or clearances by the applicable governmental authorities, including gaming agencies;

the fact that Peter M. Carlino and the Carlino Family Trust and certain investment funds affiliated with Fortress Investment Group LLC which, as of the date of the merger agreement collectively



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held approximately 21% of the outstanding voting power of GLPI common stock, have agreed to vote in favor of the share issuance proposal, subject to certain exceptions; and

the circumstances under which certain termination fees and reimbursements of expenses could become payable by the parties to the merger agreement, as described in more detail elsewhere in this joint proxy statement/prospectus.

In the course of its deliberations, the GLPI board of directors also considered a variety of risks and other potentially negative factors, including the following:

the possibility that the transactions may not be completed or that completion may be unduly delayed for reasons beyond the control of GLPI and/or Pinnacle, including the potential length of the regulatory review process and the risk that the applicable governmental authorities may prohibit or enjoin the transactions or otherwise impose conditions on GLPI and/or Pinnacle in order to obtain clearance for the transactions;

the possibility that, in certain circumstances relating to the failure to obtain regulatory approvals, GLPI could be required to pay Pinnacle a termination fee of \$150 million, and in certain circumstances relating to the failure to obtain shareholder approval of the share issuance proposal, GLPI could be required to reimburse Pinnacle's expenses up to \$20 million;

the potential for diversion of management and employee attention and the potential effect of the transactions on GLPI's business and strategic relationships;

the potential that the fixed exchange ratio could result in GLPI delivering greater value to Pinnacle stockholders than had been anticipated should the value of the shares of GLPI common stock increase from the date of execution of the merger agreement;

the risk that the benefits to GLPI, following completion of the transactions, will not be realized or will take longer to realize than expected;

the possibility that changes in global economic conditions and fluctuations in exchange and interest rates could make GLPI's financing difficult to obtain on favorable terms or at all;

the transaction costs to be incurred in connection with the proposed transactions; and

risks of the type and nature described under the sections titled "Risk Factors" and "Cautionary Statements Regarding Forward-Looking Statements."

GLPI's board of directors considered all of these factors as a whole and, on balance, concluded that they supported a determination to approve the merger agreement. The foregoing discussion of the information and factors considered by GLPI's board of directors is not exhaustive. In view of the myriad factors considered by GLPI's board of directors in connection with its evaluation of the proposed transactions and the complexity of these matters, GLPI's board of directors did not consider it practical to, nor did it attempt to, quantify, rank or otherwise assign relative weights to the specific factors that it considered in reaching its decision. GLPI's board of directors evaluated the factors described above, among others, and reached a consensus that the merger agreement and the transactions contemplated by the merger agreement, including the GLPI share issuance proposal, were in the best interests of GLPI and its shareholders and declared advisable the consummation of the transaction contemplated by the merger agreement. In considering the factors described above and any other factors, individual members of GLPI's board of directors may have viewed factors differently or given different weight or merit to different factors.

#### **Recommendation of Pinnacle's Board of Directors and Reasons for the Merger**

By unanimous vote, the Pinnacle board of directors, at a meeting held on July 20, 2015, determined that it is advisable and in the best interests of Pinnacle's stockholders to enter into the merger agreement, and unanimously approved the merger agreement and the transactions contemplated by the merger agreement,

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including the merger, and resolved to recommend the adoption of the merger agreement by Pinnacle's stockholders and that the adoption of the merger agreement be submitted to a vote at a meeting of Pinnacle's stockholders. **The Pinnacle board of directors recommends that Pinnacle stockholders vote FOR the merger agreement proposal, FOR the compensation proposal and FOR the Pinnacle adjournment proposal.**

In evaluating the merger agreement, the merger and the other transactions contemplated by the transaction documents (including the merger agreement), the Pinnacle board of directors consulted with Pinnacle's senior management, outside legal counsel and financial advisors. In recommending that Pinnacle's stockholders vote their shares of Pinnacle common stock in favor of adoption of the merger agreement, the Pinnacle board of directors also considered a number of factors, including the following (not necessarily in order of relative importance):

The potential for the transaction to unlock the significant embedded value in Pinnacle's real estate assets, while providing Pinnacle's stockholders with what the Pinnacle board of directors believes will be a faster time table for realizing that value relative to Pinnacle's previously announced REIT Separation Plan.

That the consideration to be paid in the merger is GLPI common stock, which provides the ability for our stockholders to benefit from an ownership stake in a substantially larger, more diversified triple-net lease REIT than if Pinnacle had pursued the REIT Separation Plan, while retaining an ownership of what Pinnacle's board believes will be a well-positioned operating company.

That, based on the shares of GLPI common stock and Pinnacle common stock outstanding, Pinnacle stockholders would have an assumed 27% *pro forma* ownership stake in GLPI upon the completion of the merger and the related transactions.

The historical trading ranges of Pinnacle's common stock and the potential trading range of such common stock absent the publicly announced merger discussions with GLPI, including following GLPI's public disclosures of its proposals on March 9, 2015 and July 7, 2015, and the possibility that absent such public disclosure it could take a considerable period of time before the trading price of Pinnacle's common stock would reach and sustain at least the equivalent value of the value implied by the merger and related transactions, as adjusted for present value.

The Pinnacle board's belief that the combined value of the merger consideration and the OpCo shares represents superior value to Pinnacle's shareholders when compared to Pinnacle on a standalone basis and the REIT Separation Plan.

Based on GLPI's stock price of \$34.77 as of July 20, 2015, the fact that the merger consideration represents a valuation of Pinnacle's real estate assets at a multiple of 13.2 times Pinnacle's estimated first year annual rental payment under the master lease (after giving effect to the separation of Pinnacle's operating business) for the 2015 calendar year (based on the projections described in the section titled "Certain Pinnacle Unaudited Prospective Financial Information"), which valuation multiple is higher when considering the additional corporate costs needed to be incurred by PropCo pursuant to the REIT Separation Plan, allowing

Pinnacle's stockholders to receive substantial value for Pinnacle's portfolio of real property while maintaining a 100% equity interest in Pinnacle's operations.

Pinnacle's business plan and prospects of Pinnacle on a stand-alone basis and giving effect to the REIT Separation Plan, as well as the prospects of OpCo and GLPI giving effect to the proposed transaction.

The transaction with GLPI does not require Pinnacle to issue equity to finance such transaction, thereby reducing the dilution and execution risk associated with such transaction relative to the stand-alone REIT separation transaction.

Prior to authorizing the entry into the merger agreement, the Pinnacle board of directors, with the assistance of management and Pinnacle's financial and legal advisors, had considered alternatives

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including continuing to operate Pinnacle under its current structure, implementing the REIT Separation Plan and the possibility of transactions with third parties other than GLPI and, in this regard, specifically considered the risks associated with the REIT Separation Plan and that no other alternatives were reasonably likely to create greater certainty of value for Pinnacle stockholders than the spin-off and merger, taking into account risk of execution as well as business, competitive, industry and market risk, including the market risk of creating a second gaming REIT.

Goldman Sachs' financial analysis and its opinion rendered to the Pinnacle board of directors, dated July 20, 2015, to the effect that, as of the date thereof and based upon and subject to the factors and assumptions set forth in Goldman Sachs' written opinion, the exchange ratio of 0.85 shares of GLPI common stock to be paid for each share of Pinnacle common stock pursuant to the merger agreement was fair from a financial point of view to the holders (other than GLPI and its affiliates) of shares of Pinnacle common stock, as more fully described below under the heading "Opinion of Pinnacle's Financial Advisor"

Pinnacle publicly announced its intention to pursue a REIT separation transaction in November 2014 and GLPI publicly announced its unsolicited proposal to acquire Pinnacle's real estate assets in March 2015, providing a significant amount of time for any other company wishing to engage in discussions with Pinnacle to make its interest known.

The Pinnacle board of directors view that third parties would be unlikely to be deterred from accepting a superior proposal by the provisions of the merger agreement, including because the Pinnacle board of directors may, under certain circumstances, furnish information or enter into discussions in connection with a competing proposal. In this regard, the Pinnacle board of directors considered that:

The Pinnacle board of directors can change its recommendation to Pinnacle's stockholders with respect to the adoption of the merger agreement prior to the adoption of the merger agreement by the vote of its stockholders and, subject to its compliance with the merger agreement, if it determines in good faith (after consultation with its outside legal and financial advisors) that, with respect to a superior proposal, the failure to take such action would be reasonably likely to be inconsistent with the Pinnacle board of directors' fiduciary duties and that, with respect to an intervening event, failure to take such action would be inconsistent with the Pinnacle board of directors' fiduciary duties;

The structure of the transaction as a merger should allow sufficient time for a third party to make a superior proposal if it desired to do so; and

While the merger agreement contains a termination fee of \$60 million that Pinnacle would be required to pay to GLPI if (i) GLPI terminates the merger agreement in connection with an adverse change in the Pinnacle board of directors' recommendation to stockholders with respect to adoption of the merger agreement or (ii) under specified circumstances, if Pinnacle enters into a competing proposal within twelve months of the termination of the merger agreement, the Pinnacle board of directors believed that this fee is reasonable in light of the circumstances and the overall terms of the merger agreement,

consistent with fees in comparable transactions, and not preclusive of other offers.

The other terms of the merger agreement, including the conditions to the closing of the merger, including the Pinnacle board of directors' belief that while the closing of the merger is subject to various regulatory approvals, such approvals were not likely to prevent the closing of the merger;

The termination provisions in the merger agreement, including:

That the end date under the merger agreement (which may be extended by GLPI under specified circumstances) on which either party, subject to specified exceptions, can terminate the merger agreement should provide sufficient time to consummate the transaction;

The obligation of GLPI to pay Pinnacle a \$150 million reverse termination fee if the merger agreement is terminated by either GLPI or Pinnacle because (i) of any injunction, order, decree or

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ruling relating to gaming, antitrust or related laws or any related consents or approvals or (ii) the end date has passed and certain conditions related to regulatory and gaming approvals have not been satisfied (subject to certain exceptions).

That the merger agreement does not contain a financing condition and that (i) GLPI and Merger Sub have received commitments for the GLPI's debt financing, including that such parties have delivered an executed debt financing commitment letter to provide the debt portion of the financing from reputable commercial banks and (ii) Pinnacle has received commitments for its financing obligations, including that Pinnacle has received a debt financing commitment letter to provide the portion of its financing obligations from reputable commercial banks, in each instance of (A) and (B), with significant experience in similar lending transactions and reputations for honoring the terms of their commitment letters, which increases the likelihood of such financings being completed;

That the merger agreement permits Pinnacle to seek specific performance remedies against GLPI and Merger Sub, including with respect to the debt financing commitments; and

That GLPI agreed to use reasonable best efforts, subject to certain limitations, to take all steps necessary to eliminate any impediment and obtain all consents under regulatory laws, including committing, in certain circumstances, to divest certain assets in order to obtain regulatory approvals for the merger.

That the merger agreement was unanimously approved by the Pinnacle board of directors, which is comprised of a majority of independent directors who are not affiliated with GLPI and are not employees of Pinnacle or any of its subsidiaries, and which retained and received advice from Pinnacle's outside financial and legal advisors in evaluating, negotiating and recommending the terms of the merger agreement.

The Pinnacle board of directors also considered a number of uncertainties and risks in its deliberations concerning the merger and the other transactions contemplated by the merger agreement, including the following (not necessarily in order of relative importance):

That the spin-off of Pinnacle's operations would be taxable to Pinnacle and to Pinnacle's stockholders that are treated as U.S. holders for U.S. federal income tax purposes.

The possibility that, in the Pinnacle board of directors' belief, while subject to greater risk and uncertainty, over the long term the potential value to Pinnacle's stockholders of a successful completion of the REIT Separation Plan could exceed the value to Pinnacle's stockholders of the merger and related transactions.

That because the merger consideration is a fixed exchange ratio of shares of GLPI common stock to Pinnacle common stock, Pinnacle stockholders could be adversely affected by a decrease in the trading price of GLPI common stock as the merger agreement does not provide for any adjustment of the exchange ratio if the trading price of GLPI common stock decreases and does not provide a price-based termination right to

Pinnacle.

That under the terms of the merger agreement, Pinnacle is unable to solicit other competing proposals during the pendency of the merger.

That, under specified circumstances, Pinnacle may be required to pay fees and expenses in the event the merger agreement is terminated and the effect this could have on Pinnacle, including:

The possibility that the termination fee could discourage other potential parties from making a competing offer; although the Pinnacle board of directors believed that the termination fee was reasonable in amount and would not unduly deter any other party that might be interested in making a competing proposal;



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If the merger is not consummated, Pinnacle may be required to pay its own expenses associated with the merger agreement and the transactions contemplated thereby; and

The requirement that if the merger agreement is terminated as a result of the failure to obtain approval of Pinnacle's stockholders, Pinnacle would be obligated to reimburse GLPI for up to \$20 million of its and its affiliates' expenses in connection with the merger agreement.

That Pinnacle cannot terminate the merger agreement to enter into a superior proposal and the possibility that this could discourage potential parties from making a competing offer.

The significant costs involved in connection with entering into and completing the merger, the spin-off and the transactions contemplated thereby, and the substantial time and effort of management required to complete the merger, which may disrupt Pinnacle's business operations, although Pinnacle's board believed that the costs, time and effort would not be greater and might be less than those associated with the REIT Separation Plan.

That the merger and the related transactions require regulatory approvals to complete such transactions and the risk that the applicable governmental entities may seek to impose unfavorable terms or conditions, or otherwise fail to grant, such approvals.

The inability to execute the REIT Separation Plan on the previously announced time frame and the increased risk associated with such execution in the event the merger agreement is terminated.

The possibility that the merger might not be consummated, including:

That the reverse termination fee is not available in all instances where the merger agreement is terminated and may be Pinnacle's only recourse where it is available.

That, even if the merger agreement is approved by Pinnacle's stockholders, GLPI's shareholders may not approve the transaction.

That, although GLPI and Pinnacle must each use reasonable best efforts to obtain the financing contemplated by their respective debt commitment letters, there is a risk that such financings might not be obtained.

That, even if the merger agreement is approved by Pinnacle's stockholders and GLPI's stockholders, there can be no assurance that all other conditions to the parties' obligations to complete the merger will be satisfied.

That Pinnacle's directors and executive officers may have interests in the merger that may be different from, or in addition to, those of Pinnacle's stockholders. For more information about such interests, see below under the heading "Interests of Certain Pinnacle Persons in the Merger."

Risks of the type and nature described under the sections titled "Risk Factors" and "Cautionary Statements Regarding Forward-Looking Statements."

The Pinnacle board of directors believed that, overall, the potential benefits of the merger to Pinnacle's stockholders outweighed the risks and uncertainties of the merger.

The foregoing discussion of factors considered by the Pinnacle board of directors is not intended to be exhaustive, but includes the material factors considered by the Pinnacle board of directors. In light of the variety of factors considered in connection with its evaluation of the merger, the Pinnacle board of directors did not find it practicable to, and did not, quantify or otherwise assign relative weights to the specific factors considered in reaching its determinations and recommendations. Moreover, each member of the Pinnacle board of directors applied his or her own personal business judgment to the process and may have given different weight to different factors. The Pinnacle board of directors did not undertake to make any specific determination as to whether any factor, or any particular aspect of any factor, supported or did not support its ultimate determination. The Pinnacle board of directors based its recommendation on the totality of the information presented.

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**Certain GLPI Unaudited Prospective Financial Information**

Other than quarterly and annual financial guidance provided to investors, which it may update from time to time, GLPI does not as a matter of course make public projections as to future performance, revenues, earnings or other financial results due to, among other reasons, the uncertainty of the underlying assumptions and estimates. However, GLPI is including in this joint proxy statement/prospectus certain unaudited prospective financial information that was made available to GLPI's financial advisor and Pinnacle in connection with the merger. The inclusion of this information should not be regarded as an indication that any of GLPI, Pinnacle, Morgan Stanley, their respective representatives or any other recipient of this information considered, or now considers, it to be necessarily predictive of actual future results, or that it should be construed as financial guidance, and it should not be relied on as such.

GLPI's management approved the use of the following unaudited prospective financial information. This information was prepared solely for internal use and is subjective in many respects. While presented with numeric specificity, the unaudited prospective financial information reflects numerous estimates and assumptions made with respect to business, economic, market, competition, regulatory and financial conditions and matters specific to GLPI's business, all of which are difficult to predict and many of which are beyond GLPI's control. The unaudited prospective financial information reflects both assumptions as to certain business decisions that are subject to change and, in many respects, subjective judgment, and thus is susceptible to multiple interpretations and periodic revisions based on actual experience and business developments. GLPI can give no assurance that the unaudited prospective financial information and the underlying estimates and assumptions will be realized. In addition, since the unaudited prospective financial information covers multiple years, such information by its nature becomes less predictive with each successive year. Actual results may differ materially from those set forth below, and important factors that may affect actual results and cause the unaudited prospective financial information to be inaccurate include, but are not limited to, risks and uncertainties relating to GLPI's business, gaming industry, general business and economic conditions, tenant relationships, competition and adverse changes in applicable laws, regulations or rules. For other factors that could cause actual results to differ, please see the sections entitled "Risk Factors" and "Cautionary Statements Regarding Forward-Looking Statements."

The unaudited prospective financial information was not prepared with a view toward public disclosure, nor was it prepared with a view toward compliance with GAAP, published guidelines of the SEC or the guidelines established by the American Institute of Certified Public Accountants for preparation and presentation of prospective financial information. Neither GLPI's independent registered public accounting firm, nor any other independent accountants, have compiled, examined or performed any procedures with respect to the unaudited prospective financial information contained herein, nor have they expressed any opinion or any other form of assurance on such information or its achievability.

Furthermore, the unaudited prospective financial information does not take into account any circumstances or events occurring after the date it was prepared. GLPI can give no assurance that, had the unaudited prospective financial information been prepared either as of the date of the merger agreement or as of the date of this joint proxy statement/prospectus, similar estimates and assumptions would be used. GLPI does not intend to, and disclaims any obligation to, make publicly available any update or other revision to the unaudited prospective financial information to reflect circumstances existing since their preparation or to reflect the occurrence of unanticipated events, even in the event that any or all of the underlying assumptions are shown to be in error, or to reflect changes in general economic or industry conditions. The unaudited prospective financial information does not take into account all the possible financial and other effects on GLPI of the merger, the effect on GLPI of any business or strategic decision or action that has been or will be taken as a result of the merger agreement having been executed, or the effect of any business or strategic decisions or actions which would likely have been taken if the merger agreement had not been executed, but which were instead altered, accelerated, postponed or not taken in anticipation of the merger. Further, the

unaudited prospective financial information does not take into account the effect on GLPI of any possible failure of the merger to occur. None of GLPI, Pinnacle or

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Morgan Stanley or their respective affiliates, officers, directors, advisors or other representatives has made, makes or is authorized in the future to make any representation to any stockholder of GLPI or other person regarding GLPI's ultimate performance compared to the information contained in the unaudited prospective financial information or that the forecasted results will be achieved. The inclusion of the unaudited prospective financial information herein should not be deemed an admission or representation by GLPI, Pinnacle, Morgan Stanley or any other person that it is viewed as material information of GLPI, particularly in light of the inherent risks and uncertainties associated with such forecasts. The summary of the unaudited prospective financial information included below is not being included to influence your decision whether to vote in favor of the share issuance or any other proposal to be considered at the special meeting, but is being provided solely because it was made available to GLPI's financial advisor and to Pinnacle in connection with the merger.

In light of the foregoing, and considering that the special meeting will be held several months after the unaudited prospective financial information was prepared, as well as the uncertainties inherent in any forecasted information, GLPI shareholders are cautioned not to place unwarranted reliance on such information, and GLPI urges all GLPI shareholders to review GLPI's most recent SEC filings for a description of GLPI's reported financial results. See the section titled "Where You Can Find More Information."

The following table presents GLPI unaudited prospective financial information for the years ending December 31, 2015 through 2019 that was used for purposes of considering, analyzing and evaluating GLPI's performance on a stand-alone basis. The following unaudited prospective financial information was provided to Morgan Stanley and Pinnacle and discussed by GLPI with each such party and, in the case of Morgan Stanley, used in connection with its fairness opinion to the GLPI board of directors:

	Years Ending December 31,				
	2015	2016	2017	2018	2019
	\$ in millions				
<b>Total rent</b>	\$ 444,397	\$ 445,354	\$ 447,225	\$ 447,409	\$ 440,739
<b>Total net revenue</b>	644,014	643,784	647,020	649,366	645,667
<b>Adjusted EBITDA</b>	438,557	445,853	457,129	457,424	451,014
<b>Net income</b>	189,843	193,422	206,313	206,962	201,822
<b>Funds from operations</b>	285,425	290,996	303,887	304,536	299,396
<b>Adjusted funds from operations</b>	321,286	328,289	340,359	341,713	337,167
<b>Dividends</b>	250,716	261,292	272,406	273,370	269,733

The unaudited prospective financial information provided above reflects net interest expense calculated based on prevailing market rates at the time Morgan Stanley delivered its fairness opinion to the GLPI board of directors, which resulted in a difference in net income, FFO and AFFO of approximately \$1 million or less for each of the periods as compared to the projections provided to Pinnacle. Adjusted EBITDA, funds from operations ( FFO ) and adjusted funds from operations ( AFFO ) are non-GAAP measures. GLPI's management included Adjusted EBITDA, FFO and AFFO in the unaudited prospective financial information because management believed such measures are useful for benchmarking against the Company's peers and as internal measures of business operating performance. GLPI believes FFO, AFFO, and Adjusted EBITDA provide a meaningful perspective of the underlying operating performance of GLPI's current business. This is especially true since these measures exclude real estate depreciation, and GLPI believes that real estate values fluctuate based on market conditions rather than depreciating in value ratably on a straight-line basis over time. Non-GAAP financial measures should not be considered in isolation from, or as a substitute for, financial information presented in accordance with GAAP. GLPI's calculation of non-GAAP measures may differ from others in its industry and is not necessarily



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comparable with similar titles used by other companies. The following table presents the reconciliation net income per GAAP to FFO, AFFO, and Adjusted EBITDA:

	Years Ending December 31,				
	2015	2016	2017	2018	2019
	\$ in millions				
<b>Net income</b>	<b>\$ 189,843</b>	<b>\$ 193,422</b>	<b>\$ 206,313</b>	<b>\$ 206,962</b>	<b>\$ 201,822</b>
Real estate depreciation	95,580	97,574	97,574	97,574	97,574
Losses from dispositions of property	2				
<b>Funds from operations</b>	<b>\$ 285,425</b>	<b>\$ 290,996</b>	<b>\$ 303,887</b>	<b>\$ 304,536</b>	<b>\$ 299,396</b>
Other depreciation	14,516	12,950	12,950	12,950	12,950
Debt issuance costs amortization	8,076	8,076	8,076	8,076	8,076
Stock based compensation	16,742	20,267	19,446	20,151	20,745
Maintenance capital expenditures	(3,474)	(4,000)	(4,000)	(4,000)	(4,000)
<b>Adjusted funds from operations</b>	<b>\$ 321,286</b>	<b>\$ 328,289</b>	<b>\$ 340,359</b>	<b>\$ 341,713</b>	<b>\$ 337,167</b>
Interest, net	115,175	115,608	114,648	113,362	111,207
Income tax expense	6,698	6,032	6,197	6,425	6,716
Maintenance capital expenditures	3,474	4,000	4,000	4,000	4,000
Debt issuance costs amortization	(8,076)	(8,076)	(8,076)	(8,076)	(8,076)
<b>Adjusted EBITDA</b>	<b>\$ 438,557</b>	<b>\$ 445,853</b>	<b>\$ 457,129</b>	<b>\$ 457,424</b>	<b>\$ 451,014</b>

In addition, the following table presents unaudited prospective financial information for the years ending December 31, 2016 through 2020 that was used for purposes of considering, analyzing and evaluating PropCo's total annual rent and related maintenance capital expenditures. The following unaudited prospective financial information was provided to Morgan Stanley and Pinnacle and discussed by GLPI with each such party and, in the case of Morgan Stanley, used in connection with its fairness opinion to the GLPI board of directors:

	Years Ending December 31,				
	2016	2017	2018	2019	2020
	\$ in millions				
<b>Total annual rent</b>	<b>\$ 377,000</b>	<b>\$ 382,784</b>	<b>\$ 390,920</b>	<b>\$ 396,937</b>	<b>\$ 406,211</b>
<b>Maintenance capital expenditures</b>	<b>(1,000)</b>	<b>(1,000)</b>	<b>(1,000)</b>	<b>(1,000)</b>	<b>(1,000)</b>

**Certain Pinnacle Unaudited Prospective Financial Information**

Pinnacle does not as a matter of course make public projections as to future performance, revenues, earnings or other financial results due to, among other reasons, the uncertainty of the underlying assumptions and estimates. However, in connection with Pinnacle's planning process in connection with the merger, Pinnacle's management prepared certain unaudited internal financial forecasts with respect to PropCo and OpCo, which were provided to the Pinnacle board and to Pinnacle's financial advisor, Goldman Sachs, in connection with its financial analyses and opinion. In the course of Pinnacle's evaluation of the GLPI business, Pinnacle's management also received GLPI projections from GLPI as described in "Certain GLPI Unaudited Prospective Financial Information" and performed certain adjustments to those projections, which adjusted forecasts were also provided to the Pinnacle board and Goldman Sachs. The inclusion of

this information should not be regarded as an indication that any of GLPI, Pinnacle, Goldman Sachs, their respective representatives or any other recipient of this information considered, or now considers, it to be necessarily predictive of actual future results, or that it should be construed as financial guidance, and it should not be relied on as such.

This information was prepared solely for internal use and is subjective in many respects. While presented with numeric specificity, the unaudited prospective financial information reflects numerous estimates and assumptions made with respect to business, economic, market, competition, regulatory and financial conditions, including with respect to the accounting treatment of the merger and the spin-off under GAAP, and matters specific to Pinnacle's and GLPI's business, all of which are difficult to predict and many of which are beyond Pinnacle's



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control. The unaudited prospective financial information reflects both assumptions as to certain business decisions that are subject to change and, in many respects, subjective judgment, and thus is susceptible to multiple interpretations and periodic revisions based on actual experience and business developments. Pinnacle and GLPI can give no assurance that the unaudited prospective financial information and the underlying estimates and assumptions will be realized. In addition, since the unaudited prospective financial information covers multiple years, such information by its nature becomes less predictive with each successive year. Actual results may differ materially from those set forth below, and important factors that may affect actual results and cause the unaudited prospective financial information to be inaccurate include, but are not limited to, risks and uncertainties relating to Pinnacle's and GLPI's business, gaming industry, general business and economic conditions, tenant relationships, competition and adverse changes in applicable laws, regulations or rules. For other factors that could cause actual results to differ, please see the sections entitled "Risk Factors" and "Cautionary Statements Regarding Forward-Looking Statements."

The unaudited prospective financial information was not prepared with a view toward public disclosure, nor was it prepared with a view toward compliance with GAAP, published guidelines of the SEC or the guidelines established by the American Institute of Certified Public Accountants for preparation and presentation of prospective financial information. Neither Pinnacle's independent registered public accounting firm, nor any other independent accountants, have compiled, examined or performed any procedures with respect to the unaudited prospective financial information contained herein, nor have they expressed any opinion or any other form of assurance on such information or its achievability. The unaudited prospective financial information provided below assumes that the contemplated transaction qualified for sale leaseback accounting and the Master Lease was accounted for as an operating lease. Subsequently, Pinnacle has determined that the transaction will not qualify for sale leaseback accounting. EBITDA, EBITDAR and AFFO are non-GAAP measurements. Pinnacle defines EBITDA as earnings before interest income and expense, income taxes, depreciation, amortization, pre-opening, development and other costs, non-cash share-based compensation, asset impairment costs, write-downs, reserves, recoveries, corporate-level litigation settlement costs, gain (loss) on sale of certain assets, loss on early extinguishment of debt, gain (loss) on sale of equity security investments, income (loss) from equity method investments, non-controlling interest and discontinued operations. Pinnacle defines EBITDAR as EBITDA excluding rent expense associated with a master lease. Pinnacle defines AFFO as net income (computed in accordance with generally accepted accounting principles), excluding (gains) or losses from sales of property and real estate depreciation and excluding stock based compensation expense, debt issuance costs amortization and other depreciation reduced by capital maintenance expenditures.

Furthermore, the unaudited prospective financial information does not take into account any circumstances or events occurring after the date it was prepared. Pinnacle and GLPI can give no assurance that, had the unaudited prospective financial information been prepared either as of the date of the merger agreement or as of the date of this joint proxy statement/prospectus, similar estimates and assumptions would be used. Pinnacle and GLPI do not intend to, and disclaim any obligation to, make publicly available any update or other revision to the unaudited prospective financial information to reflect circumstances existing since their preparation or to reflect the occurrence of unanticipated events, even in the event that any or all of the underlying assumptions are shown to be in error, including with respect to the accounting treatment of the merger and the spin-off under GAAP, or to reflect changes in general economic or industry conditions. The unaudited prospective financial information does not take into account all the possible financial and other effects on Pinnacle or GLPI of the merger or spin-off, the effect on Pinnacle of any business or strategic decision or action that has been or will be taken as a result of the merger agreement having been executed, or the effect of any business or strategic decisions or actions which would likely have been taken if the merger agreement had not been executed, but which were instead altered, accelerated, postponed or not taken in anticipation of the merger or spin-off. Further, the unaudited prospective financial information does not take into account the effect on Pinnacle or GLPI of any possible failure of the merger to occur. None of GLPI, Pinnacle or Goldman Sachs or their respective affiliates, officers, directors, advisors or other representatives has made, makes or is authorized in the future to make any representation to any stockholder of Pinnacle or GLPI or other person regarding Pinnacle's or GLPI's

ultimate performance compared to the information contained in the unaudited prospective financial information or that the

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forecasted results will be achieved. The inclusion of the unaudited prospective financial information herein should not be deemed an admission or representation by GLPI, Pinnacle, Goldman Sachs or any other person that it is viewed as material information of Pinnacle or GLPI, particularly in light of the inherent risks and uncertainties associated with such forecasts. The summary of the unaudited prospective financial information included below is not being included to influence your decision whether to vote in favor of the merger, share issuance or any other proposal to be considered at the special meeting, but is being provided solely because it was made available to Pinnacle's financial advisor in connection with the merger.

In light of the foregoing, and considering that the special meeting will be held several months after the unaudited prospective financial information was prepared, as well as the uncertainties inherent in any forecasted information, Pinnacle and GLPI stockholders are cautioned not to place unwarranted reliance on such information, and Pinnacle and GLPI urge all Pinnacle stockholders to review Pinnacle's most recent SEC filings for a description of Pinnacle's reported financial results and GLPI's most recent SEC filings for a description of GLPI's reported financial results. See the section titled "Where You Can Find More Information."

The following table presents a summary of the internal financial forecasts for PropCo (assuming it had been spun-off from Pinnacle at the end of the 2016 calendar year as contemplated by Pinnacle's standalone REIT Separation Plan) for fiscal year 2017 - fiscal year 2019, that were prepared by Pinnacle's management and presented to Pinnacle's board:

\$ in millions	Projected <sup>(1)</sup>		
	2017	2018	2019
Revenue	\$ 378	\$ 384	\$ 392
EBITDA	\$ 357	\$ 361	\$ 369
AFFO	\$ 240	\$ 241	\$ 246

(1) Assumes initial PropCo leverage of 6.1x year one EBITDA.

The forecasts for PropCo presented above (along with forecasts for the 9 month period in 2016) were adjusted for use in the financial analyses performed by Goldman Sachs, which adjustments included reflecting PropCo as a going concern and assuming certain PropCo general and administrative costs. The following table presents a summary of such adjusted forecasts for PropCo for fiscal year 2016 (9 months) - fiscal year 2019:

\$ in millions, except per share data	2016 (9 Months)	Projected <sup>(1)</sup>		
		2017	2018	2019
Total Net Revenue	\$ 283	\$ 381	\$ 389	\$ 395
EBITDA	\$ 268	\$ 362	\$ 367	\$ 373
AFFO	\$ 204	\$ 277	\$ 282	\$ 288
AFFO per Share <sup>(2)</sup>	\$ 2.16	\$ 2.93	\$ 2.98	\$ 3.04

(1) Assumes initial PropCo leverage of 5.5x year one EBITDA.

(2) Assumes fully diluted shares outstanding (inclusive of an assumed equity raise to achieve the leverage target noted above) of 94.6 million for each year.



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The following table presents a summary of the internal financial forecasts prepared by Pinnacle's management relating to standalone projections for OpCo for fiscal year 2016 (9 months) fiscal year 2019, which were prepared by Pinnacle's management and approved by Pinnacle's board and management for use by Goldman Sachs:

\$ in millions	Projected			
	9 Mos 2016	2017	2018	2019
Revenue	\$ 1,786	\$ 2,434	\$ 2,483	\$ 2,527
EBITDAR	\$ 484	\$ 678	\$ 699	\$ 712
EBITDA	\$ 201	\$ 297	\$ 310	\$ 317

Pinnacle was provided with certain GLPI financial forecasts that were prepared by GLPI management. Subsequently, Pinnacle management made certain adjustments to the forecasts (reflecting assumed acquisition activity but not the acquisition of PropCo). These adjusted GLPI financial forecasts were provided to the Pinnacle board and Goldman Sachs. The following is a summary of the adjusted GLPI financial forecasts for the fiscal years 2015 – 2019:

\$ in millions, except per share data	Projected				
	2015	2016	2017	2018	2019
Total Net Revenue	\$ 644	\$ 682	\$ 724	\$ 765	\$ 800
EBITDA	\$ 439	\$ 484	\$ 534	\$ 573	\$ 605
AFFO	\$ 320	\$ 355	\$ 395	\$ 424	\$ 447
AFFO per Share <sup>(1)</sup>	\$ 2.70	\$ 2.73	\$ 2.81	\$ 2.84	\$ 2.83

(1) Assumes shares outstanding of 118.8 million, 129.8 million, 140.9 million, 149.4 million and 157.8 million in years 2015, 2016, 2017, 2018 and 2019 respectively.

Pinnacle management made certain additional adjustments to the forecasts prepared by GLPI management (reflecting both assumed acquisition activity and the acquisition of PropCo for the years presented below). These adjusted GLPI financial forecasts were provided to the Pinnacle board and approved by Pinnacle's board and management for use by Goldman Sachs. The following is a summary of the adjusted GLPI financial forecasts for the fiscal years 2015 – 2019:

\$ in millions, except per share data	Projected				
	2015	2016	2017	2018	2019
Total Net Revenue	\$ 1,021	\$ 1,059	\$ 1,105	\$ 1,154	\$ 1,195
EBITDA	\$ 816	\$ 861	\$ 915	\$ 962	\$ 1,000
AFFO	\$ 609	\$ 644	\$ 689	\$ 725	\$ 754
AFFO per Share <sup>(1)</sup>	\$ 2.91	\$ 2.92	\$ 2.98	\$ 3.03	\$ 3.05

(1) Assumes shares outstanding (inclusive of an assumed equity raise) of 209.6 million, 220.2 million, 231.0 million, 239.2 million and 247.4 million in years 2015, 2016, 2017, 2018 and 2019 respectively.

**Opinion of GLPI's Financial Advisor**

The GLPI board of directors retained Morgan Stanley to provide it with financial advisory services in connection with the proposed transactions. The GLPI board of directors selected Morgan Stanley to act as its financial advisor based on Morgan Stanley's qualifications, expertise and reputation, its knowledge of and involvement in recent transactions in GLPI's industry and its knowledge of the business and affairs of GLPI. As part of this engagement, the GLPI board of directors requested that Morgan Stanley evaluate the fairness from a financial point of view to GLPI of the exchange ratio pursuant to the merger agreement. On July 19, 2015, at a meeting of the GLPI board of directors, Morgan Stanley rendered its oral opinion, subsequently confirmed by delivery of a written opinion dated July 20, 2015 that, as of that date and based upon and subject to the various assumptions

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made, procedures followed, matters considered and qualifications and limitations on the scope of review undertaken by Morgan Stanley as set forth in the written opinion, the exchange ratio was fair from a financial point of view to GLPI.

**The full text of the written opinion of Morgan Stanley delivered to the GLPI board of directors, dated as of July 20, 2015, is attached to this joint proxy statement/prospectus as Annex B and is incorporated herein by reference in its entirety. You should read Morgan Stanley's opinion and this summary of Morgan Stanley's opinion carefully and in their entirety for a discussion of the assumptions made, procedures followed, matters considered and qualifications and limitations on the scope of the review undertaken by Morgan Stanley in rendering its opinion. This summary is qualified in its entirety by reference to the full text of such opinion. Morgan Stanley's opinion was directed to the GLPI board of directors, in its capacity as such, and addressed only the fairness from a financial point of view of the exchange ratio as of the date of such opinion and does not address any other aspects of the transactions. Morgan Stanley's opinion did not address any other aspects or implications of the transactions. It was not intended to, and does not, constitute advice or a recommendation to any holder of shares of GLPI common stock as to how to vote at the GLPI special meeting or whether to take any other action with respect to the transactions.**

In connection with rendering its opinion, Morgan Stanley, among other things:

- (a) reviewed certain publicly available financial statements and other business and financial information of Pinnacle and GLPI, respectively;
- (b) reviewed certain internal financial statements and other financial and operating data concerning Pinnacle, PropCo and GLPI, respectively;
- (c) reviewed certain financial projections prepared by the managements of Pinnacle and GLPI, respectively;
- (d) discussed the past and current operations and financial condition and the prospects of Pinnacle and PropCo with senior executives of Pinnacle;
- (e) discussed the past and current operations and financial condition and the prospects of GLPI with senior executives of GLPI;
- (f) reviewed the pro forma impact of the merger and the distribution on GLPI's adjusted funds from operations per share, cash flow, consolidated capitalization and financial ratios;
- (g) reviewed the reported prices and trading activity for Pinnacle common stock and GLPI common stock;
- (h)

compared the financial performance of PropCo and GLPI and the prices and trading activity of GLPI common stock with that of certain other publicly-traded companies comparable with GLPI and its securities;

- (i) reviewed the target valuations of PropCo provided by certain analysts who provide research coverage of Pinnacle;
- (j) participated in certain discussions and negotiations among representatives of Pinnacle and GLPI and their financial and legal advisors;
- (k) reviewed the transaction documents and certain related documents; and
- (l) performed such other analyses, reviewed such other information and considered such other factors as Morgan Stanley deemed appropriate.

In arriving at its opinion, Morgan Stanley assumed and relied upon, without independent verification, the accuracy and completeness of the information that was publicly available or supplied or otherwise made available to it by Pinnacle and GLPI, and formed a substantial basis for its opinion. With respect to the financial projections, Morgan Stanley assumed that they had been reasonably prepared on bases reflecting the best currently available estimates and judgments of the respective managements of Pinnacle and GLPI of the future



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financial performance of PropCo and GLPI. In addition, Morgan Stanley assumed that the transactions would be consummated in accordance with the terms set forth in the merger agreement and the other transaction documents without any waiver, amendment or delay of any terms or conditions, the effect of which would be in any way material to its analysis and that the final documents would not differ in any material respect from the drafts provided to Morgan Stanley. Morgan Stanley assumed that, in connection with the receipt of all the necessary governmental, regulatory or other approvals and consents required for the proposed transactions, no delays, limitations, conditions or restrictions would be imposed that would have a material adverse effect on the contemplated benefits expected to be derived in the proposed transactions. Morgan Stanley is not a legal, tax or regulatory advisor. Morgan Stanley is a financial advisor only and relied upon, without independent verification, the assessment of GLPI and Pinnacle and their legal, tax or regulatory advisors with respect to legal, tax or regulatory matters. Morgan Stanley expressed no opinion with respect to the fairness of the amount or nature of any compensation to any of Pinnacle's officers, directors or employees, or any class of such persons, relative to the consideration to be paid to the holders of Pinnacle common stock in the merger. Morgan Stanley did not make any independent valuation or appraisal of the assets or liabilities of Pinnacle, PropCo or GLPI, nor was it furnished with any such valuations or appraisals. Morgan Stanley's opinion was necessarily based on financial, economic, market and other conditions as in effect on, and the information made available to it as of, the date of the opinion. Events occurring after such date may affect Morgan Stanley's opinion and the assumptions used in preparing it, and Morgan Stanley did not assume any obligation to update, revise or reaffirm its opinion.

Morgan Stanley's opinion was limited to the fairness, from a financial point of view, of the exchange ratio to GLPI and did not address the relative merits of the merger as compared to any other alternative business transaction, or other alternatives, or whether or not such alternatives could be achieved or are available, nor does it address the underlying business decision of GLPI to enter into the transaction documents.

***Summary of Financial Analyses of Morgan Stanley***

The following is a brief summary of the material financial analyses performed by Morgan Stanley in connection with its oral opinion and the preparation of its written opinion letter to the GLPI board of directors, dated July 20, 2015. The following summary is not a complete description of the financial analyses performed and factors considered by Morgan Stanley in connection with its opinion, nor does the order of analyses described represent the relative importance or weight given to those analyses. Except as otherwise noted, the following quantitative information, to the extent that it is based on market data, is based on market data as it existed on or before July 15, 2015, the most recent practicable trading day prior to Morgan Stanley's initial presentation to the GLPI board of directors of its financial analysis on July 17, 2015. Some of these summaries of financial analyses include information presented in tabular format. In order to fully understand the financial analyses used by Morgan Stanley, the tables must be read together with the text of each summary. The tables alone do not constitute a complete description of the financial analyses. The analyses listed in the tables and described below must be considered as a whole. Assessing any portion of such analyses and of the factors reviewed, without considering all analyses and factors, could create a misleading or incomplete view of the process underlying Morgan Stanley's respective opinion. Furthermore, mathematical analysis (such as determining the average or median) is not in itself a meaningful method of using the data referred to below.

In performing the financial analyses summarized below and in arriving at its opinion, Morgan Stanley utilized and relied upon certain financial projections provided by the managements of Pinnacle and GLPI and which are described below. For further information regarding the financial projections, see the sections titled "Certain GLPI Unaudited Prospective Financial Information" and "Certain Pinnacle Unaudited Prospective Financial Information."

***Analyses Relating to PropCo***

*Ratio of Enterprise Value to Estimated 2016 EBITDA Based on Research Analyst Estimates*

Morgan Stanley reviewed equity research analyst estimates of the ratio of enterprise value to estimated earnings before interest, taxes, depreciation and amortization ( EBITDA ), for calendar year 2016 for PropCo, which

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included estimates published by nine equity research analysts. Based on this review, Morgan Stanley selected a reference range of 12.5x to 14.5x using the 25<sup>th</sup> and 75<sup>th</sup> percentile of the equity research analysts' estimates and applied the selected reference range to PropCo's estimated EBITDA for the calendar year 2016 of \$377 million (assumed to be year 1 annual lease income), and rounded to the nearest \$25 million, to derive an implied reference range for the enterprise value of PropCo of \$4.725 billion to \$5.475 billion. Morgan Stanley then derived an implied reference range for the equity value of PropCo by subtracting the pro forma implied net debt and accrued interest of PropCo of \$2.76 billion from the implied reference range for the enterprise value of PropCo. Morgan Stanley then derived an implied reference range for the equity value per share of PropCo by dividing the implied reference range for equity value of PropCo by the fully diluted shares outstanding of PropCo, which was calculated utilizing the treasury stock method based on 60.5 million shares of Pinnacle common stock outstanding, 5.4 million Pinnacle Options with a weighted average exercise price of \$15.36, 1.4 million non-vested restricted stock units and 0.5 million non-vested performance stock units. This implied reference range for equity value per share for PropCo was then divided by GLPI's share price as of July 15, 2015 of \$34.82, and rounded to the nearest 0.005, to derive a reference range for the exchange ratio implied by the equity research analysts' estimates of 0.8700 to 1.1850. Morgan Stanley noted that this implied exchange ratio reference range exceeded the exchange ratio pursuant to the merger agreement.

The estimates published by equity research analysts do not necessarily reflect the value of PropCo that would result from a trading market and these estimates are subject to uncertainties, including the future financial performance of PropCo and future financial market conditions.

*Comparable Companies PropCo*

Morgan Stanley reviewed and compared certain internal financial information and ratios relating to PropCo, with equivalent publicly available data for companies that share similar business and lease characteristics with PropCo to derive an implied reference range for the enterprise value of PropCo. For this analysis, Morgan Stanley reviewed statistics for GLPI as well as the following triple-net lease REITs that are publicly traded, which it divided into Large Cap Companies and Mid Cap Companies based on the enterprise value of such companies:

**Large Cap Companies**

American Realty Capital Properties, Inc. (recently changed its name to VEREIT, Inc.)

National Retail Properties, Inc.

Realty Income Corporation

Spirit Realty Capital, Inc.

W.P. Carey Inc.

**Mid Cap Companies**

Agree Realty Corporation

Chambers Street Properties

EPR Properties

Getty Realty Corp.

Gramercy Property Trust Inc.

Lexington Realty Trust

Select Income REIT

STAG Industrial, Inc.

STORE Capital Corporation

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For purposes of this analysis, Morgan Stanley analyzed the statistics for each of these companies for comparison purposes, including the ratio of enterprise value to Wall Street research consensus estimated EBITDA for calendar year 2015 and the ratio of share price to Wall Street research consensus estimated adjusted funds from operations (AFFO), per share for calendar year 2015. For each of the comparable companies, the ratios were calculated using such comparable company's closing price on July 15, 2015 and was based on the most recent publicly available information and Wall Street research consensus estimates as of such date. Morgan Stanley derived a multiple range for each metric separately for each of GLPI, the Large Cap Companies and the Mid Cap Companies using the 25<sup>th</sup> and 75<sup>th</sup> percentile of the applicable comparable companies, with the percentiles for GLPI derived using the 25<sup>th</sup> percentile and the 75<sup>th</sup> percentile of the multiple range derived utilizing trading prices for GLPI common stock between March 31, 2014 until March 6, 2015, the last trading day prior to GLPI's first public announcement of its interest in an acquisition of Pinnacle's real property assets. Based on the results of this analysis, Morgan Stanley then applied the selected multiple ranges to PropCo's estimated EBITDA for the calendar year 2015 of \$377 million (assumed to be year 1 annual lease income) and estimated AFFO for the calendar year 2015 of \$286 million (assumed to be year 1 annual lease income less estimated capital expenditures and interest payments), as applicable, and rounded to the nearest \$25 million, to derive an implied reference range for the enterprise value of PropCo. Under the scenarios where the selected multiple ranges were applied to PropCo's estimated AFFO, the resulting equity value was adjusted to reflect management's forecast of pro forma implied net debt and accrued interest of PropCo of \$2.76 billion.

The following table reflects the results of this analysis:

	Enterprise Value / 2015E EBITDA				Price / 2015E AFFO			
	Value Range				Value Range			
	Multiple Range		(in \$MM)		Multiple Range		(in \$MM)	
	Low	High	Low	High	Low	High	Low	High
<b>GLPI</b>	14.9x	15.5x	\$ 5,600	\$ 5,850	12.0x	13.2x	\$ 5,500	\$ 5,850
<b>Large Cap Companies</b>	15.0x	17.3x	\$ 5,650	\$ 6,525	12.1x	16.5x	\$ 5,525	\$ 6,775
<b>Mid Cap Companies</b>	12.7x	15.1x	\$ 4,800	\$ 5,675	11.5x	14.3x	\$ 5,350	\$ 6,150

Morgan Stanley then derived an implied reference range of exchange ratios implied by the above reference ranges for enterprise value. Morgan Stanley derived an implied reference range for the equity value of PropCo by subtracting the implied reference range for the enterprise value of PropCo by the pro forma implied net debt and accrued interest of PropCo of \$2.76 billion. Morgan Stanley then derived an implied reference range for the equity value per share of PropCo by dividing the implied reference range for equity value of PropCo by the fully diluted shares outstanding of PropCo, which was calculated utilizing the treasury stock method based on 60.5 million shares of Pinnacle common stock outstanding, 5.4 million Pinnacle Options with a weighted average exercise price of \$15.36, 1.4 million non-vested restricted stock units and 0.5 million non-vested performance stock units. This implied reference range for equity value per share for PropCo was then divided by GLPI's share price as of July 15, 2015 of \$34.82 and rounded to the nearest 0.005. The following table sets forth the results of this analysis:

	Exchange Ratios Implied By			
	Enterprise Value / 2015E EBITDA		Price / 2015E AFFO	
	Low	High	Low	High
<b>GLPI</b>	1.2400	1.3450	1.1950	1.3450
<b>Large Cap Companies</b>	1.2600	1.6300	1.2100	1.7400

<b>Mid Cap Companies</b>	0.9000	1.2700	1.1350	1.4750
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Morgan Stanley compared the implied range of exchange ratios resulting from this analysis to the exchange ratio pursuant to the merger agreement and noted that the implied exchange ratios by both metrics analyzed for each set of comparable companies exceeded the exchange ratio.

No company utilized in the comparable company analysis is identical to PropCo. In evaluating comparable companies, Morgan Stanley made judgments and assumptions with regard to industry performance, general business, economic, market and financial conditions and other matters, which are beyond PropCo's control such

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as the impact of competition on PropCo and the industry generally, industry growth, and the absence of any adverse material change in the financial condition and prospects of PropCo or the industry, or in the financial markets in general.

*Discounted Cash Flow Analysis PropCo*

Morgan Stanley performed a discounted cash flow analysis to calculate an implied reference range for enterprise values of PropCo based on the present value of the cash flows that PropCo's business was forecasted to generate during the fiscal years ending December 31, 2016 through December 31, 2020 utilizing internal estimates of GLPI's management, which for these purposes Morgan Stanley assumed cash flow to be equal to estimated lease income less estimated capital expenditures. Morgan Stanley derived a range of implied terminal values by applying GLPI's range of multiples for enterprise value to estimated EBITDA for the calendar year 2015 used in *Comparable Companies PropCo* above to GLPI's estimated EBITDA (i.e., lease income) for the calendar year ended 2020. Present values (as of December 31, 2015) of estimated after tax cash flows and the terminal value were then calculated by Morgan Stanley using a discount rate range of 5.4% to 6.7%, which was derived based on GLPI's weighted average cost of capital utilizing the capital asset pricing model, and the resulting enterprise values were then rounded to the nearest \$25 million.

This analysis resulted in an implied reference range for enterprise values of PropCo of \$5.90 billion to \$6.45 billion. Morgan Stanley derived an implied reference range for the equity value of PropCo by subtracting the pro forma implied net debt and accrued interest of PropCo of \$2.76 billion from the implied reference range for the enterprise value of PropCo. Morgan Stanley then derived an implied reference range for the equity value per share of PropCo by dividing the implied reference range for equity value of PropCo by the fully diluted shares outstanding of PropCo, which was calculated utilizing the treasury stock method based on 60.5 million shares of Pinnacle common stock outstanding, 5.4 million Pinnacle Options with a weighted average exercise price of \$15.36, 1.4 million non-vested restricted stock units and 0.5 million non-vested performance stock units. This implied reference range for equity value per share for PropCo was then divided by GLPI's share price as of July 15, 2015 of \$34.82, and rounded to the nearest 0.005, to derive a reference range for the exchange ratio implied by this discounted cash flow analysis of 1.3650 to 1.6000. Morgan Stanley compared the implied exchange ratio reference range resulting from this analysis to the exchange ratio pursuant to the merger agreement and noted that the implied exchange ratios for this analysis exceeded the exchange ratio.

***Analyses Relating to GLPI***

*Historical Trading Prices GLPI*

Morgan Stanley reviewed the historical trading prices for GLPI common stock and noted the high and low trading prices for three time periods: the 52 weeks prior to the March 9 public announcement of GLPI's interest in an acquisition of Pinnacle's real property assets, the year-to-date trading range prior to the March 9 public announcement and the period from the March 9 public announcement through July 15, 2015, and rounded to the nearest \$0.25. The results of this review are as follows:

<b>52 Weeks Prior to</b>	<b>Year-to-Date Prior to March 9 Public Announcement</b>	<b>From March 9 Public Announcement through July 15, 2015</b>
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	<b>March 9 Public Announcement</b>					
	<b>Low</b>	<b>High</b>	<b>Low</b>	<b>High</b>	<b>Low</b>	<b>High</b>
<b>GLPI Trading Price</b>	\$ 27.75	\$ 39.00	\$ 28.25	\$ 34.25	\$ 34.00	\$ 38.25
<i>Discounted Research Analyst Price Targets GLPI</i>						

Morgan Stanley reviewed public market trading price targets for GLPI's common stock prepared and published by 11 equity research analysts who provided a price target for GLPI prior to July 15, 2015. Morgan Stanley reviewed the most recent price target published by each analyst prior to such date. These targets reflect each analyst's estimate of the future public market trading price of GLPI at the time the price target was published.



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Morgan Stanley then applied a discount rate of 7.0%, which represented GLPI's cost of equity capital, to the range of public market trading price targets published by equity research analysts and rounded to the nearest \$0.25.

Based on this analysis, Morgan Stanley noted that the discounted price targets from equity research analysts implied prices per share ranging from \$34.00 to \$39.75, as compared to the price of GLPI's common stock as of July 15, 2015 of \$34.82.

*Historical Multiples Analysis GLPI*

Morgan Stanley reviewed and compared certain internal financial information relating to GLPI, with certain historic multiples reflected in the range of GLPI's trading price during the period between March 31, 2014 and March 6, 2015, the last trading day prior to GLPI's first public announcement of its interest in the acquisition of Pinnacle's real property assets (the pre-announcement period).

For purposes of this analysis, Morgan Stanley analyzed the ratio of enterprise value to estimated EBITDA for the next twelve-month period and the ratio of share price to estimated AFFO per share for the next twelve-month period for GLPI implied by the trading price of GLPI's common stock during the pre-announcement period. Morgan Stanley then applied a selected range for these multiples equal to the 25<sup>th</sup> percentile and 75<sup>th</sup> percentile of the multiple range, to GLPI's estimated EBITDA for calendar year 2015 of \$439 million and estimated AFFO for calendar year 2015 of \$321 million, as applicable, to derive an implied reference range for the equity value of GLPI. Under the scenarios in which the selected multiple ranges were applied to GLPI's estimated EBITDA, the resulting enterprise value was adjusted to reflect management's forecast of net debt of \$2.532 billion. Morgan Stanley then derived an implied reference range for the equity value per share of GLPI by dividing the implied reference range for equity value of GLPI by the fully diluted shares outstanding of GLPI, which was calculated utilizing the treasury stock method based on 115.8 million shares of GLPI common stock outstanding, 11.2 million GLPI options with a weighted average exercise price of \$18.83, 0.5 million GLPI restricted stock awards and 1.1 million GLPI performance-based restricted stock awards, and rounded to the nearest \$0.25. The following table sets forth the results of this analysis:

	<b>GLPI Equity Value Per Share</b>	
	<b>Low</b>	<b>High</b>
<b>EV/2015E EBITDA</b>	\$ 32.50	\$ 34.75
<b>Price /2015E AFFO</b>	\$ 31.75	\$ 34.75

Morgan Stanley compared the implied equity value per share reference range for GLPI resulting from this analysis to GLPI's share price of \$34.82 on July 15, 2015 and noted that the share price exceeded, the implied equity value per share reference range.

*Comparable Public Companies GLPI*

Morgan Stanley reviewed and compared certain internal financial information and ratios relating to GLPI, with equivalent publicly available data for companies that share similar business and lease characteristics with GLPI to derive an implied equity value reference range for GLPI. For this analysis, Morgan Stanley reviewed statistics for two sets of publicly-traded triple-net lease REITs, the Large Cap Companies and the Mid Cap Companies set forth under *Comparable Companies PropCo* above.

For purposes of this analysis, Morgan Stanley analyzed the ratio of enterprise value to Wall Street research consensus estimated EBITDA for calendar year 2015 and the ratio of share price to Wall Street research consensus estimated

AFFO per share for calendar year 2015 for each of these companies that are described above under *Comparable Public Companies PropCo*. Morgan Stanley then applied the same selected range for these multiples used above under *Comparable Public Companies PropCo* of the 25<sup>th</sup> percentile to the 75<sup>th</sup> percentile to GLPI's estimated EBITDA for the calendar year 2015 of \$439 million and estimated AFFO for the

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calendar year 2015 of \$321 million, as applicable, to derive an implied reference range for the equity value of GLPI. Under the scenarios in which the selected multiple ranges were applied to GLPI's estimated EBITDA, the resulting enterprise value was adjusted to reflect management's forecast of net debt of \$2.532 billion. Morgan Stanley then derived an implied reference range for the equity value per share of GLPI by dividing the implied reference range for equity value of GLPI by the fully diluted shares outstanding of GLPI, which was calculated utilizing the treasury stock method based on 115.8 million shares of GLPI common stock outstanding, 11.2 million GLPI options with a weighted average exercise price of \$18.83, 0.5 million GLPI restricted stock awards and 1.1 million GLPI performance-based restricted stock awards, and rounded to the nearest \$0.25. The following table sets forth the results of this analysis:

	Large Cap Companies Range		Mid Cap Companies Range	
	Low	High	Low	High
<b>EV/2015E EBITDA</b>	\$ 33.00	\$ 41.00	\$ 25.50	\$ 38.25
<b>Price /2015E AFFO</b>	\$ 31.75	\$ 42.75	\$ 30.25	\$ 37.50

Morgan Stanley compared the implied equity value per share reference range for GLPI resulting from this analysis to GLPI's price of \$34.82 on July 15, 2015 and noted that both share prices generally fell within, or exceeded, the implied equity value per share reference range.

No company utilized in the comparable company analysis is identical to GLPI. In evaluating comparable companies, Morgan Stanley made judgments and assumptions with regard to industry performance, general business, economic, market and financial conditions and other matters, which are beyond GLPI's control such as the impact of competition on GLPI and the industry generally, industry growth, and the absence of any adverse material change in the financial condition and prospects of GLPI or the industry, or in the financial markets in general.

*Dividend Discount Analysis GLPI*

Morgan Stanley performed a dividend discount analysis of GLPI's future estimated dividends per share to calculate a reference range of implied equity values per share for GLPI based on the present value of the dividends per share that GLPI forecasted between June 30, 2015 through December 31, 2018 utilizing internal estimates of GLPI's management, which estimated an annual dividend range of \$2.15 – \$2.18 per share and \$1.04 for the six months ended December 31, 2015. Morgan Stanley derived a range of implied terminal values by applying GLPI's range of multiples for price to estimated AFFO per share for the next twelve month period used in *Comparable Companies PropCo* above to GLPI's estimated AFFO per share for the calendar year ended 2019. Present values (as of June 30, 2015) of dividends per share and the terminal value were then calculated by Morgan Stanley using a discount rate range of 6.0% to 8.0%, representing a 1.0% range around GLPI's cost of equity capital and then rounded to the nearest \$0.25.

This analysis resulted in an implied equity value per share reference range for GLPI of \$30.25 to \$35.00. Morgan Stanley compared the implied equity value per share reference range resulting from this analysis to GLPI's price of \$34.82 on July 15, 2015 and noted that the share prices fell within the high end of the implied equity value per share reference range.

*General*

In connection with the review of the proposed transactions by the GLPI board of directors, Morgan Stanley performed a variety of financial and comparative analyses for purposes of rendering its opinion. The preparation of a financial opinion is a complex process and is not necessarily susceptible to a partial analysis or summary description. In

arriving at its opinion, Morgan Stanley considered the results of all of its analyses as a whole and did not attribute any particular weight to any analysis or factor it considered. Morgan Stanley believes that selecting any portion of these analyses, without considering all analyses as a whole, would create an incomplete

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view of the process underlying its analyses and opinion. In addition, Morgan Stanley may have given various analyses and factors more or less weight than other analyses and factors, and may have deemed various assumptions more or less probable than other assumptions. As a result, the ranges of valuations resulting from any particular analysis described above should not be taken to be Morgan Stanley's view of the actual value of Pinnacle, PropCo or GLPI.

In performing its analyses, Morgan Stanley made numerous assumptions with respect to industry performance, general business, regulatory, economic, market and financial conditions and other matters. Many of these assumptions are beyond the control of Pinnacle and GLPI. These include, among other things, the impact of competition on the businesses of Pinnacle, PropCo and GLPI and the industry generally, industry growth, and the absence of any adverse material change in the financial condition and prospects of PropCo and GLPI and the industry, and in the financial markets in general. Any estimates contained in Morgan Stanley's analyses are not necessarily indicative of future results or actual values, which may be significantly more or less favorable than those suggested by such estimates.

Morgan Stanley conducted the analyses described above solely as part of its analysis of the fairness from a financial point of view to GLPI of the exchange ratio pursuant to the merger agreement, and in connection with the delivery of its opinion to the GLPI board of directors. These analyses do not purport to be appraisals or to reflect the prices at which shares of GLPI common stock might actually trade following consummation of the transactions or at any time.

The exchange ratio was determined through arm's-length negotiations between Pinnacle and GLPI and was approved by the GLPI board of directors. Morgan Stanley did not recommend any specific exchange ratio to GLPI, nor that any specific exchange ratio constituted the only appropriate exchange ratio for the transactions. Morgan Stanley's opinion did not address the relative merits of the transactions as compared to any other alternative business transaction, or other alternatives, or whether or not such alternatives could be achieved or are available, nor did it address the underlying business decision of GLPI to enter into the merger agreement. In addition, Morgan Stanley's opinion was not intended to, and does not, in any manner, address the prices at which GLPI common stock might trade following consummation of the transactions or at any time and Morgan Stanley expressed no opinion or recommendation as to how GLPI shareholders should vote at the GLPI special meeting.

Morgan Stanley's opinion and its oral presentation to the GLPI board of directors was one of many factors taken into consideration by the GLPI board of directors in deciding to approve the merger agreement and the transactions contemplated thereby. Consequently, the analyses as described above should not be viewed as determinative of the opinion of the GLPI board of directors with respect to the exchange ratio pursuant to the merger agreement or of whether the GLPI board of directors would have been willing to agree to a different exchange ratio.

Morgan Stanley's opinion was approved by a committee of Morgan Stanley investment banking and other professionals in accordance with Morgan Stanley's customary practice. Morgan Stanley is a global financial services firm engaged in the securities, investment management and individual wealth management businesses. Its securities business is engaged in securities underwriting, trading and brokerage activities, foreign exchange, commodities and derivatives trading, prime brokerage, as well as providing investment banking, financing and financial advisory services. Morgan Stanley, its affiliates, directors and officers may at any time invest on a principal basis or manage funds that invest, hold long or short positions, finance positions, and may trade or otherwise structure and effect transactions, for its own account or the accounts of its customers, in debt or equity securities or loans of GLPI, Pinnacle, PropCo, OpCo or any other company, or any currency or commodity, that may be involved in the transactions, or any related derivative instrument.

Under the terms of its engagement letter, Morgan Stanley provided the GLPI board of directors with financial advisory services and a financial opinion described in this section and attached to this joint proxy statement/prospectus as Annex B in connection with the transactions and GLPI has agreed to pay Morgan Stanley

(i) an opinion fee of \$2 million, which was paid when the opinion was delivered and is creditable against the base

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contingent fee, (ii) a base contingent fee of \$12.0 million for its services and (iii) a discretionary fee of \$5.0 million. The base contingent fee and discretionary fee are payable upon and are contingent upon the consummation of the transactions. GLPI has also agreed to reimburse Morgan Stanley for its reasonable expenses incurred from time to time in connection with providing its professional services, including reasonable fees of outside counsel and other professional advisors, incurred in performing its services. In addition, GLPI has agreed to indemnify Morgan Stanley, its affiliates, its officers, directors, employees and agents and each person, if any, controlling Morgan Stanley or any of its affiliates against certain liabilities and expenses, including certain liabilities under the federal securities laws, relating to or arising out of Morgan Stanley's engagement. In the two years prior to the date of Morgan Stanley's opinion, Morgan Stanley and its affiliates have not provided financial advisory or financing services to GLPI or Pinnacle for which Morgan Stanley has received fees. Morgan Stanley may seek to provide financial advisory and financing services to GLPI and OpCo and their affiliates in the future and would expect to receive fees for the rendering of those services.

### **Opinion of Pinnacle's Financial Advisor**

On July 20, 2015, at a meeting of the board of directors of Pinnacle, Goldman Sachs rendered to the board of directors its oral opinion, subsequently confirmed in writing, to the effect that, as of July 20, 2015, based upon and subject to the factors and assumptions set forth in Goldman Sachs' written opinion, the exchange ratio of 0.85 shares of GLPI common stock to be paid for each outstanding share of Pinnacle common stock, which is referred to as the Exchange Ratio, pursuant to the merger agreement was fair from a financial point of view to the holders (other than GLPI and its affiliates) of shares of Pinnacle common stock.

**The full text of the written opinion of Goldman Sachs, dated July 20, 2015, which sets forth the assumptions made, procedures followed, matters considered, qualifications and limitations on the review undertaken in connection with the opinion, is attached to this joint proxy statement/prospectus as Annex C. The summary of the Goldman Sachs opinion contained in this joint proxy statement/prospectus is qualified in its entirety by reference to the full text of Goldman Sachs' written opinion. Goldman Sachs' advisory services and opinion were provided for the information and assistance of the board of directors of Pinnacle in connection with its consideration of the proposed transaction and the opinion does not constitute a recommendation as to how any holder of Pinnacle common stock should vote with respect to the proposed transaction or any other matter.**

In connection with rendering the opinion described above and performing its related financial analyses, Goldman Sachs reviewed, among other things:

the merger agreement and the spin-off agreements;

annual reports to stockholders and Annual Reports on Form 10-K of Pinnacle for the five years ended December 31, 2014;

annual reports to shareholders and Annual Reports on Form 10-K of GLPI for the two years ended December 31, 2014 and GLPI's Registration Statement on Form S-11 (333-188608), including the prospectus contained therein dated October 9, 2013 relating to the distribution of shares of GLPI common stock to the shareholders of Penn National Gaming, Inc.;

certain interim reports to stockholders and Quarterly Reports on Form 10-Q of Pinnacle and GLPI;

certain other communications from Pinnacle and GLPI to their respective stockholders;

certain publicly available research analyst reports for Pinnacle and GLPI; and

certain internal financial analyses and forecasts for Pinnacle, which include certain internal financial analyses and forecasts for the real estate business remaining with Pinnacle immediately after the contemplated spin-off of OpCo, which is referred to as Real Estate Business and for OpCo, prepared by Pinnacle's management and for GLPI on a stand-alone basis and pro forma for the proposed transaction prepared by its management, as adjusted and adopted by Pinnacle's management, in each



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case, as approved for Goldman Sachs use by Pinnacle, which is collectively referred to as the Forecasts. Goldman Sachs held discussions with members of the senior management teams of Pinnacle and GLPI regarding their assessment of the strategic rationale for, and the potential benefits of, the proposed merger and the past and current business operations and financial condition of Pinnacle, the Real Estate Business, the business to be conducted by OpCo and GLPI and the future prospects of the Real Estate Business, OpCo and GLPI; reviewed the reported price and trading activity Pinnacle common stock and the GLPI common stock; compared certain financial and stock market information for Pinnacle and GLPI with similar information for certain other companies the securities of which are publicly traded; reviewed the financial terms of certain recent business combinations in the net lease REIT industry and in other industries; and performed such other studies and analyses, and considered such other factors, as Goldman Sachs deemed appropriate.

For purposes of rendering this opinion, Goldman Sachs, with the consent of Pinnacle, relied upon and assumed the accuracy and completeness of all of the financial, legal, regulatory, tax, accounting and other information provided to, discussed with or reviewed by, Goldman Sachs, without assuming any responsibility for independent verification thereof. In that regard, Goldman Sachs assumed with the consent of Pinnacle that the Forecasts were reasonably prepared on a basis reflecting the best currently available estimates and judgments of the management of Pinnacle. Goldman Sachs did not make an independent evaluation or appraisal of the assets and liabilities (including any contingent, derivative or other off-balance-sheet assets and liabilities) of Pinnacle, OpCo or GLPI or any of their respective subsidiaries or the Real Estate Business, and Goldman Sachs was not furnished with any such evaluation or appraisal. Goldman Sachs assumed that all governmental, regulatory or other consents and approvals necessary for the consummation of the proposed transaction would be obtained without any adverse effect on Pinnacle, the Real Estate Business, OpCo or GLPI or on the expected benefits of the proposed transaction in any way meaningful to its analysis. Goldman Sachs assumed that the proposed transaction will be consummated on the terms set forth in the merger agreement and the spin-off agreements, without the waiver or modification of any term or condition the effect of which would be in any way meaningful to its analysis.

Goldman Sachs opinion did not address the underlying business decision of Pinnacle to engage in the proposed transaction, or the relative merits of the proposed transaction as compared to any strategic alternatives that may be available to Pinnacle; nor did it address any legal, regulatory, tax or accounting matters. Goldman Sachs opinion addressed only the fairness from a financial point of view to the holders (other than GLPI and its affiliates) of shares of Pinnacle common stock, as of the date of the opinion, of the Exchange Ratio pursuant to the merger agreement. Goldman Sachs did not express any view on, and its opinion did not address, any other term or aspect of the merger agreement, or the proposed transaction or any term or aspect of any other agreement or instrument contemplated by the merger agreement or the spin-off agreements or entered into or amended in connection with the proposed transaction, including, the spin-off agreements or the transactions contemplated thereby, the fairness of the proposed transaction (or any aspect thereof) to, or any consideration received in connection therewith by, the holders of any other class of securities, creditors, or other constituencies of Pinnacle; nor as to the fairness of the amount or nature of any compensation to be paid or payable to any of the officers, directors or employees of Pinnacle, or class of such persons, in connection with the proposed transaction, whether relative to the Exchange Ratio pursuant to the merger agreement or otherwise. Goldman Sachs did not express any opinion as to the prices at which shares of GLPI common stock, the shares of Pinnacle common stock or the shares of OpCo common stock will trade at any time or as to the impact of the proposed transaction on the solvency or viability of Pinnacle, OpCo, the Real Estate Business, GLPI or the ability of Pinnacle, OpCo, the Real Estate Business or GLPI to pay their respective obligations when they come due. Goldman Sachs opinion was necessarily based on economic, monetary, market and other conditions as in effect on, and the information made available to Goldman Sachs as of, the date of the opinion, and Goldman Sachs assumed no responsibility for updating, revising or reaffirming its opinion based on circumstances, developments or events occurring after the date of the opinion. Goldman Sachs advisory services and its opinion were provided for the information and assistance of the board of directors of Pinnacle in connection with its consideration of the proposed

merger and the opinion does not constitute a recommendation as to how any holder

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of shares of Company common stock should vote with respect to the proposed transaction or any other matter. Goldman Sachs' opinion was approved by a fairness committee of Goldman, Sachs & Co.

The following is a summary of the material financial analyses presented by Goldman Sachs to the board of directors of Pinnacle on July 20, 2015 in connection with rendering the opinion described above. The following summary, however, does not purport to be a complete description of the financial analyses performed by Goldman Sachs, nor does the order of analyses described represent relative importance or weight given to those analyses by Goldman Sachs. Some of the summaries of the financial analyses include information presented in tabular format. The tables must be read together with the full text of each summary and are alone not a complete description of Goldman Sachs financial analyses. Except as otherwise noted, the following quantitative information, to the extent that it is based on market data, is based on market data as it existed on or before July 20, 2015 and is not necessarily indicative of current market conditions.

*Illustrative Future Share Price Analyses*

Goldman Sachs calculated illustrative future values as of each of January 1, 2017, 2018 and 2019 of (i) a share of Pinnacle (ex Pinnacle PropCo), (ii) a share of Pinnacle PropCo (as defined below) and (iii) a share of Pinnacle (ex Pinnacle PropCo) and a share of Pinnacle PropCo together, assuming a tax-free distribution by Pinnacle to its stockholders on December 31, 2016 of all of the shares of a company holding the Real Estate Business, which is referred to as Pinnacle PropCo (and one share of Pinnacle PropCo distributed in respect of each outstanding share of Pinnacle), which is referred to as the Pinnacle PropCo Spin-off Scenario .

Goldman Sachs also calculated illustrative future values as of each January 1, 2017, 2018 and 2019 of (i) a share of OpCo common stock; (ii) 0.85 of a share of common stock of GLPI, after giving effect to the proposed merger, which is referred to as pro forma GLPI , and (iii) a share of OpCo common stock and 0.85 of a share of common stock of pro forma GLPI together, assuming consummation of the proposed transaction as of March 31, 2016, which is referred to as the Transaction Scenario.

For purposes of this analysis, Goldman Sachs calculated illustrative future values as follows:

with respect to Pinnacle (ex Pinnacle PropCo) and OpCo, Goldman Sachs applied an illustrative forward multiple of 7.0x earnings before interest, taxes, depreciation and amortization, which is referred to as EBITDA, to the estimate of EBITDA for the applicable year for Pinnacle (ex Pinnacle PropCo) or OpCo, as applicable, as reflected in the Forecasts, subtracting the estimated amount of net debt of Pinnacle (ex Pinnacle PropCo) or OpCo, as applicable, as of the applicable illustrative valuation date, as reflected in the Forecasts, and dividing the result by the total number of fully diluted shares of Pinnacle (ex Pinnacle PropCo) or OpCo common stock estimated to be outstanding as of as of the applicable illustrative valuation date, as provided by Pinnacle management;

with respect to Pinnacle PropCo, Goldman Sachs applied an illustrative forward EBITDA multiple of 13.7x to the estimate of EBITDA for the applicable year for Pinnacle PropCo, as reflected in the Forecasts, subtracting the estimated amount of net debt of Pinnacle PropCo as of the applicable illustrative valuation date, as reflected in the Forecasts, and dividing the result by the total number of fully diluted shares of Pinnacle PropCo estimated to be outstanding as of the applicable illustrative valuation date, as provided by Pinnacle management; the estimated amounts of net debt and the estimated number of fully diluted shares of

Pinnacle PropCo outstanding as of the applicable illustrative valuation dates reflected an assumed initial public offering of shares of PropCo prior to any distribution of the shares of Pinnacle PropCo; and

with respect to pro forma GLPI, Goldman Sachs applied an illustrative forward EBITDA multiple of 14.7x to the estimate of EBITDA for the applicable year for pro forma GLPI, as reflected in the Forecasts, subtracting the estimated amount of net debt of pro forma GLPI as of the applicable illustrative valuation date, as reflected in the Forecasts, dividing the result by the total number of fully diluted shares of pro forma GLPI estimated to be outstanding as of the applicable illustrative valuation date, as provided by Pinnacle management, and multiplying this result by 0.85.

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The following summarizes and compares the ranges of illustrative future values per share over the period from January 1, 2017 through January 1, 2019 derived from the foregoing analyses under the Pinnacle Spin-Off Scenario and under the Transaction Scenario:

	<b>Ranges of Illustrative Future Values per Share</b>			
	Pinnacle PropCo Spin-Off Scenario		Transaction Scenario	
Pinnacle (ex PropCo) / OpCo	\$21.04	\$27.48	\$20.49	\$26.67
Pinnacle PropCo / 0.85 Pro forma				
GLPI	\$28.59	\$31.68	\$32.37	\$33.64
Total Value	\$48.17	\$59.16	\$52.86	\$60.40

*Illustrative Discounted Cash Flow and Implied Exchange Ratio Analyses*

Goldman Sachs performed illustrative discounted cash flow analyses for each of GLPI on a stand-alone basis and for Pinnacle (ex OpCo), in each case using the Forecasts.

Applying discount rates ranging from 6.0% to 8.0% (with a midpoint discount rate of 7.0%), reflecting estimates of the cost of equity for GLPI, Goldman Sachs derived a range of illustrative values per share of common stock of GLPI on a stand-alone basis by discounting to present value as of March 31, 2016 (a) the dividends per share estimated to be paid by GLPI during the last nine months of 2016 and during 2017 through 2019, as reflected in the Forecasts, and (b) an illustrative terminal value per share at the end of 2019 (derived by applying illustrative equity perpetuity growth rates ranging from 2.0% to 3.0% (with a midpoint equity perpetuity growth rate of 2.5%) to an estimate of terminal year adjusted funds from operations per share, as reflected in the Forecasts). The illustrative values per share of common stock of GLPI on a stand-alone basis derived by Goldman Sachs ranged from \$42.54 to \$83.60 (with a midpoint illustrative present value per share of \$56.29).

Applying discount rates ranging from 5.4% to 7.4% (with a midpoint discount rate of 6.4%), reflecting estimates of the weighted average cost of capital for Pinnacle (ex OpCo), Goldman Sachs derived a range of illustrative enterprise values for Pinnacle (ex OpCo) by discounting to present value as of March 31, 2016 (a) the unlevered free cash flows estimated to be generated by Pinnacle (ex OpCo) for the last nine months of 2016 and for 2017 through 2019, as reflected in the Forecasts and (b) an illustrative terminal value for Pinnacle (ex OpCo) at the end of 2019 (derived by applying illustrative unlevered perpetuity growth rates ranging from 0.5% to 1.5% (with a midpoint unlevered perpetuity growth rate of 1.0%) to an estimate of terminal year unlevered free cash flow for Pinnacle (OpCo), as reflected in the Forecasts). Goldman Sachs derived a range of illustrative equity values for Pinnacle (ex OpCo), by subtracting from the range of illustrative enterprise values it derived an estimate of the net debt of Pinnacle (ex OpCo) as of March 31, 2016, as reflected in the Forecasts, which reflected cash assumed to be generated from a public offering of shares of Pinnacle. Goldman Sachs then divided the range of illustrative equity values it derived for Pinnacle (ex OpCo) by the total number of fully diluted shares of Pinnacle common stock anticipated to be outstanding as of March 31, 2016, including the shares to be issued in the assumed public offering, as provided by the Company's management, to derive illustrative present values for the shares of common stock of Pinnacle (ex OpCo) ranging from \$34.47 to \$74.42 (with a midpoint illustrative present value per share of \$48.93).

Goldman Sachs compared a range of illustrative present values for the shares of common stock of Pinnacle (ex OpCo) derived as described above, but applying a midpoint unlevered discount rate of 6.4%, to a range of illustrative present values for the shares of common stock of GLPI on a stand-alone basis derived as described above, but applying a midpoint levered discount rate of 7.0%, to derive implied exchange ratios ranging from 0.70x to 1.07x (with a midpoint implied exchange ratio of 0.87x).

*Illustrative Discounted Cash Flow and Illustrative Get/Give Analyses*

Applying discount rates ranging from 6.0% to 8.0% (with a midpoint discount rate of 7.0%), reflecting estimates of the cost of equity for GLPI, Goldman Sachs derived a range of illustrative values per share of common stock of GLPI on a pro forma basis after giving effect to the proposed transaction by discounting to present value as of March 31, 2016 (a) the dividends per share estimated to be paid by GLPI on a pro forma basis during the last

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nine months of 2016 and during 2017 through 2019, as reflected in the Forecasts, and (b) an illustrative terminal value per share at the end of 2019 (derived by applying illustrative equity perpetuity growth rates ranging from 2.0% to 3.0% (with a midpoint equity perpetuity growth rate of 2.5%) to an estimate of terminal year adjusted funds from operations per share, as reflected in the Forecasts). The illustrative values per share of common stock of GLPI on a pro forma basis derived by Goldman Sachs ranged from \$47.03 to \$91.25 (with a midpoint illustrative present value per share of \$61.84). Goldman Sachs multiplied this range of illustrative values per share by 0.85 to derive a range of illustrative values for the Exchange Ratio ranging from \$39.97 to \$77.56 (with a midpoint of \$52.56).

Goldman Sachs then compared a range of illustrative present values for the shares of common stock of Pinnacle (ex OpCo) derived as described above under *Illustrative Discounted Cash Flow and Implied Exchange Ratio Analyses* applying a midpoint discount rate of 6.4%, to a range of illustrative present values of 0.85 of a share of common stock of GLPI on a pro forma basis derived as described above, but applying a midpoint discount rate of 7.0%, to derive implied ratios ranging from 0.87x to 1.33x (with an midpoint implied ratio of 1.07x).

***General***

The preparation of a fairness opinion is a complex process and is not necessarily susceptible to partial analysis or summary description. Selecting portions of the analyses or of the summary set forth above, without considering the analyses as a whole, could create an incomplete view of the processes underlying Goldman Sachs' opinion. In arriving at its fairness determination, Goldman Sachs considered the results of all of its analyses and did not attribute any particular weight to any factor or analysis considered by it. Rather, Goldman Sachs made its determination as to fairness on the basis of its experience and professional judgment after considering the results of all of its analyses.

Goldman Sachs prepared these analyses for purposes of providing its opinion to the board of directors of Pinnacle as to the fairness from a financial point of view to the holders of Pinnacle common stock (other than GLPI and its affiliates), as of the date of the opinion, of the Exchange Ratio pursuant to the merger agreement. These analyses do not purport to be appraisals nor do they necessarily reflect the prices at which businesses or securities actually may be sold. Analyses based upon projections of future results are not necessarily indicative of actual future results, which may be significantly more or less favorable than suggested by these analyses. Because these analyses are inherently subject to uncertainty, being based upon numerous factors or events beyond the control of the parties or their respective advisors, none of Pinnacle, Goldman Sachs or any other person assumes responsibility if future results are materially different from those forecast.

The Exchange Ratio was determined through arm's-length negotiations between Pinnacle and GLPI and was approved by the board of directors of Pinnacle. Goldman Sachs provided advice to Pinnacle during these negotiations. Goldman Sachs did not, however, recommend any specific exchange ratio or amount of consideration to Pinnacle or that any specific exchange ratio or amount of consideration constituted the only appropriate exchange ratio or consideration for the proposed merger.

As described above, Goldman Sachs' opinion was one of many factors taken into consideration by the board of directors of Pinnacle in considering the proposed transaction. The foregoing summary does not purport to be a complete description of the analyses performed by Goldman Sachs in connection with the delivery of its fairness opinion to the board of directors of Pinnacle and is qualified in its entirety by reference to the written opinion of Goldman Sachs attached as Annex C to this joint proxy statement/prospectus.

Goldman Sachs and its affiliates are engaged in advisory, underwriting and financing, principal investing, sales and trading, research, investment management and other financial and non-financial activities and services for various persons and entities. Goldman Sachs and its affiliates and employees, and funds or other entities they manage or in

which they invest or have other economic interests or with which they co-invest, may at any time



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purchase, sell, hold or vote long or short positions and investments in securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments of Pinnacle, GLPI, any of their respective affiliates and third parties, or any currency or commodity that may be involved in the proposed transaction. Goldman Sachs has acted as financial advisor to Pinnacle in connection with, and have participated in certain of the negotiations leading to, the proposed transaction. Goldman Sachs expects to receive fees for its services in connection with the proposed transaction, all of which are contingent upon consummation of the merger, and Pinnacle has agreed to reimburse certain of Goldman Sachs' expenses arising, and indemnify Goldman Sachs against certain liabilities that may arise, out of its engagement. At Pinnacle's request, an affiliate of Goldman Sachs entered into financing commitments to provide a subsidiary of OpCo with a revolving credit facility and a term loan in connection with the consummation of the proposed transaction, subject to the terms of such commitments, and pursuant to which one or more affiliates of Goldman Sachs will receive customary fees. Goldman Sachs has provided certain financial advisory and/or underwriting services to Pinnacle and/or its affiliates from time to time for which its Investment Banking Division has received, and may receive, compensation, including having acted as the Company's financial advisor in connection with its acquisition of Ameristar Casinos, Inc., closed in August 2013; as joint lead bookrunning manager with respect to a private placement of 6.375% Senior Notes due 2021 of a subsidiary of Pinnacle (aggregate principal amount \$850 million) in August 2013; as a joint lead arranger and joint bookrunning manager in connection with a credit facility entered into by Pinnacle in August 2013 providing for term loans (aggregate principal amount \$1,600 million) and a revolving credit commitment (aggregate principal amount \$1,000 million); and as Pinnacle's financial advisor in connection with the sale of the Lumiere Place Casino and Hotels closed in April 2014. Goldman Sachs also has provided certain financial advisory and/or underwriting services to GLPI and/or its affiliates from time to time for which its Investment Banking Division has received, and may receive, compensation, including having acted as a joint lead arranger in connection with a credit facility entered into by a subsidiary of GLPI in October 2013 providing for a term loan (aggregate principal amount \$300 million) and a revolving credit commitment (aggregate principal amount \$700 million); as joint bookrunning manager with respect to a private placement of 4.375% Senior Notes due 2018 of a subsidiary of GLPI (aggregate principal amount \$550 million) in October 2013; as joint bookrunning manager with respect to a private placement of 4.875% Senior Notes due 2020 of a subsidiary of GLPI (aggregate principal amount \$1,000 million) in October 2013; and as joint bookrunning manager with respect to a private placement of 5.375% Senior Notes due 2023 of a subsidiary of GLPI (aggregate principal amount \$500 million) in October 2013. Goldman Sachs may also in the future provide financial advisory and/or underwriting services to Pinnacle, GLPI, OpCo and their respective affiliates for which its Investment Banking Division may receive compensation.

Pinnacle selected Goldman Sachs as its financial advisor because it is an internationally recognized investment banking firm that has substantial experience in transactions similar to the proposed transaction. Pursuant to a letter agreement, dated July 18, 2015, Pinnacle engaged Goldman Sachs to act as its financial advisor in connection with the proposed transaction. Pursuant to the terms of this engagement letter, Pinnacle agreed to pay Goldman Sachs fees of \$25 million, all of which is contingent upon the closing of the proposed transaction plus a discretionary fee in an amount to be determined at Pinnacle's sole discretion. In addition, Pinnacle agreed to reimburse Goldman Sachs for certain of its expenses and to indemnify Goldman Sachs and related persons against certain liabilities that may arise out of its engagement.

**Financing of the Transactions*****Pinnacle's Financing***

Pinnacle anticipates that the total amount of funds necessary for OpCo to pay the OpCo Cash Payment and to pay transaction fees and expenses will be approximately \$975 million, which amount is subject to adjustment as further described in The Merger Agreement The Separation and Distribution Agreement. This amount will be funded through either (but not both) (i) the Pinnacle Bridge Facility or (ii) the Pinnacle Takeout Facilities, together with the proceeds

from any Pinnacle Notes. Remaining amounts under the Bridge Revolving Credit Facility or the Takeout Revolving Credit Facility, as applicable, will be used for general corporate purposes of OpCo, including, without limitation, permitted acquisitions or dividends.

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Pursuant to the Pinnacle Bridge Commitment Letter for the Pinnacle Bridge Facility, Pinnacle received commitments for an aggregate principal amount of \$1.1 billion in financing, comprised of a \$900 million senior secured 364-day term loan bridge facility and a \$200 million senior secured 364-day revolving credit facility.

Pursuant to the Pinnacle Takeout Commitment Letter for the Pinnacle Takeout Facilities, Pinnacle received commitments for an aggregate principal amount of \$585 million in financing, comprised of a (i) \$185 million senior secured term loan A facility and (ii) \$400 million senior secured revolving credit facility. The lenders under the Pinnacle Takeout Commitment Letter have also agreed to use their commercially reasonable efforts to syndicate a \$350 million senior secured term loan B facility, which may, at the election of OpCo, be increased or decreased by up to \$125 million in connection with the issuance of senior unsecured notes to finance a portion of the transactions, as further described in the Pinnacle Takeout Commitment Letter. As noted in the Pinnacle Takeout Commitment Letter, it is anticipated that OpCo will also issue Pinnacle Notes in an aggregate principal amount of \$300 million to provide a portion of the debt financing required by Pinnacle to consummate the transactions. The principal amount of the Pinnacle Notes may, at the election of OpCo, be increased or decreased by up to \$125 million, as further described in, and in accordance with the terms of, the Pinnacle Takeout Commitment Letter. Both the issuance of the Pinnacle Notes and the receipt by the Pinnacle Takeout Commitment Parties of commitments from lenders for the Term Loan B Facility, in each case, on or prior to the closing date of the merger, are conditions to the availability of the Pinnacle Takeout Facilities.

Further, the Pinnacle Notes are only contemplated in connection with the Pinnacle Takeout Facilities. At this time, Pinnacle has not yet determined which of the two commitments described above will be utilized to provide the debt financing required to consummate the proposed transactions because such determination will be dependent on future market conditions. However, Pinnacle intends to use the Pinnacle Takeout Facilities if market conditions are favorable at the time of the distribution and not use the Pinnacle Bridge Facility.

The commitment of the Pinnacle Bridge Commitment Parties under the Pinnacle Bridge Commitment Letter and the commitment of the Pinnacle Takeout Commitment Parties under the Pinnacle Takeout Commitment Letter each expire upon the earliest to occur of (i) 5:00 p.m. (New York City time) on April 30, 2016, unless GLPI elects to extend the end date in which case such date shall be extended to 5:00 p.m. (New York City time) on June 30, 2016, (ii) the termination of the merger agreement without the closing of the merger, (iii) the consummation of the merger and the spin-off without the funding of the Pinnacle Bridge Facility or the Pinnacle Takeout Facilities, as applicable, on the date of such consummation and (iv) the end date.

If any portion of the Pinnacle Bridge Facility becomes or would reasonably be expected to become unavailable on the terms and conditions contemplated by the Pinnacle Bridge Commitment Letter (other than as a result of the Pinnacle Takeout Facilities), the merger agreement requires Pinnacle to promptly notify GLPI thereof and use its reasonable best efforts to arrange and obtain alternative financing from alternative sources on terms and conditions not less favorable to Pinnacle than the Pinnacle Bridge Commitment Letter, in an amount sufficient to make the OpCo Cash Payment at closing and otherwise on terms not materially less beneficial to Pinnacle.

The availability of the Pinnacle Bridge Facility is subject, among other things, to:

consummation of the spin-off substantially concurrently with the initial funding of the Pinnacle Bridge Facility in accordance with the Separation and Distribution Agreement, without any amendment or modification thereto which is materially adverse to the interests of the lenders under the Pinnacle Bridge Facility (the Pinnacle Bridge Lenders), unless approved by the Pinnacle Bridge Commitment Parties (such

approval not to be unreasonably withheld or delayed);

execution and delivery by the borrower, and the other loan parties and the Pinnacle Bridge Lenders of definitive documentation with respect to the Pinnacle Bridge Facility consistent with the Pinnacle Bridge Commitment Letter;

effectiveness of the master lease without any amendment or modification thereto which is materially adverse to the Pinnacle Bridge Lenders, unless approved by the Pinnacle Bridge Commitment Parties (such approval not to be unreasonably withheld or delayed);

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solvency of the borrower and its subsidiaries, on a consolidated basis, after giving effect to the consummation of the transactions;

delivery of financial statements regarding Pinnacle and its subsidiaries;

delivery of pro forma financials of the borrower and its subsidiaries;

delivery of all know your customer information required by regulatory authorities and requested by the Pinnacle Bridge Lenders regarding the borrower and the guarantors;

the accuracy of certain limited representations and warranties; and

the closing date not occurring prior to November 20, 2015.

The availability of the Pinnacle Takeout Facilities are subject, among other things, to:

consummation of the spin-off substantially concurrently with the initial funding of the Pinnacle Takeout Facilities in accordance with the Separation and Distribution Agreement, without any amendment or modification thereto which is materially adverse to the interests of the lenders under the Pinnacle Takeout Facilities (the Pinnacle Takeout Lenders ), unless approved by the Pinnacle Takeout Commitment Parties (such approval not to be unreasonably withheld or delayed);

execution and delivery by the borrower, and the other loan parties and the Pinnacle Takeout Lenders of definitive documentation with respect to the Pinnacle Takeout Facilities consistent with the Pinnacle Takeout Commitment Letter;

effectiveness of the master lease without any amendment or modification thereto which is materially adverse to the Pinnacle Takeout Lenders, unless approved by the Pinnacle Takeout Commitment Parties (such approval not to be unreasonably withheld or delayed);

solvency of the borrower and its subsidiaries, on a consolidated basis, after giving effect to the consummation of the transactions;

delivery of financial statements regarding Pinnacle and its subsidiaries;

delivery of pro forma financials of the borrower and its subsidiaries;

issuance of the Pinnacle Notes in an aggregate gross principal amount of \$300 million and receipt of \$350 million in aggregate principal amount of commitments from lenders for the Term Loan B Facility; *provided* that, OpCo may, in its sole discretion, increase or decrease the Term Loan B Facility by up to \$125 million and increase or decrease the Pinnacle Notes by up to \$125 million, so long as after giving effect to such increases and/or decreases the aggregate amount of the Pinnacle Notes and Term Loan B Facility are equal to at least \$575 million and do not exceed \$650 million;

delivery of all know your customer information required by regulatory authorities and requested by the Pinnacle Lenders regarding the borrower and the guarantors;

the accuracy of certain limited representations and warranties; and

the closing date not occurring prior to November 20, 2015.

For more information, see The Merger Agreement Financing Efforts Pinnacle's Financing.

### ***GLPI's Financing***

GLPI anticipates that the total amount of funds necessary to finance the transactions and to pay transaction fees and expenses will be approximately \$3.1 billion. This amount is expected to be funded through one or more of the following sources: available cash on hand, the issuance and sale by GLP Capital, L.P. ( GLP Capital ) and GLP Financing II, Inc. of senior unsecured notes, the issuance and sale by GLPI of common equity interests and borrowings under the GLPI Bridge Facility, the GLPI Limited Conditionality Incremental Term Facility and the GLPI Limited Conditionality Revolver (each defined below).

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In connection with the transactions, GLPI has entered into an amended and restated commitment letter dated July 31, 2015 (the "GLPI Commitment Letter") with the GLPI Commitment Parties to provide debt financing in connection with the transactions. Pursuant to the GLPI Commitment Letter, the GLPI Commitment Parties have committed to provide a \$1.875 billion senior unsecured 364-day term loan bridge facility (the "GLPI Bridge Facility").

The commitment of the GLPI Commitment Parties under the GLPI Commitment Letter expires upon the earliest to occur of (i) 11:59 p.m. (New York City time) on March 31, 2016, unless GLPI elects the "end date extension" (as defined in the merger agreement) in which case such date shall be extended to 11:59 p.m. (New York City time) on June 30, 2016, (ii) the closing of the merger either (a) without the use of the GLPI Bridge Facility or (b) if the GLPI Bridge Facility is intended to be used, the execution of the definitive credit documentation and the funding of the loans thereunder, (iii) the termination of the merger agreement in accordance with its terms and (iv) as to the portion of the commitments to be reduced on certain automatic reduction events in accordance with the terms of the GLPI Commitment Letter, upon such events.

In connection with the transactions, GLP Capital has entered into Amendment No. 1 (the "Credit Agreement Amendment") dated July 31, 2015 to the Credit Agreement dated as of October 28, 2013 among GLP Capital, the several banks and other financial institutions or entities party thereto, and JPMorgan Chase Bank, N.A., as administrative agent. The Credit Agreement Amendment provides incremental term loan commitments in an aggregate committed amount of \$825 million subject to limited conditionality (the "GLPI Limited Conditionality Incremental Term Facility"). The Credit Agreement Amendment also provides for revolving loans in a principal amount not to exceed \$411 million borrowed in connection with the transactions to be subject to the same limited conditionality as the incremental term loans (the "GLPI Limited Conditionality Revolver").

The availability of the GLPI Bridge Facility, the GLPI Limited Conditionality Incremental Term Facility and the GLPI Limited Conditionality Revolver is subject to, among other things, to:

subject to certain disclosures, since January 1, 2015, through the date of the merger agreement that there has not been any event, change, effect, development or occurrence that, individually or in the aggregate, has had or would reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect (as defined in the merger agreement). Since the date of the merger agreement, there has not been any event, change, effect, development or occurrence that, individually or in the aggregate, has had or would reasonably be expected to have a Company Material Adverse Effect (as defined in the merger agreement);

consummation of the acquisition with or substantially concurrently with the initial borrowing under the relevant facility in accordance with the terms of the merger agreement, without any amendments, modifications or waivers or consents of GLPI that are materially adverse to the interests of the relevant lenders, unless approved by the arrangers of the relevant facility (such approval not to be unreasonably withheld, conditioned or delayed);

subject to the certain funds provisions, execution and delivery by the borrower, the other loan party and the lenders thereunder of definitive documentation with respect to the GLPI Bridge Facility consistent with the GLPI Commitment Letter;

solvency of GLPI and its subsidiaries, on a consolidated basis, after giving effect to the consummation of the transactions;

delivery of financial statements regarding GLPI and the acquired business;

delivery of pro forma financials in customary form for inclusion in an information memorandum;

delivery of all know your customer information required by regulatory authorities and requested by the lenders thereunder;

the accuracy of certain limited representations and warranties; and



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the repayment or redemption of certain existing debt of the acquired business shall have been or substantially concurrently with the initial funding of the relevant facility shall be consummated or arrangements for such repayment or redemption shall have been established substantially concurrently with the initial funding of the relevant facility.

GLPI or its subsidiaries may elect to enter into long-term debt financing instead of funding loans in connection with the GLPI Bridge Facility. Such long-term debt financing could consist of senior unsecured notes of certain subsidiaries of GLPI. Any determination to enter into alternative debt financing will be based on, among other items, market conditions at the time such debt financing would be syndicated, placed or incurred. There can be no assurances as to the terms of such debt financing.

## **Interests of Certain Pinnacle Persons in the Merger**

When considering the recommendation of Pinnacle's board of directors with respect to the merger, you should be aware that Pinnacle's executive officers and directors may have interests in the merger that are different from, or in addition to, those of Pinnacle's stockholders generally. Pinnacle's board of directors was aware of these interests during its deliberations on the merits of the merger and in deciding to recommend that Pinnacle stockholders vote for the adoption of the merger agreement at the Pinnacle special meeting.

## ***Insurance and Indemnification of Directors and Executive Officers***

GLPI and Merger Sub have agreed that all rights to exculpation, indemnification and advancement of expenses or omissions occurring at or prior to the effective time of the merger (whether asserted before or after the effective time), now existing in favor of current or former directors, officers, employees of Pinnacle or its subsidiaries as provided in their respective organizational documents will survive the merger and continue to be in full force and effect. The surviving company will (and GLPI will cause the surviving company to) indemnify and hold harmless (and advance funds in respect thereof) each current and former director, officer or employee of Pinnacle and each person who served as a director, officer, member, trustee or fiduciary of another corporation, partnership, joint venture, trust, pension or other employee benefit plan or enterprise if such service was at the request or for the benefit of Pinnacle each case against any costs or expenses (subject to certain conditions) arising out of, relating to or in connection with any action or omission by them in their official capacities occurring or alleged to have occurred whether commenced before or after the closing of the merger. The surviving company will (and GLPI will cause the surviving company to), for a period of six years from the closing of the merger, maintain in effect (to the fullest extent permitted under applicable law) any and all exculpation, indemnification and advancement of expenses provisions of Pinnacle's certificate of incorporation and bylaws or similar organizational documents in effect immediately prior to the closing of the merger or in indemnification agreements of Pinnacle with their respective current or former directors, officers or employees in effect immediately prior to the closing of the merger, and may not amend, repeal or otherwise modify any such provisions or the exculpation, indemnification or advancement of expenses provisions of the surviving company's organizational documents in any manner that would adversely affect the rights thereunder of any individuals who immediately before the closing of the merger were current or former directors, officers or employees of Pinnacle (subject to certain conditions).

The merger agreement also provides that prior to the effective time of the merger, Pinnacle (with GLPI's consent) or GLPI, at GLPI's cost, may purchase a six year tail prepaid policy on the same terms and conditions as GLPI would be required to cause the surviving company and its subsidiaries to purchase as discussed below. Pinnacle's ability to purchase a tail policy is subject to a cap on the premium equal to 300% of the aggregate annual premiums currently paid by Pinnacle for its existing directors' and officers' liability insurance and fiduciary insurance as of the date of the merger agreement. If such a tail policy is not purchased prior to the effective time, for at least six years after the effective time, GLPI will maintain coverage currently provided by the policies of directors' and officers' liability

insurance and fiduciary liability insurance by Pinnacle or provide substitute policies for Pinnacle and its current and former directors and officers who are currently covered by the directors and officers liability insurance and fiduciary liability insurance coverage currently in effect, in either case, of not less than the existing coverage and have other terms not less favorable to the insured persons than the

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directors and officers liability insurance and fiduciary liability insurance coverage with respect to matters existing or arising prior to the closing of the merger (subject to a cap on the premium equal to 300% of the aggregate annual premiums currently paid by Pinnacle).

***Treatment of Pinnacle Long-Term Incentive Compensation******Treatment of Pinnacle Stock Options Granted On or Prior to July 16, 2015***

At the time of distribution, each Pinnacle stock option (including any Pinnacle stock option held by an executive officer or non-employee director), whether vested or unvested, that was granted on or prior to July 16, 2015 and that is outstanding immediately prior to the time of distribution will be converted into two separate stock option awards, an adjusted Pinnacle stock option (an Adjusted Pinnacle Option) and an OpCo stock option (an OpCo Option).

The number of shares of Pinnacle common stock subject to each Adjusted Pinnacle Option will be equal to the number of shares of Pinnacle common stock underlying the Pinnacle stock option immediately prior to the time of distribution. The per share exercise price of each Adjusted Pinnacle Option will be equal to the product (rounded up to the nearest whole cent) of (i) the per share exercise price of the Pinnacle stock option prior to the time of distribution multiplied by (ii) a fraction, the numerator of which will be the per share closing trading price of Pinnacle common stock, as traded on an ex-distribution basis on the last trading day immediately preceding the time of distribution (the Opening Pinnacle Stock Price), and the denominator of which will be the per share closing trading price of Pinnacle common stock trading on the regular way basis on the last trading day immediately preceding the time of distribution (the Closing Pinnacle Stock Price).

The number of shares of OpCo common stock subject to each OpCo Option will be equal to the number of shares of Pinnacle common stock subject to the Pinnacle stock option immediately prior to the time of distribution multiplied by the distribution ratio and rounded down to the nearest whole share. The per share exercise price of each OpCo Option will be equal to the product (rounded up to the nearest whole cent) of (i) the per share exercise price of the Pinnacle stock option immediately prior to the time of distribution multiplied by (ii) a fraction, the numerator of which will be the per share closing when-issued trading price of OpCo common stock on the last trading day immediately preceding the time of distribution (the Opening OpCo Stock Price) and the denominator of which will be the Closing Pinnacle Stock Price.

Upon completion of the merger, each Adjusted Pinnacle Option (including any Adjusted Pinnacle Option held by an executive officer or non-employee director), whether vested or unvested, that is outstanding immediately prior to the completion of the merger will become fully vested and will be cancelled and converted into the right to receive a number of shares of GLPI common stock (rounded down to the nearest whole share) having an aggregate value equal to the intrinsic value of the Adjusted Pinnacle Option. Following the distribution, each OpCo Option will continue to vest based on continued service with OpCo and on the same terms and conditions as was applicable to such Pinnacle stock option immediately prior to the distribution.

***Treatment of Pinnacle Stock Options Granted After July 16, 2015***

At the time of distribution, each Pinnacle stock option (including any Pinnacle stock option held by an executive officer or non-employee director) that is outstanding and was granted after July 16, 2015 (an Exempt Option) will be converted into an adjusted OpCo Option (an Adjusted OpCo Option) on the same terms and conditions as were applicable to each such Exempt Option immediately prior to the time of distribution. The number of shares of OpCo common stock subject to each Adjusted OpCo Option will be equal to the product (rounded down to the nearest whole share) of (i) the number of shares of Pinnacle common stock subject to the Exempt Option multiplied by (ii) a

fraction, the numerator of which will be the Closing Pinnacle Stock Price and the denominator of which will be the Opening OpCo Stock Price. The per share exercise price of each Adjusted OpCo Option will be equal to the product (rounded up to the nearest whole cent) of (i) the per share exercise price of the Exempt Option immediately prior to the time of distribution multiplied by (ii) a fraction, the

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numerator of which will be the Opening OpCo Stock Price and the denominator of which will be the Closing Pinnacle Stock Price.

*Treatment of Pinnacle RSUs Granted On or Prior to July 16, 2015*

At the time of distribution, the holder of each Pinnacle restricted stock unit (including any Pinnacle restricted stock unit held by an executive officer or non-employee director) (including each phantom stock unit, restricted stock unit, other stock unit, performance share, director other stock unit, deferred share and any other similar instrument) granted on or prior to July 16, 2015 (an Adjusted Pinnacle RSU ), will receive one OpCo restricted stock unit award (an OpCo RSU ).

Upon completion of the merger, each Adjusted Pinnacle RSU (including any Adjusted Pinnacle RSU held by an executive officer or non-employee director), whether vested or unvested, that is outstanding immediately prior to the completion of the merger will become fully vested (with any performance-based vesting requirements deemed to be satisfied at the target level of performance) and will be cancelled and converted into the right to receive, in respect of each share of Pinnacle common stock underlying such Adjusted Pinnacle RSU, the number of shares of GLPI common stock (rounded to the nearest whole share) equal to the exchange ratio. Following the distribution, each OpCo RSU will continue to vest based on continued service with OpCo and on the same terms and conditions as was applicable to such Pinnacle restricted stock unit award immediately prior to the distribution.

*Treatment of Pinnacle RSUs Granted After July 16, 2015*

At the time of distribution, each Pinnacle restricted stock unit (including any Pinnacle restricted stock unit held by an executive officer or non-employee director) (including each phantom stock unit award, restricted stock unit award, other stock unit award, performance share grant, director other stock unit award, deferred share and any other similar instrument) that is outstanding and was granted after July 16, 2015 (an Exempt RSU ) will be converted into an adjusted OpCo restricted stock unit (an Adjusted OpCo RSU ) on the same terms and conditions as were applicable to each such Exempt RSU prior to the time of distribution. The number of shares of OpCo common stock subject to each Adjusted OpCo RSU will be equal to the product (rounded to the nearest whole share) of (i) the number of shares of Pinnacle common stock subject to the Exempt RSU multiplied by (ii) a fraction, the numerator of which will be the Closing Pinnacle Stock Price and the denominator of which will be the Opening OpCo Stock Price.

*Treatment of Pinnacle PUAs Granted On or Prior to July 16, 2015*

At the time of distribution, each Pinnacle cash performance unit (including any Pinnacle cash performance unit held by an executive officer or non-employee director), whether vested or unvested, that was granted on or prior to July 16, 2015, and that is outstanding immediately prior to the time of distribution will be converted into two separate cash performance unit awards, an adjusted Pinnacle cash performance unit (an Adjusted Pinnacle PUA ) and an OpCo performance unit (an OpCo Performance Unit ), based on the relative equity value of Pinnacle and OpCo.

The number of Pinnacle cash performance units subject to each Adjusted Pinnacle PUA (rounded to the nearest whole dollar) will be equal to the number of Pinnacle cash performance units outstanding immediately prior to the time of distribution multiplied by a fraction, the numerator of which will be the Opening Pinnacle Stock Price and the denominator of which will be the Closing Pinnacle Stock Price.

The number of OpCo cash performance units subject to each OpCo Performance Unit will be equal to the number of Pinnacle cash performance units subject to the corresponding Pinnacle cash performance unit award outstanding immediately prior to the time of distribution minus the number of Pinnacle cash performance units subject to the

corresponding Adjusted Pinnacle PUA.

Upon completion of the merger, each Adjusted Pinnacle PUA (including any Adjusted Pinnacle PUA held by an executive officer or non-employee director), whether vested or unvested, that is outstanding immediately prior to

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the completion of the merger will become fully vested (with any performance-based vesting requirements deemed to be satisfied at the target level of performance) and will be cancelled and converted into the right to receive the number of shares of GLPI common stock (rounded to the nearest whole share) equal to the aggregate dollar value of the Adjusted Pinnacle PUA divided by the value of GLPI common stock at the time of the closing. Following the distribution, each OpCo Performance Unit will continue to vest based on continued service with OpCo and on the same terms and conditions as was applicable to such Pinnacle cash performance unit award immediately prior to the distribution.

*Treatment of Pinnacle PUAs Granted After July 16, 2015*

At the time of distribution, each Pinnacle cash performance unit (including any Pinnacle cash performance unit held by an executive officer or non-employee director), whether vested or unvested, that was granted after July 16, 2015 (an Exempt PUA) will be converted into an OpCo cash performance unit (an OpCo PUA), having the same value as the corresponding Pinnacle cash performance unit, on the same terms and conditions regarding term, vesting (as may be equitably adjusted) and other provisions as were applicable to each such Exempt PUA prior to the time of distribution.

**Summary Table of Pinnacle Long-Term Incentive Compensation**

The following table shows, as of December 8, 2015, with respect to Anthony M. Sanfilippo, Carlos A. Ruisanchez, Virginia E. Shanks, John A. Godfrey, and Neil E. Walkoff (Pinnacle's Named Executive Officers identified in Pinnacle's Proxy Statement on Schedule 14A filed with the SEC on April 10, 2015) and each other executive officer and director of Pinnacle who served as a director or executive officer of Pinnacle at any point in time on or following January 1, 2014: (1) the number of shares of Pinnacle common stock underlying each Pinnacle option; (2) the value of each Pinnacle option based on the difference between \$33.16 (Pinnacle stock price as of December 8, 2015) and the option exercise price; (3) the number of shares of Pinnacle common stock underlying each Pinnacle RSU; (4) the value of Pinnacle RSUs based on the Pinnacle stock price of \$33.16; and (5) the cash value of Pinnacle PUAs at target performance level.

Name	Shares	Value of Pinnacle Options (\$)	Shares	Value of Pinnacle RSUs (\$)	Value of Pinnacle PUAs at Target Performance Level (\$)	Total	Total Value (\$)
	Underlying Pinnacle Options (#)		Underlying Pinnacle RSUs (#)		Number of Pinnacle Shares (#)		
<b>Executive Officers</b>							
Anthony M. Sanfilippo	1,162,326	\$ 23,472,691	392,647	\$ 13,020,175	\$ 864,000	1,554,973	\$ 37,356,865
Carlos A. Ruisanchez	645,544	\$ 12,656,186	208,828	\$ 6,924,736	\$ 384,000	854,372	\$ 19,964,923
Virginia E. Shanks	237,438	\$ 4,220,725	157,729	\$ 5,230,294	\$ 288,000	395,167	\$ 9,739,019
John A. Godfrey	286,740	\$ 5,629,341	128,285	\$ 4,253,931	\$ 168,000	415,025	\$ 10,051,272
Neil E. Walkoff	173,740	\$ 3,200,111	126,518	\$ 4,195,337	\$ 168,000	300,258	\$ 7,563,448
Michelle Shriver <sup>1</sup>	0	0	0	0	0	0	0

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Troy A. Stremming	56,990	\$ 523,299	79,033	\$ 2,620,734	\$ 152,000	136,023	\$ 3,296,033
<b>Directors</b>							
Charles L. Atwood	0	0	5,914	\$ 196,108	0	5,914	\$ 196,108
Stephen C. Comer	69,000	\$ 1,213,680	64,703	\$ 2,145,551	0	133,703	\$ 3,359,231
Richard J. Goeglein <sup>2</sup>	0	0	0	0	0	0	0
Bruce A. Leslie	84,000	\$ 1,281,080	128,372	\$ 4,256,816	0	212,372	\$ 5,537,896
James L. Martineau	84,000	\$ 1,281,080	51,264	\$ 1,699,914	0	135,264	\$ 2,980,994
Desiree Rogers	20,000	\$ 455,300	24,236	\$ 803,666	0	44,236	\$ 1,258,966
Jaynie Miller Studenmund	20,000	\$ 455,300	24,236	\$ 803,666	0	44,236	\$ 1,258,966

- (1) On September 4, 2014, Pinnacle entered into a Separation Agreement and General Release with Ms. Shriver in connection with her separation from Pinnacle effective as of September 4, 2014.
- (2) Mr. Goeglein's term as a Pinnacle director expired on May 19, 2015.



**Table of Contents****Quantification of Potential Payments to Pinnacle's Named Executive Officers in Connection with the Merger**

In accordance with Item 402(t) of Regulation S-K, the table below entitled "Merger-Related Compensation" sets forth the estimated amounts of compensation that are based on or otherwise relate to the merger and that may be payable to Pinnacle's Named Executive Officers. These amounts have been calculated assuming the merger was consummated on January 15, 2015.

Please see the section titled "Treatment of Pinnacle Long-Term Incentive Compensation" for further information about the compensation disclosed in the table below. The amounts indicated below are estimates of amounts that might become payable to the Named Executive Officers and the estimates are based on multiple assumptions that may or may not prove correct. Some of the assumptions are based on information not currently available and as a result the actual amounts, if any, received by a Named Executive Officer may differ in material respects from the amounts set forth below.

**Merger-Related Compensation**

Named Executive Officer	Cash (\$) (1)	Equity (\$) (2)	Pension/ Non-Qualified Deferred Compensation/ Perquisites/ Tax			Other (\$)	Total (\$)
			Benefit	Reimbursement			
Anthony M. Sanfilippo CEO and Director	\$ 864,000	\$ 14,411,719					\$ 15,275,719
Carlos A. Ruisanchez President and CFO	\$ 384,000	\$ 7,000,902					\$ 7,384,902
Virginia E. Shanks EVP, Chief Administrative Officer	\$ 288,000	\$ 5,448,130					\$ 5,736,130
John A. Godfrey EVP, General Counsel and Secretary	\$ 168,000	\$ 4,460,003					\$ 4,628,003
Neil E. Walkoff EVP, Operations	\$ 168,000	\$ 4,460,003					\$ 4,628,003

(1) The amounts in this column represent the aggregate payments, which will be made in the form of GLPI common stock valued at the time of the transaction, which the Named Executive Officers will be entitled to receive in respect of cash-based awards, assuming all such awards will vest at the time of the merger. All such payments are

single-trigger arrangements. At this time, Pinnacle does not know the actual split of such awards between Pinnacle and OpCo and, as such, Pinnacle has included the entire value of such awards in this table.

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- (2) The amounts in this column represent that value of the unvested options, and restricted stock unit awards (including restricted stock unit award, performance share grant, deferred share and any other similar instrument) held by the Named Executive Officers which were granted prior to the date of the merger agreement (i.e., the Named Executive Officers will not receive merger consideration for awards granted under the 2015 Plan following the date of the merger agreement), assuming all such awards will vest at the time of the merger as described above in Interests of Certain Pinnacle Persons in the Merger. All such payments are single-trigger arrangements. At this time, Pinnacle does not know the actual split of such awards between Pinnacle and OpCo and, as such, Pinnacle has included the entire value of such awards in this table. For the purpose of calculating the value of the unvested awards, the price per share of \$39.88 represents the average closing market price of Pinnacle's common stock over the first five business days following the first public announcement of the transaction. The value of the option awards for which vesting is accelerated equals the difference between the average closing market price and the exercise price of such options. The amounts in this column consist of:

Named Executive Officer	Options (\$)	Performance Vesting Restricted Stock Unit		Total (\$) <sup>(A)</sup>
		Time Vesting Restricted Stock Units (\$)	Vesting at Target Performance Level (\$) <sup>(A)</sup>	
Anthony M. Sanfilippo	\$ 4,681,956	\$ 5,522,263	\$ 4,207,500	\$ 14,411,719
Carlos A. Ruisanchez	\$ 1,099,380	\$ 3,647,744	\$ 2,253,778	\$ 7,000,902
Virginia E. Shanks	\$ 971,919	\$ 2,785,897	\$ 1,690,314	\$ 5,448,130
John A. Godfrey	\$ 782,309	\$ 2,289,112	\$ 1,388,582	\$ 4,460,003
Neil E. Walkoff	\$ 782,309	\$ 2,289,112	\$ 1,388,582	\$ 4,460,003

- (A) The amounts in these columns exclude the value of certain performance shares that will no longer be outstanding on January 15, 2016 and as such, their value is not part of the merger consideration.

**Post-Separation Arrangements with OpCo**

It is not anticipated that any of Pinnacle's directors or executive officers will retain such position with GLPI or any of its affiliates following the merger and no such person has entered into any agreement with GLPI or any of its affiliates regarding employment or similar matters. The Employee Matters Agreement to be entered into by Pinnacle and OpCo prior to the distribution provides that the employees of Pinnacle will be transferred to OpCo prior the separation. It is currently contemplated that the Chairman of the Board of Pinnacle as of the time of the separation will be the Chairman of the Board of OpCo, and that Chief Executive Officer at the time of the distribution will be the Chief Executive Officer of OpCo. Except with regard to Pinnacle's outstanding long-term incentive awards (as described more fully above in Interests of Certain Pinnacle Persons in the Merger Treatment of Pinnacle Long-Term Incentive Compensation), OpCo will assume responsibility for, and will pay and be liable for, all wages, salaries, welfare, incentive compensation and employment-related liabilities, and will assume all compensation and employment-related plans and agreements, with respect to each of the employees and directors. Except with regard to Pinnacle's outstanding long-term incentive awards (as described more fully above in Interests of Certain Pinnacle Persons Treatment of Pinnacle Long-Term Incentive Compensation), prior to the separation, Pinnacle will transfer all of the assets, if any, and liabilities relating to the compensation and benefit plans and agreements to OpCo.

**Board of Directors and Management of GLPI Following Completion of the Merger**

Upon completion of the merger, the current directors and executive officers of GLPI are expected to continue in their current positions, other than as may be publicly announced by GLPI in the normal course.

**U.S. Federal Income Tax Considerations Relating to the Merger**

The following is a general discussion of the U.S. federal income tax consequences of the merger to U.S. holders (as defined below) of Pinnacle common stock that exchange their shares of Pinnacle common stock for shares of GLPI common stock in the merger. The following discussion is based upon the Code, the U.S. Treasury regulations promulgated thereunder and judicial and administrative authorities, rulings and decisions, all as in effect as of the date of this joint proxy statement/prospectus. These authorities may change, possibly with retroactive effect, and any such change could affect the accuracy of the statements and conclusions set forth in

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this discussion. This discussion assumes that the merger will be completed in accordance with the merger agreement and as further described in this joint proxy statement/prospectus. This discussion is not a complete description of all of the tax consequences of the merger and, in particular, does not address any tax consequences arising under the unearned income Medicare contribution tax pursuant to the Health Care and Education Reconciliation Act of 2010, nor does it address any tax consequences arising under the laws of any state, local or foreign jurisdiction, or under any U.S. federal laws other than those pertaining to the income tax.

The following discussion applies only to U.S. holders of shares of Pinnacle common stock who hold such shares as a capital asset within the meaning of Section 1221 of the Code (generally, property held for investment). Further, this discussion does not purport to consider all aspects of U.S. federal income taxation that might be relevant to U.S. holders in light of their particular circumstances and does not apply to U.S. holders subject to special treatment under the U.S. federal income tax laws (such as, for example, dealers or brokers in securities, commodities or foreign currencies, traders in securities that elect to apply a mark-to-market method of accounting, banks and certain other financial institutions, insurance companies, mutual funds, tax-exempt organizations, holders subject to the alternative minimum tax provisions of the Code, partnerships, S corporations or other pass-through entities or investors in partnerships, regulated investment companies, real estate investment trusts, controlled foreign corporations, passive foreign investment companies, former citizens or residents of the United States, U.S. expatriates, holders whose functional currency is not the U.S. dollar, holders who hold shares of Pinnacle common stock as part of a hedge, straddle, constructive sale or conversion transaction or other integrated investment, holders who acquired Pinnacle common stock pursuant to the exercise of employee stock options, through a tax qualified retirement plan or otherwise as compensation, holders who exercise appraisal rights, or holders who actually or constructively own more than 5% of Pinnacle common stock.

For purposes of this discussion, the term *U.S. holder* means a beneficial owner of Pinnacle common stock that is for U.S. federal income tax purposes (1) an individual citizen or resident of the United States, (2) a corporation, or entity treated as a corporation for U.S. federal income tax purposes, organized in or under the laws of the United States or any state thereof or the District of Columbia, (3) a trust if (a) a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust or (b) such trust has made a valid election to be treated as a U.S. person for U.S. federal income tax purposes or (4) an estate, the income of which is includible in gross income for U.S. federal income tax purposes, regardless of its source.

If an entity or an arrangement treated as a partnership for U.S. federal income tax purposes holds Pinnacle common stock, the U.S. federal income tax treatment of a partner in such partnership generally will depend on the status of the partner and the activities of the partnership. Any entity treated as a partnership for U.S. federal income tax purposes that holds Pinnacle common stock, and any partners in such partnership, should consult their own independent tax advisors regarding the tax consequences of the merger to their specific circumstances.

**Determining the actual tax consequences of the merger to you may be complex and will depend on your specific situation and on factors that are not within our control. You should consult your own independent tax advisor as to the specific tax consequences of the merger in your particular circumstances, including the applicability and effect of the alternative minimum tax and any state, local, foreign and other tax laws and of changes in those laws.**

### *The Merger*

The parties intend for the merger to be treated as a *reorganization* for U.S. federal income tax purposes within the meaning of Section 368(a) of the Code. It is a condition to Pinnacle's obligation to complete the merger that Pinnacle

receive an opinion from Skadden dated as of the closing date, to the effect that the merger will qualify for U.S. federal income tax purposes as a reorganization within the meaning of Section 368(a) of the Code. It is a condition to GLPI's obligation to complete the merger that GLPI receive an opinion from Wachtell Lipton, dated as of the closing date, to the effect that the merger will qualify for U.S. federal income tax purposes as a reorganization within the meaning of Section 368(a) of the Code. These conditions are waivable, and Pinnacle

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and GLPI will undertake to re-circulate and re-solicit the joint proxy statement/prospectus (and the related approvals) if either condition is waived and the change in tax consequences is material. These opinions will be based on facts, representations, assumptions and exclusions set forth or referred to in the opinions and in representation letters provided by Pinnacle and GLPI. None of the opinions described above will be binding on the Internal Revenue Service or any court. Pinnacle and GLPI have not sought and will not seek any ruling from the Internal Revenue Service regarding any matter relating to the merger, and as a result, there can be no assurance that the Internal Revenue Service will not assert, or that a court would not sustain, a position contrary to any of the conclusions set forth below. In addition, if any of the representations, warranties, covenants or assumptions upon which those opinions are based are inconsistent with the actual facts, the U.S. federal income tax consequences of the merger could be adversely affected. Assuming that, in accordance with the opinions described above, the merger qualifies as a reorganization within the meaning of Section 368(a) of the Code, upon the exchange of Pinnacle common stock for GLPI common stock and cash in lieu of fractional shares, the U.S. federal income tax consequences will be as follows:

Upon exchanging your Pinnacle common stock for GLPI common stock, you generally will not recognize gain or loss, except with respect to cash received in lieu of fractional shares of GLPI common stock (as discussed below). The aggregate tax basis of the GLPI common stock that you receive in the merger (including any fractional shares deemed received and exchanged for cash, as discussed below) will equal your aggregate adjusted tax basis in the shares of Pinnacle common stock you surrender in the merger. Your holding period for the shares of GLPI common stock that you receive in the merger (including any fractional share deemed received and exchanged for cash, as discussed below) will include your holding period for the shares of Pinnacle common stock that you surrender in the merger. If you acquired different blocks of Pinnacle common stock at different times or at different prices, the GLPI common stock you receive will be allocated pro rata to each block of Pinnacle common stock, and the basis and holding period of each block of GLPI common stock you receive will be determined on a block-for-block basis depending on the basis and holding period of the blocks of Pinnacle common stock exchanged for such GLPI common stock.

If you receive cash in lieu of a fractional share of GLPI common stock, you will be treated as having received such fractional share of GLPI common stock pursuant to the merger and then as having sold such fractional share of GLPI common stock for cash. As a result, you generally will recognize a capital gain or loss equal to the difference between the amount of cash received for such fractional share and your basis in your fractional share of GLPI common stock as set forth above. Such capital gain or loss generally will be long-term capital gain or loss if, as of the effective date of the merger, your holding period for such fractional share (as described above) exceeds one year. Long-term capital gains of individuals are generally eligible for reduced rates of taxation. The deductibility of capital losses is subject to limitations.

***Taxation of GLPI***

It is a condition to the obligation of Pinnacle to complete the merger that Pinnacle receive an opinion of KPMG LLP to the effect that commencing with GLPI's taxable year ended December 31, 2014, GLPI has been organized and operated in conformity with the requirements for qualification as a REIT under the Code, and its proposed method of operation will enable it to continue to meet the requirements for qualification and taxation as a REIT under the Code thereafter. The opinion of KPMG LLP will be subject to customary exceptions, assumptions and qualifications, and be based on certifications made by GLPI regarding factual matters (including those contained in tax representation letters provided by GLPI) relating to the organization and operation of GLPI and its respective subsidiaries, as applicable.

GLPI elected to be treated as a REIT on its U.S. federal income tax return for its taxable year beginning on January 1, 2014 and GLPI, together with an indirectly wholly owned subsidiary of GLPI, GLP Holdings, Inc., have jointly elected to treat each of GLP Holdings, Inc., Louisiana Casino Cruises, Inc. and Penn Cecil Maryland, Inc. as a taxable

REIT subsidiary or TRS effective on the first day of the first taxable year of GLPI as a REIT. GLPI intends to continue to be organized and to operate in a manner that will permit it to qualify as a REIT. Qualification and taxation as a REIT depends on GLPI's ability to meet on a continuing basis,



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through actual operating results, distribution levels, and diversity of stock ownership, various qualification requirements imposed upon REITs by the Code. GLPI's ability to qualify to be taxed as a REIT also requires that it satisfy certain tests, some of which depend upon the fair market values of assets that it owns directly or indirectly. The material qualification requirements are summarized below. Such values may not be susceptible to a precise determination. Accordingly, no assurance can be given that the actual results of GLPI's operations for any taxable year will satisfy such requirements for qualification and taxation as a REIT. Additionally, while GLPI intends to operate so that it continues to qualify to be taxed as a REIT, no assurance can be given that the Internal Revenue Service will not challenge GLPI's qualification, or that GLPI will be able to operate in accordance with the REIT requirements in the future.

*Taxation of REITs in General*

As a REIT, generally GLPI is entitled to a deduction for dividends that it pays and therefore is not be subject to U.S. federal corporate income tax on its net REIT taxable income that is currently distributed to GLPI shareholders. This treatment substantially eliminates the double taxation at the corporate and shareholder levels that generally results from an investment in a C corporation. A C corporation is a corporation that generally is required to pay tax at the corporate level. Double taxation means taxation once at the corporate level when income is earned and once again at the shareholder level when the income is distributed. In general, the income that GLPI generates is taxed only at the shareholder level upon a distribution of dividends to its shareholders. GLPI will nonetheless be subject to U.S. federal tax in the following circumstances:

GLPI will be taxed at regular corporate rates on any undistributed net taxable income, including undistributed net capital gains;

GLPI may be subject to the alternative minimum tax on its items of tax preference, including any deductions of net operating losses;

if GLPI has net income from prohibited transactions, which are, in general, sales or other dispositions of inventory or property held primarily for sale to customers in the ordinary course of business, other than foreclosure property, such income will be subject to a 100% tax;

if GLPI elects to treat property that it acquires in connection with a foreclosure of a mortgage loan or certain leasehold terminations as foreclosure property, GLPI may thereby avoid the 100% tax on gain from a resale of that property (if the sale would otherwise constitute a prohibited transaction), but the income from the sale or operation of the property may be subject to corporate income tax at the highest applicable rate (currently 35%);

if GLPI fails to satisfy the 75% gross income test and/or the 95% gross income test, as discussed below, but nonetheless maintains its qualification as a REIT because it satisfies other requirements, it will be subject to a 100% tax on an amount based on the magnitude of the failure, as adjusted to reflect the profit margin associated with its gross income;

if GLPI violates the asset tests (other than certain de minimis violations) or other requirements applicable to REITs, as described below, and yet maintains its qualification as a REIT because there is reasonable cause for the failure and other applicable requirements are met, GLPI may be subject to a penalty tax. In that case, the amount of the penalty tax will be at least \$50,000 per failure, and, in the case of certain asset test failures, will be determined as the amount of net income generated by the nonqualifying assets in question multiplied by the highest corporate tax rate (currently 35%) if that amount exceeds \$50,000 per failure;

if GLPI fails to distribute during each calendar year at least the sum of (i) 85% of its ordinary income for such year, (ii) 95% of its capital gain net income for such year and (iii) any undistributed net taxable income from prior periods, GLPI will be subject to a nondeductible 4% excise tax on the excess of the required distribution over the sum of (a) the amounts that GLPI actually distributed and (b) the amounts GLPI retained and upon which GLPI paid income tax at the corporate level;

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GLPI may be required to pay monetary penalties to the Internal Revenue Service in certain circumstances, including if GLPI fails to meet record-keeping requirements intended to monitor its compliance with rules relating to the composition of a REIT's shareholders;

a 100% tax may be imposed on transactions between GLPI and a TRS that do not reflect arm's-length terms;

if GLPI acquires appreciated assets from a corporation that is not a REIT (i.e., a corporation taxable under subchapter C of the Code) in a transaction in which the adjusted tax basis of the assets in its hands is determined by reference to the adjusted tax basis of the assets in the hands of the subchapter C corporation, GLPI may be subject to tax on such appreciation at the highest corporate income tax rate then applicable if GLPI subsequently recognizes gain on a disposition of any such assets during the ten-year period following their acquisition from the subchapter C corporation; or

the earnings of its TRSs will generally be subject to U.S. federal corporate income tax.

In addition, GLPI and its subsidiaries may be subject to a variety of taxes, including payroll taxes and state, local, and foreign income, property, gross receipts and other taxes on its assets and operations. GLPI could also be subject to tax in situations and on transactions not presently contemplated.

*Requirements for Qualification General*

The Code defines a REIT as a corporation, trust or association:

1. that is managed by one or more trustees or directors;
2. the beneficial ownership of which is evidenced by transferable shares, or by transferable certificates of beneficial interest;
3. that would be taxable as a domestic corporation but for its election to be subject to tax as a REIT;
4. that is neither a financial institution nor an insurance company subject to specific provisions of the Code;
5. the beneficial ownership of which is held by 100 or more persons;
6. in which, during the last half of each taxable year, not more than 50% in value of the outstanding stock is owned, directly or indirectly, by five or fewer individuals (as defined in the Code to include specified tax-exempt entities); and

7. that meets other tests described below, including with respect to the nature of its income and assets. The Code provides that conditions (1) through (4) must be met during the entire taxable year, and that condition (5) must be met during at least 335 days of a taxable year of 12 months, or during a proportionate part of a shorter taxable year. Conditions (5) and (6) need not be met during a corporation's initial tax year as a REIT (which, in its case, was 2014). GLPI's charter provides restrictions regarding the ownership and transfers of its stock, which are intended to assist GLPI in satisfying the stock ownership requirements described in conditions (5) and (6) above. These restrictions, however, may not ensure that GLPI will, in all cases, be able to satisfy the share ownership requirements described in conditions (5) and (6) above. If GLPI fails to satisfy these share ownership requirements, except as provided in the next sentence, its status as a REIT will terminate. If, however, GLPI complies with the rules contained in applicable U.S. Department of the Treasury (the Treasury) regulations that require GLPI to ascertain the actual ownership of its shares and GLPI does not know, or would not have known through the exercise of reasonable diligence, that it failed to meet the requirements described in condition (6) above, GLPI will be treated as having met this requirement.

To monitor compliance with the stock ownership requirements, GLPI generally is required to maintain records regarding the actual ownership of its stock. To do so, GLPI must demand written statements each year from the record holders of significant percentages of its stock pursuant to which the record holders must disclose the actual owners of the stock (*i.e.*, the persons required to include its dividends in their gross income). GLPI must

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maintain a list of those persons failing or refusing to comply with this demand as part of its records. GLPI could be subject to monetary penalties if it fails to comply with these record-keeping requirements. If, upon request by GLPI, a shareholder fails or refuses to comply with the demands, such holder will be required by Treasury regulations to submit a statement with his, her or its tax return disclosing the actual ownership of its stock and other information.

*Qualified REIT Subsidiaries*

The Code provides that a corporation that is a qualified REIT subsidiary shall not be treated as a separate corporation, and all assets, liabilities and items of income, deduction and credit of a qualified REIT subsidiary shall be treated as assets, liabilities and items of income, deduction and credit of the REIT. A qualified REIT subsidiary is a corporation, all of the capital stock of which is owned by the REIT, that has not elected to be a TRS (discussed below). In applying the requirements described herein, all of its qualified REIT subsidiaries will be ignored, and all assets, liabilities and items of income, deduction and credit of such subsidiaries will be treated as its assets, liabilities and items of income, deduction and credit. These subsidiaries, therefore, will not be subject to federal corporate income taxation, although they may be subject to state and local taxation.

*Taxable REIT Subsidiaries*

In general, GLPI may jointly elect with a subsidiary corporation, whether or not wholly owned, to treat such subsidiary corporation as a TRS. GLPI generally may not own more than 10% of the securities of a taxable corporation, as measured by voting power or value, unless GLPI and such corporation elect to treat such corporation as a TRS. The separate existence of a TRS is not ignored for U.S. federal income tax purposes. Accordingly, a TRS generally is subject to corporate income tax on its earnings, which may reduce the cash flow that GLPI and its subsidiaries generate in the aggregate and may reduce its ability to make distributions to its shareholders.

GLPI is not treated as holding the assets of a TRS or as receiving any income that the subsidiary earns. Rather, the stock issued by the TRS to GLPI is an asset in its hands, and GLPI treats the dividends paid to it, if any, as income. This treatment can affect GLPI's income and asset test calculations, as described below. Because GLPI does not include the assets and income of TRSs on a look-through basis in determining its compliance with the REIT requirements, GLPI may use such entities to undertake indirectly activities that the REIT rules might otherwise preclude GLPI from doing directly or through pass-through subsidiaries. For example, GLPI may use TRSs to perform services or conduct activities that give rise to certain categories of income or to conduct activities that, if conducted by GLPI directly, would be treated in its hands as prohibited transactions.

The TRS rules limit the deductibility of interest paid or accrued by a TRS to its parent REIT to assure that the TRS is subject to an appropriate level of corporate taxation. Further, the rules impose a 100% excise tax on transactions between a TRS and its parent REIT or the REIT's tenants that are not conducted on an arm's-length basis. GLPI intends that all of its transactions with its TRSs, if any, will be conducted on an arm's-length basis.

*Income Tests*

As a REIT, GLPI must satisfy two gross income requirements on an annual basis. First, at least 75% of its gross income for each taxable year, excluding gross income from sales of inventory or dealer property in prohibited transactions, discharge of indebtedness and certain hedging transactions, generally must be derived from rents from real property, gains from the sale of real estate assets, interest income derived from mortgage loans secured by real property (including certain types of mortgage-backed securities), dividends received from other REITs, and specified income from temporary investments. Second, at least 95% of its gross income in each taxable year, excluding gross income from prohibited transactions, discharge of indebtedness and certain hedging transactions, must be derived

from some combination of income that qualifies under the 75% gross income test described above, as well as other dividends, interest, and gain from the sale or disposition of stock or securities,

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which need not have any relation to real property. Income and gain from certain hedging transactions will be excluded from both the numerator and the denominator for purposes of both the 75% and 95% gross income tests.

Rents received by a REIT will qualify as rents from real property in satisfying the gross income requirements described above only if several conditions are met.

The amount of rent must not be based in whole or in part on the income or profits of any person. However, an amount received or accrued generally will not be excluded from the term rents from real property solely by reason of being based on a fixed percentage or percentages of gross receipts or sales.

Rents received from a tenant will not qualify as rents from real property in satisfying the gross income tests if the REIT, or a direct or indirect owner of 10% or more of the REIT, directly or constructively, owns 10% or more of such tenant (a Related Party Tenant). However, rental payments from a TRS will qualify as rents from real property even if GLPI owns more than 10% of the total value or combined voting power of the TRS if at least 90% of the property is leased to unrelated tenants and the rent paid by the TRS is substantially comparable to the rent paid by the unrelated tenants for comparable space.

Rent attributable to personal property leased in connection with a lease of real property will not qualify as rents from real property if such rent exceeds 15% of the total rent received under the lease.

The REIT generally must not operate or manage the property or furnish or render services to tenants, except through an independent contractor who is adequately compensated and from whom the REIT derives no income, or through a TRS. The independent contractor requirement, however, does not apply to the extent the services provided by the REIT are usually or customarily rendered in connection with the rental of space for occupancy only, and are not otherwise considered rendered to the occupant. In addition, a de minimis rule applies with respect to non-customary services. Specifically, if the value of the non-customary service income with respect to a property (valued at no less than 150% of the direct costs of performing such services) is 1% or less of the total income derived from the property, then all rental income except the non-customary service income will qualify as rents from real property. A TRS may provide services (including noncustomary services) to a REIT's tenants without tainting any of the rental income received by the REIT, and will be able to manage or operate properties for third parties and generally engage in other activities unrelated to real estate.

GLPI does not anticipate receiving rent that is based in whole or in part on the income or profits of any person (except by reason of being based on a fixed percentage or percentages of gross receipts or sales consistent with the rules described above). GLPI also does not anticipate receiving more than a de minimis amount of rents from any Related Party Tenant or rents attributable to personal property leased in connection with real property that will exceed 15% of the total rents received with respect to such real property. GLPI may receive certain types of income that will not qualify under the 75% or 95% gross income tests. In particular, dividends received from a TRS will not qualify under the 75% test. GLPI believes, however, that the aggregate amount of such items and other non-qualifying income in any taxable year will not cause GLPI to exceed the limits on non-qualifying income under either the 75% or 95% gross income tests.

GLPI may directly or indirectly receive distributions from TRSs or other corporations that are not REITs or qualified REIT subsidiaries. These distributions generally are treated as dividend income to the extent of the earnings and profits of the distributing corporation. Such distributions will generally constitute qualifying income for purposes of the 95% gross income test, but not for purposes of the 75% gross income test. Any dividends that GLPI receives from another REIT or qualified REIT subsidiary, however, will be qualifying income for purposes of both the 95% and 75% gross income tests.

GLPI believes that it has and will continue to be in compliance with these gross income tests. If GLPI fails to satisfy one or both of the 75% or 95% gross income tests for any taxable year, GLPI may still qualify to



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be taxed as a REIT for such year if GLPI is entitled to relief under applicable provisions of the Code. These relief provisions will be generally available if (i) its failure to meet these tests was due to reasonable cause and not due to willful neglect and (ii) following its identification of the failure to meet the 75% or 95% gross income test for any taxable year, GLPI files a schedule with the Internal Revenue Service setting forth each item of its gross income for purposes of the 75% or 95% gross income test for such taxable year in accordance with Treasury regulations, which have not yet been issued. It is not possible to state whether GLPI would be entitled to the benefit of these relief provisions in all circumstances. If these relief provisions are inapplicable to a particular set of circumstances, GLPI will not qualify to be taxed as a REIT. Even if these relief provisions apply, and GLPI retains its status as a REIT, the Code imposes a tax based upon the amount by which GLPI fails to satisfy the particular gross income test.

*Asset Tests*

At the close of each calendar quarter, GLPI must also satisfy its tests relating to the nature of its assets:

First, at least 75% of the value of its total assets must be represented by some combination of real estate assets, cash, cash items, U.S. government securities, and, under some circumstances, stock or debt instruments purchased with new capital. For this purpose, real estate assets include interests in real property and stock of other corporations that qualify as REITs, as well as some kinds of mortgage-backed securities and mortgage loans. Assets that do not qualify for purposes of the 75% asset test are subject to the additional asset tests described below.

Second, the value of any one issuer's securities that GLPI owns may not exceed 5% of the value of its total assets.

Third, GLPI may not own more than 10% of any one issuer's outstanding securities, as measured by either voting power or value. The 5% and 10% asset tests do not apply to securities of TRSs and qualified REIT subsidiaries and the 10% asset test does not apply to straight debt having specified characteristics and to certain other securities described below. Solely for purposes of the 10% asset test, the determination of its interest in the assets of a partnership or limited liability company in which GLPI owns an interest will be based on its proportionate interest in any securities issued by the partnership or limited liability company, excluding for this purpose certain securities described in the Code. The safe harbor under which certain types of securities are disregarded for purposes of the 10% value limitation includes (1) straight debt securities (including straight debt securities that provides for certain contingent payments); (2) any loan to an individual or an estate; (3) any rental agreement described in Section 467 of the Code, other than with a related person; (4) any obligation to pay rents from real property; (5) certain securities issued by a State or any political subdivision thereof, or the Commonwealth of Puerto Rico; (6) any security issued by a REIT; and (7) any other arrangement that, as determined by the Secretary of the Treasury, is excepted from the definition of a security. In addition, for purposes of applying the 10% value limitation, (a) a REIT's interest as a partner in a partnership is not considered a security; (b) any debt instrument issued by a partnership is not treated as a security if at least 75% of the partnership's gross income is from sources that would qualify for the 75% REIT gross income test, and (c) any debt instrument issued by a partnership is not treated as a security to the extent of the REIT's interest as a partner in the partnership.

Fourth, the aggregate value of all securities of TRSs that GLPI holds, together with other non-qualified assets (such as furniture and equipment or other tangible personal property, or non-real estate securities) may not, in the aggregate, exceed 25% of the value of its total assets.

However, certain relief provisions are available to allow REITs to satisfy the asset requirements or to maintain REIT qualification notwithstanding certain violations of the asset and other requirements. For example, if GLPI should fail to satisfy the asset tests at the end of a calendar quarter such a failure would not cause GLPI to lose its REIT qualification if it (i) satisfied the asset tests at the close of the preceding calendar quarter and (ii) the discrepancy between the value of its assets and the asset requirements was not wholly or partly caused by an acquisition of non-qualifying assets, but instead arose from changes in the relative market values of its assets. If

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the condition described in (ii) were not satisfied, GLPI still could avoid disqualification by eliminating any discrepancy within 30 days after the close of the calendar quarter in which it arose or by making use of the relief provisions described above.

In the case of *de minimis* violations of the 10% and 5% asset tests, a REIT may maintain its qualification despite a violation of such requirements if (i) the value of the assets causing the violation does not exceed the lesser of 1% of the REIT's total assets and \$10,000,000 and (ii) the REIT either disposes of the assets causing the failure within six months after the last day of the quarter in which it identifies the failure, or the relevant tests are otherwise satisfied within that time frame.

Even if GLPI did not qualify for the foregoing relief provisions, one additional provision allows a REIT that fails one or more of the asset requirements to nevertheless maintain its REIT qualification if (i) the REIT provides the Internal Revenue Service with a description of each asset causing the failure, (ii) the failure is due to reasonable cause and not willful neglect, (iii) the REIT pays a tax equal to the greater of (a) \$50,000 per failure and (b) the product of the net income generated by the assets that caused the failure multiplied by the highest applicable corporate tax rate (currently 35%) and (iv) the REIT either disposes of the assets causing the failure within six months after the last day of the quarter in which it identifies the failure, or otherwise satisfies the relevant asset tests within that time frame.

GLPI believes that it has been and will continue to be in compliance with the asset tests described above.

*Annual Distribution Requirements*

In order to qualify to be subject to tax as a REIT, GLPI is required to distribute dividends, other than capital gain dividends, to its shareholders in an amount at least equal to:

- (i) the sum of
  - (a) 90% of its REIT taxable income, computed without regard to its net capital gains and the deduction for dividends paid; and
  - (b) 90% of its after tax net income, if any, from foreclosure property (as described below); minus
- (ii) the excess of the sum of specified items of non-cash income over 5% of its REIT taxable income, computed without regard to its net capital gain and the deduction for dividends paid.

GLPI generally must make these distributions in the taxable year to which they relate, or in the following taxable year if declared before GLPI timely files its tax return for the year and if paid with or before the first regular dividend payment after such declaration. These distributions will be treated as received by its shareholders in the year in which paid. In order for distributions to be counted as satisfying the annual distribution requirements for REITs, and to provide GLPI with a REIT-level tax deduction, the distributions must not be preferential dividends. A dividend is not a preferential dividend if the distribution is (i) *pro rata* among all outstanding shares of stock within a particular class and (ii) in accordance with any preferences among different classes of stock as set forth in its organizational documents.

To the extent that GLPI distributes at least 90%, but less than 100%, of its REIT taxable income, as adjusted, GLPI will be subject to tax at ordinary corporate tax rates on the retained portion. GLPI may elect to retain, rather than distribute, some or all of its net long-term capital gains and pay tax on such gains. In this case, GLPI could elect for its shareholders to include their proportionate shares of such undistributed long-term capital gains in income, and to receive a corresponding credit for their share of the tax that GLPI paid. GLPI shareholders would then increase the adjusted basis of their stock by the difference between (i) the amounts of capital gain dividends that GLPI designated and that they include in their taxable income, minus (ii) the tax that GLPI paid on their behalf with respect to that income.

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To the extent that in the future GLPI may have available net operating losses carried forward from prior tax years, such losses may reduce the amount of distributions that GLPI must make in order to comply with the REIT distribution requirements.

If GLPI fails to distribute during each calendar year at least the sum of (i) 85% of its ordinary income for such year, (ii) 95% of its capital gain net income for such year and (iii) any undistributed net taxable income from prior periods, GLPI will be subject to a non-deductible 4% excise tax on the excess of such required distribution over the sum of (a) the amounts actually distributed, plus (b) the amounts of income GLPI retained and on which GLPI has paid corporate income tax.

GLPI expects that its REIT taxable income will be less than its cash flow because of depreciation and other non-cash charges included in computing REIT taxable income. Accordingly, GLPI anticipates that it generally will have sufficient cash or liquid assets to enable it to satisfy the distribution requirements described above. However, from time to time, GLPI may not have sufficient cash or other liquid assets to meet these distribution requirements due to timing differences between the actual receipt of income and actual payment of deductible expenses, and the inclusion of income and deduction of expenses in determining its taxable income. In addition, GLPI may decide to retain its cash, rather than distribute it, in order to repay debt, acquire assets, or for other reasons. If these timing differences occur, GLPI may borrow funds to pay dividends or pay dividends through the distribution of other property (including shares of its stock) in order to meet the distribution requirements, while preserving its cash.

If its taxable income for a particular year is subsequently determined to have been understated, GLPI may be able to rectify a resultant failure to meet the distribution requirements for a year by paying deficiency dividends to shareholders in a later year, which may be included in its deduction for dividends paid for the earlier year. In this case, GLPI may be able to avoid losing REIT qualification or being taxed on amounts distributed as deficiency dividends, subject to the 4% excise tax described above. GLPI will be required to pay interest based on the amount of any deduction taken for deficiency dividends.

For purposes of the 90% distribution requirement and excise tax described above, any distribution must be paid in the taxable year to which they relate, or in the following taxable year if such distributions are declared in October, November or December of the taxable year, are payable to shareholders of record on a specified date in any such month, and are actually paid before the end of January of the following year. Such distributions are treated as both paid by GLPI and received by its shareholders on December 31 of the year in which they are declared.

In addition, at its election, a distribution for a taxable year may be declared before GLPI timely files its tax return for the year, provided GLPI pays such distribution with or before its first regular dividend payment after such declaration, and such payment is made during the 12-month period following the close of such taxable year. Such distributions are taxable to its shareholders in the year in which paid, even though the distributions relate to its prior taxable year for purposes of the 90% distribution requirement.

In order for distributions to be counted as satisfying the annual distribution requirements for REITs, and to provide GLPI with a REIT-level tax deduction, the distributions must not be preferential dividends. A dividend is not a preferential dividend if the distribution is (i) pro rata among all outstanding shares of stock within a particular class and (ii) in accordance with any preferences among different classes of stock as set forth in its organizational documents

GLPI believes that it has satisfied the annual distribution requirements for the year of its initial REIT election, the year ended December 31, 2014. Although GLPI intends to satisfy the annual distribution requirements to continue to qualify as a REIT for the year ending December 31, 2015 and thereafter, economic, market, legal, tax or other

considerations could limit its ability to meet those requirements.

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### *Failure to Qualify*

If GLPI fails to satisfy one or more requirements for REIT qualification other than the income or asset tests, GLPI could avoid disqualification as a REIT if its failure is due to reasonable cause and not to willful neglect and GLPI pays a penalty of \$50,000 for each such failure. Relief provisions are also available for failures of the income tests and asset tests, as described above in **Income Tests** and **Asset Tests**.

If GLPI fails to qualify for taxation as a REIT in any taxable year, and the relief provisions described above do not apply, GLPI would be subject to tax, including any applicable alternative minimum tax, on its taxable income at regular corporate rates. GLPI cannot deduct distributions to shareholders in any year in which GLPI is not a REIT, nor would GLPI be required to make distributions in such a year. In this situation, to the extent of current and accumulated earnings and profits (as determined for U.S. federal income tax purposes), distributions to shareholders would be taxable as regular corporate dividends. Such dividends paid to U.S. holders that are individuals, trusts and estates may be taxable at the preferential income tax rates (*i.e.*, the 20% maximum U.S. federal rate) for qualified dividends. In addition, subject to the limitations of the Code, corporate distributes may be eligible for the dividends received deduction. Unless GLPI is entitled to relief under specific statutory provisions, GLPI would also be disqualified from re-electing to be taxed as a REIT for the four taxable years following the year during which GLPI lost its qualification. It is not possible to state whether, in all circumstances, GLPI would be entitled to this statutory relief.

### *Taxation of GLPI Shareholders*

The following is a summary of certain U.S. federal income tax consequences of the ownership and disposition of GLPI stock applicable to U.S. holders

#### *Distributions*

So long as GLPI continues to qualify to be taxed as a REIT, the distributions that GLPI makes to its taxable U.S. holders out of current or accumulated earnings and profits (as determined for U.S. federal income tax purposes) that GLPI does not designate as capital gain dividends will generally be taken into account by such shareholders as ordinary income and will not be eligible for the dividends received deduction for corporations. With limited exceptions, its dividends are not eligible for taxation at the preferential income tax rates (*i.e.*, the 20% maximum U.S. federal income tax rate) for qualified dividends received by most U.S. holders that are individuals, trusts and estates from taxable C corporations. Such shareholders, however, are taxed at the preferential rates on dividends designated by and received from REITs to the extent that the dividends are attributable to:

income retained by the REIT in the prior taxable year on which the REIT was subject to corporate level income tax (less the amount of tax);

dividends received by the REIT from TRSs or other taxable C corporations; or

income in the prior taxable year from the sales of built-in gain property acquired by the REIT from C corporations in carryover basis transactions (less the amount of corporate tax on such income).

Distributions that GLPI designates as capital gain dividends will generally be taxed to its U.S. holders as long-term capital gains, to the extent that such distributions do not exceed its actual net capital gain for the taxable year, without regard to the period for which the shareholder that receives such distribution has held its stock. GLPI may elect to retain and pay taxes on some or all of its net long-term capital gains, in which case GLPI may elect to apply provisions of the Code that treat its U.S. holders as having received, solely for tax purposes, its undistributed capital gains, and the shareholders as receiving a corresponding credit for taxes that GLPI paid on such undistributed capital gains. See Taxation of GLPI Annual Distribution Requirements. Corporate shareholders may be required to treat up to 20% of some capital gain dividends as ordinary income. Long-term capital gains are generally taxable at maximum U.S. federal rates of 20% in the case of U.S. holders that are individuals, trusts and estates, and 35% in the case of U.S. holders that are corporations. Capital gains attributable to the sale of depreciable real property held for more than 12 months are subject to a 25% maximum



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U.S. federal income tax rate for taxpayers who are taxed as individuals, to the extent of previously claimed depreciation deductions.

Distributions in excess of GLPI's current and accumulated earnings and profits (as determined for U.S. federal income tax purposes) will generally represent a return of capital and will not be taxable to a shareholder to the extent that the amount of such distributions does not exceed the adjusted basis of the shareholder's shares in respect of which the distributions were made. Rather, the distribution will reduce the adjusted basis of the shareholder's shares. To the extent that such distributions exceed the adjusted basis of a shareholder's shares, the shareholder generally must include such distributions in income as long-term capital gain if the shares have been held for more than one year, or short-term capital gain if the shares have been held for one year or less. In addition, any dividend that GLPI declares in October, November or December of any year and that is payable to a shareholder of record on a specified date in any such month will be treated as both paid by GLPI and received by the shareholder on December 31 of such year, provided that GLPI actually pays the dividend before the end of January of the following calendar year.

To the extent that GLPI has available net operating losses and capital losses carried forward from prior tax years, such losses may reduce the amount of distributions that GLPI must make in order to comply with the REIT distribution requirements. See *Taxation of GLPI Annual Distribution Requirements*. Such losses, however, are not passed through to shareholders and do not offset income of shareholders from other sources, nor would such losses affect the character of any distributions that GLPI makes, which are generally subject to tax in the hands of shareholders to the extent that GLPI has current or accumulated earnings and profits (as determined for U.S. federal income tax purposes).

### *Dispositions of GLPI Stock*

If a U.S. holder sells or disposes of shares of its stock, it will generally recognize a gain or loss for U.S. federal income tax purposes in an amount equal to the difference between the amount of cash and the fair market value of any property received on the sale or other disposition and the shareholder's adjusted tax basis in the shares of stock. In general, capital gains recognized by individuals, trusts and estates upon the sale or disposition of its stock will be subject to a maximum U.S. federal income tax rate of 20% if the stock is held for more than one year, and will be taxed at ordinary income rates (of up to 39.6%) if the stock is held for one year or less. Gains recognized by shareholders that are corporations are subject to U.S. federal income tax at a maximum rate of 35%, whether or not such gains are classified as long-term capital gains. Capital losses recognized by a shareholder upon the disposition of its stock that was held for more than one year at the time of disposition will be considered long-term capital losses, and are generally available only to offset capital gain income of the shareholder but not ordinary income (except in the case of individuals, who may also offset up to \$3,000 of ordinary income each year). In addition, any loss upon a sale or exchange of shares of its stock by a shareholder who has held the shares for six months or less, after applying holding period rules, will be treated as a long-term capital loss to the extent of actual or deemed distributions that GLPI makes that are required to be treated by the shareholder as long-term capital gain.

### *Taxation of Non-U.S. Shareholders*

The following is a summary of certain U.S. federal income and estate tax consequences of the ownership and disposition of GLPI stock applicable to non-U.S. holders. A non-U.S. holder is any holder of GLPI common stock other than a partnership or U.S. holder.

### *Ordinary Dividends*

The portion of dividends received by non-U.S. holders that (i) is payable out of GLPI's earnings and profits, (ii) is not attributable to capital gains that GLPI recognizes and (iii) is not effectively connected with a U.S. trade or business of the non-U.S. holder, will be subject to U.S. withholding tax at the rate of 30%, unless reduced or eliminated by treaty.

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In general, non-U.S. holders will not be considered to be engaged in a U.S. trade or business solely as a result of their ownership of its stock. In cases where the dividend income from a non-U.S. holder's investment in its stock is, or is treated as, effectively connected with the non-U.S. holder's conduct of a U.S. trade or business, the non-U.S. holder generally will be subject to U.S. federal income tax at graduated rates, in the same manner as U.S. holders are taxed with respect to such dividends. Such effectively connected income must generally be reported on a U.S. income tax return filed by or on behalf of the non-U.S. holder. The income may also be subject to a branch profits tax at the rate of 30% (unless reduced or eliminated by treaty) in the case of a non-U.S. holder that is a corporation.

*Non-Dividend Distributions*

Unless its stock constitutes a U.S. real property interest ( *USRPI* ), distributions that GLPI makes which are not dividends out of its earnings and profits will not be subject to U.S. income tax. If GLPI cannot determine at the time a distribution is made whether or not the distribution will exceed current and accumulated earnings and profits, the distribution will be subject to withholding at the rate applicable to dividends. The non-U.S. holder may seek a refund from the Internal Revenue Service of any amounts withheld if it is subsequently determined that the distribution was, in fact, in excess of its current and accumulated earnings and profits. If its stock constitutes a *USRPI*, as described below, distributions that GLPI makes in excess of the sum of (i) the shareholder's proportionate share of its earnings and profits, plus (ii) the shareholder's basis in its stock, will be taxed under the Foreign Investment in Real Property Tax Act of 1980 ( *FIRPTA* ), at the rate of tax, including any applicable capital gains rates, that would apply to a U.S. holder of the same type (*e.g.*, an individual or a corporation, as the case may be), and the collection of the tax will be enforced by a withholding at a rate of 10% of the amount by which the distribution exceeds the shareholder's share of its earnings and profits.

*Capital Gain Dividends*

Under *FIRPTA*, a distribution that GLPI makes to a non-U.S. holder, to the extent attributable to gains from dispositions of *USRPIs* that GLPI held directly or through pass-through subsidiaries, or *USPRI* capital gains, will, except as described below, be considered effectively connected with a U.S. trade or business of the non-U.S. holder and will be subject to U.S. income tax at the rates applicable to U.S. individuals or corporations, without regard to whether GLPI designates the distribution as a capital gain dividend. See above under *Ordinary Dividends*, for a discussion of the consequences of income that is effectively connected with a U.S. trade or business. In addition, GLPI will be required to withhold tax equal to 35% of the maximum amount that could have been designated as *USRPI* capital gain dividends. Distributions subject to *FIRPTA* may also be subject to a branch profits tax at the rate of 30% (unless reduced or eliminated by treaty) in the hands of a non-U.S. holder that is a corporation. A distribution is not attributable to *USRPI* capital gain if GLPI held an interest in the underlying asset solely as a creditor. Capital gain dividends received by a non-U.S. holder that are attributable to dispositions of its assets other than *USRPIs* are not subject to U.S. federal income or withholding tax, unless (i) the gain is effectively connected with the non-U.S. holder's U.S. trade or business, in which case the non-U.S. holder would be subject to the same treatment as U.S. holders with respect to such gain, except that a non-U.S. holder that is a corporation may also be subject to a branch profits tax at the rate of 30% (unless reduced or eliminated by treaty), or (ii) the non-U.S. holder is a nonresident alien individual who was present in the United States for 183 days or more during the taxable year and has a tax home in the United States, in which case the non-U.S. holder will incur a 30% tax on his capital gains. GLPI expects that a significant portion of its assets are *USRPIs*.

A capital gain dividend that would otherwise have been treated as a *USRPI* capital gain will not be so treated or be subject to *FIRPTA*, and generally will not be treated as income that is effectively connected with a U.S. trade or business, and instead will be treated in the same manner as an ordinary dividend (see *Ordinary Dividends* ), if (i) the capital gain dividend is received with respect to a class of stock that is regularly traded on an established securities

market located in the United States and (ii) the recipient non-U.S. holder does not own more than 5% of that class of stock at any time during the year ending on the date on which the capital gain dividend is received. GLPI anticipates that its common stock is regularly traded on an established securities exchange.

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### *Dispositions of GLPI Stock*

Unless GLPI's stock constitutes a USRPI, a sale of GLPI stock by a non-U.S. holder generally will not be subject to U.S. taxation under FIRPTA. Subject to certain exceptions discussed below, GLPI's stock will be treated as a USRPI if 50% or more of its assets throughout a prescribed testing period consist of interests in real property located within the United States, excluding, for this purpose, interests in real property solely in a capacity as a creditor. GLPI believes that 50% or more of its assets will consist of USRPIs.

Even if the foregoing 50% test is met, however, its stock will not constitute a USRPI if GLPI is a domestically controlled qualified investment entity. A domestically controlled qualified investment entity includes a REIT, less than 50% of value of which is held, directly or indirectly, by non-U.S. holders at all times during a specified testing period. As described above, its charter contains restrictions designed to protect its status as a domestically controlled qualified investment entity, and GLPI believes that is and will remain a domestically controlled qualified investment entity, and that a sale of its stock should not be subject to taxation under FIRPTA. However, no assurance can be given that GLPI is or will remain a domestically controlled qualified investment entity.

In the event that GLPI is not a domestically controlled qualified investment entity, but its stock is regularly traded, as defined by applicable Treasury regulations, on an established securities market, a non-U.S. holder's sale of its common stock nonetheless also would not be subject to tax under FIRPTA as a sale of a USRPI, provided that the selling non-U.S. holder held 5% or less of its outstanding common stock at any time during a prescribed testing period. GLPI believes that its common stock is regularly traded on an established securities market.

If gain on the sale of GLPI stock were subject to taxation under FIRPTA, the non-U.S. holder would be required to file a U.S. federal income tax return and would be subject to the same treatment as a U.S. holder with respect to such gain, subject to applicable alternative minimum tax and a special alternative minimum tax in the case of non-resident alien individuals. Moreover, in order to enforce the collection of the tax, the purchaser of the stock could be required to withhold 10% of the purchase price and remit such amount to the Internal Revenue Service.

Gain from the sale of GLPI stock that would not otherwise be subject to FIRPTA will nonetheless be taxable in the United States to a non-U.S. holder in two cases: (i) if the non-U.S. holder's investment in GLPI stock is effectively connected with a U.S. trade or business conducted by such non-U.S. holder, the non-U.S. holder will be subject to the same treatment as a U.S. holder with respect to such gain, except that a non-U.S. holder that is a corporation may also be subject to a branch profits tax at a rate of 30% (unless reduced or eliminated by treaty), or (ii) if the non-U.S. holder is a nonresident alien individual who was present in the United States for 183 days or more during the taxable year and has a tax home in the United States, the nonresident alien individual will be subject to a 30% tax on the individual's capital gain. In addition, even if GLPI is a domestically controlled qualified investment entity, upon disposition of GLPI stock (subject to the 5% exception applicable to regularly traded stock described above), a non-U.S. holder may be treated as having gain from the sale or exchange of a USRPI if the non-U.S. holder (a) disposes of its common stock within a 30-day period preceding the ex-dividend date of a distribution, any portion of which, but for the disposition, would have been treated as gain from the sale or exchange of a USRPI and (b) acquires, or enters into a contract or option to acquire, other shares of its common stock within 30 days after such ex-dividend date.

**Non-U.S. holders are urged to consult their tax advisors regarding the U.S. federal, state, local and foreign income and other tax consequences of owning its stock.**

### *Taxation of Tax-Exempt Shareholders*

Tax-exempt entities, including qualified employee pension and profit sharing trusts and individual retirement accounts, generally are exempt from U.S. federal income taxation. However, they may be subject to taxation on their unrelated business taxable income ( UBTI ). While some investments in real estate may generate UBTI, the

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Internal Revenue Service has ruled that dividend distributions from a REIT to a tax-exempt entity do not constitute UBTI. Based on that ruling, and provided that (i) a tax-exempt shareholder has not held its stock as debt financed property within the meaning of the Code (*i.e.*, where the acquisition or holding of the property is financed through a borrowing by the tax-exempt shareholder) and (ii) its stock is not otherwise used in an unrelated trade or business, distributions that GLPI makes and income from the sale of its stock generally should not give rise to UBTI to a tax-exempt shareholder.

Tax-exempt shareholders that are social clubs, voluntary employee benefit associations, supplemental unemployment benefit trusts, and qualified group legal services plans exempt from U.S. federal income taxation under sections 501(c)(7), (c)(9), (c)(17) and (c)(20) of the Code are subject to different UBTI rules, which generally require such shareholders to characterize distributions that GLPI makes as UBTI.

In certain circumstances, a pension trust that owns more than 10% of its stock could be required to treat a percentage of any dividends received from us as UBTI if GLPI is a pension-held REIT. GLPI will not be a pension-held REIT unless (i) GLPI is required to look through one or more of its pension trust shareholders in order to satisfy the REIT closely-held test and (ii) either (a) one pension trust owns more than 25% of the value of its stock or (b) one or more pension trusts, each individually holding more than 10% of the value of its stock, collectively own more than 50% of the value of its stock. Certain restrictions on ownership and transfer of GLPI stock generally should prevent a tax-exempt entity from owning more than 10% of the value of its stock and generally should prevent GLPI from becoming a pension-held REIT.

**Tax-exempt shareholders are urged to consult their tax advisors regarding the U.S. federal, state, local and foreign income and other tax consequences of owning GLPI stock.**

## ***Other Tax Considerations***

### *Legislative or Other Actions Affecting REITs*

The present U.S. federal income tax treatment of REITs may be modified, possibly with retroactive effect, by legislative, judicial or administrative action at any time. The REIT rules are constantly under review by persons involved in the legislative process and by the Internal Revenue Service and the Treasury which may result in statutory changes as well as revisions to regulations and interpretations. Changes to the U.S. federal tax laws and interpretations thereof could adversely affect an investment in its common stock.

### *Foreign Account Tax Compliance Act*

Withholding at a rate of 30% generally will be required on dividends in respect of, and, after December 31, 2016, gross proceeds from the sale or other disposition of, GLPI common stock held by or through certain foreign financial institutions (including investment funds), unless such institution (i) enters into, and complies with, an agreement with the Internal Revenue Service to report, on an annual basis, information with respect to interests in, and accounts maintained by, the institution that are owned by U.S. persons, or (ii) if required under an intergovernmental agreement between the U.S. and an applicable foreign country, reports such information to its local tax authority, which will exchange such information with the U.S. authorities. An intergovernmental agreement between the United States and an applicable foreign country, or other guidance, may modify these requirements. Accordingly, the entity through which GLPI common stock is held will affect the determination of whether such withholding is required. Similarly, dividends in respect of, and, after December 31, 2016, gross proceeds from the sale or other disposition of, our common stock held by an investor that is a non-financial non-U.S. entity that does not qualify under certain exemptions generally will be subject to withholding at a rate of 30%, unless such entity either (i) certifies that such

entity does not have any substantial United States owners or (ii) provides certain information regarding the entity's substantial United States owners, which GLPI will in turn provide to the Internal Revenue Service. Prospective investors should consult their tax advisors regarding the possible implications of these rules on their investment in GLPI common stock.



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### *State, Local and Foreign Taxes*

GLPI and its subsidiaries and shareholders may be subject to state, local or foreign taxation in various jurisdictions including those in which GLPI or they transact business, own property or reside. GLPI's state, local or foreign tax treatment and that of its shareholders may not conform to the U.S. federal income tax treatment discussed above. Any foreign taxes that GLPI incurs do not pass through to shareholders as a credit against their U.S. federal income tax liability. Prospective investors should consult their tax advisors regarding the application and effect of state, local and foreign income and other tax laws on an investment in its stock.

**This discussion of U.S. federal income tax considerations is not intended to be, and should not be construed as, tax advice. Holders of Pinnacle common stock are urged to consult their independent tax advisors with respect to the application of U.S. federal income tax laws to their particular situations as well as any tax consequences arising under the U.S. federal estate or gift tax rules, or under the laws of any state, local, foreign or other taxing jurisdiction or under any applicable tax treaty.**

### **Accounting Treatment of the Merger**

GLPI prepares its financial statements in accordance with GAAP. The merger will be accounted for by applying the acquisition method of accounting using the accounting guidance for asset acquisitions in ASC 805. When a transaction is deemed an asset acquisition, ASC 805 requires an allocation of the purchase price, including the transaction costs associated with the acquisition of assets, to the fair value of the assets acquired. Based on the guidance of ASC 805, GLPI will be the acquirer of Pinnacle for accounting purposes and will allocate the purchase price, including incurred transaction costs, to the fair value of the acquired Pinnacle real estate assets at the acquisition date.

### **Regulatory Approvals**

#### *General*

Pinnacle and GLPI have each agreed to use their respective reasonable best efforts to take all actions and to do all things necessary, proper or advisable to obtain all regulatory approvals required to complete the merger and the other transactions contemplated by the merger agreement. The following is a summary of the material regulatory approvals required for completion of the merger and such transactions.

There can be no assurances that all of the regulatory approvals will be obtained and, if obtained, there can be no assurances as to the timing of any approvals, GLPI's and Pinnacle's ability to obtain the approvals on satisfactory terms or the absence of any litigation challenging such approvals. See the section titled Risk Factors. The parties' respective obligations to complete the merger are conditioned upon (1) the absence of any outstanding injunction by any court or other tribunal of competent jurisdiction having been entered and continuing to be in effect and the absence of any law having been adopted or being in effect, in each case, that prohibits the consummation of the merger or any of the transactions contemplated thereby and (2) satisfaction of the regulatory approval condition.

#### *Federal Trade Commission*

On December 4, 2013, Pinnacle entered into an Agreement Containing Consent Orders (as amended or supplemented and including all related agreements thereto, the Consent Agreement), dated December 4, 2013, with the FTC relating to Pinnacle's acquisition of Ameristar Casinos, Inc. Under the Consent Agreement, Pinnacle must provide the FTC with written notice of the merger 30 days before closing. On July 30, 2015, the notice was submitted to the FTC.

Because GLPI is a REIT, no filing with the FTC under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 is required in connection with the merger. On August 10, 2015, the FTC sent a letter to GLPI and Pinnacle requesting that the parties provide on a voluntary basis certain documents and information. On October 29, 2015, the FTC informed GLPI and Pinnacle that it had decided to close its investigation with respect to the merger.

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### ***State Gaming Approvals***

Pinnacle and GLPI must obtain approvals from jurisdictions in which each operates gaming facilities. Pursuant to the merger agreement, Pinnacle and GLPI will use their respective reasonable best efforts to take all actions and to do all things necessary, proper or advisable to obtain approvals for the transaction from gaming regulatory authorities in the following jurisdictions: (i) Colorado; (ii) Indiana; (iii) Iowa; (iv) Louisiana; (v) Mississippi; (vi) Missouri and (vii) Nevada. The parties have received the approval of the Mississippi Gaming Commission with respect to the transactions contemplated by the merger agreement, including the merger and the spin-off; applications with each of the other jurisdictions remain pending as of the date of this joint proxy statement/prospectus.

### ***Securities and Exchange Commission***

In connection with the share issuance proposal, GLPI must file a registration statement with the SEC under the Exchange Act that is declared effective by the SEC. Separately, pursuant to the Exchange Act, Pinnacle must file a registration statement for the shares of OpCo common stock to be issued to Pinnacle shareholders in connection with the spin-off that is declared effective by the SEC.

### **Exchange of Shares**

As promptly as reasonably practicable after the effective time of the merger (but no later than the tenth business day after the closing date), the exchange agent will mail to each holder of record of Pinnacle common stock (whose shares were converted into the right to receive the merger consideration pursuant to the merger agreement) a letter of transmittal and instructions for use in effecting the surrender certificates of Pinnacle common stock ( Pinnacle stock certificates ) and book-entry shares representing the shares of Pinnacle common stock ( Pinnacle book-entry shares ) in exchange for the merger consideration. Upon receipt of (i) either Pinnacle stock certificates or Pinnacle book-entry shares and (ii) a signed letter of transmittal and such other documents as may be required pursuant to such instructions, the holder of such shares will be entitled to receive the merger consideration in exchange therefor within two business days following the later of (x) the effective time of the merger and (y) the exchange agent's receipt of such certificate. The amount of any merger consideration paid to the shareholders may be reduced by any applicable tax laws.

### **Treatment of Pinnacle Long-Term Incentive Compensation**

#### ***Treatment of Pinnacle Stock Options Granted On or Prior to July 16, 2015***

At the time of distribution, each Pinnacle stock option, whether vested or unvested, that was granted on or prior to July 16, 2015 and that is outstanding immediately prior to the time of distribution will be converted into two separate stock option awards, Adjusted Pinnacle Option and an OpCo Option.

The number of shares of Pinnacle common stock subject to each Adjusted Pinnacle Option will be equal to the number of shares of Pinnacle common stock underlying the Pinnacle stock option immediately prior to the time of distribution. The per share exercise price of each Adjusted Pinnacle Option will be equal to the product (rounded up to the nearest whole cent) of (i) the per share exercise price of the Pinnacle stock option prior to the time of distribution multiplied by (ii) a fraction, the numerator of which will be Opening Pinnacle Stock Price, and the denominator of which will be the Closing Pinnacle Stock Price.

The number of shares of OpCo common stock subject to each OpCo Option will be equal to the number of shares of Pinnacle common stock subject to the Pinnacle stock option immediately prior to the time of distribution multiplied by

the distribution ratio and rounded down to the nearest whole share. The per share exercise price of each OpCo Option will be equal to the product (rounded up to the nearest whole cent) of (i) the per share exercise price of the Pinnacle stock option immediately prior to the time of distribution multiplied by (ii) a fraction, the numerator of which will be the Opening OpCo Stock Price and the denominator of which will be the Closing Pinnacle Stock Price.

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Upon completion of the merger, each Adjusted Pinnacle Option, whether vested or unvested, that is outstanding immediately prior to the completion of the merger will become fully vested and will be cancelled and converted into the right to receive a number of shares of GLPI common stock (rounded down to the nearest whole share) having an aggregate value equal to the intrinsic value of the Adjusted Pinnacle Option. Following the distribution, each OpCo Option will continue to vest based on continued service with OpCo and on the same terms and conditions as was applicable to such Pinnacle stock option immediately prior to the distribution.

### ***Treatment of Pinnacle Stock Options Granted After July 16, 2015***

At the time of distribution, each Exempt Option will be converted into an Adjusted OpCo Option on the same terms and conditions as were applicable to each such Exempt Option immediately prior to the time of distribution. The number of shares of OpCo common stock subject to each Adjusted OpCo Option will be equal to the product (rounded down to the nearest whole share) of (i) the number of shares of Pinnacle common stock subject to the Exempt Option multiplied by (ii) a fraction, the numerator of which will be the Closing Pinnacle Stock Price and the denominator of which will be the Opening OpCo Stock Price. The per share exercise price of each Adjusted OpCo Option will be equal to the product (rounded up to the nearest whole cent) of (i) the per share exercise price of the Exempt Option immediately prior to the time of distribution multiplied by (ii) a fraction, the numerator of which will be the Opening OpCo Stock Price and the denominator of which will be the Closing Pinnacle Stock Price.

### ***Treatment of Pinnacle RSUs Granted On or Prior to July 16, 2015***

At the time of distribution, the holder of each Adjusted Pinnacle RSU will receive one OpCo RSU.

Upon completion of the merger, each Adjusted Pinnacle RSU, whether vested or unvested, that is outstanding immediately prior to the completion of the merger will become fully vested (with any performance-based vesting requirements deemed to be satisfied at the target level of performance) and will be cancelled and converted into the right to receive, in respect of each share of Pinnacle common stock underlying such Adjusted Pinnacle RSU, the number of shares of GLPI common stock (rounded to the nearest whole share) equal to the exchange ratio. Following the distribution, each OpCo RSU will continue to vest based on continued service with OpCo and on the same terms and conditions as was applicable to such Pinnacle restricted stock unit award immediately prior to the distribution.

### ***Treatment of Pinnacle RSUs Granted After July 16, 2015***

At the time of distribution, each Exempt RSU will be converted into an Adjusted OpCo RSU on the same terms and conditions as were applicable to each such Exempt RSU prior to the time of distribution. The number of shares of OpCo common stock subject to each Adjusted OpCo RSU will be equal to the product (rounded to the nearest whole share) of (i) the number of shares of Pinnacle common stock subject to the Exempt RSU multiplied by (ii) a fraction, the numerator of which will be the Closing Pinnacle Stock Price and the denominator of which will be the Opening OpCo Stock Price.

### ***Treatment of Pinnacle PUAs Granted On or Prior to July 16, 2015***

At the time of distribution, each Pinnacle performance unit, whether vested or unvested, that was granted on or prior to July 16, 2015, and that is outstanding immediately prior to the time of distribution will be converted into two separate performance unit awards, an Adjusted Pinnacle PUA and an OpCo Performance Unit, based on the relative equity value of Pinnacle and OpCo.

The number of Pinnacle cash performance units subject to each Adjusted Pinnacle PUA (rounded to the nearest whole dollar) will be equal to the number of Pinnacle cash performance units outstanding immediately prior to the time of distribution multiplied by a fraction, the numerator of which will be the Opening Pinnacle Stock Price and the denominator of which will be the Closing Pinnacle Stock Price.

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The number of OpCo cash performance units subject to each OpCo Performance Unit will be equal to the number of Pinnacle cash performance units subject to the corresponding Pinnacle cash performance unit award outstanding immediately prior to the time of distribution minus the number of Pinnacle performance units subject to the corresponding Adjusted Pinnacle PUA.

Upon completion of the merger, each Adjusted Pinnacle PUA, whether vested or unvested, that is outstanding immediately prior to the completion of the merger will become fully vested (with any performance-based vesting requirements deemed to be satisfied at the target level of performance) and will be cancelled and converted into the right to receive the number of shares of GLPI common stock (rounded to the nearest whole share) equal to the aggregate dollar value of the Adjusted Pinnacle PUA divided by the value of GLPI common stock at the time of the closing. Following the distribution, each OpCo Performance Unit will continue to vest based on continued service with OpCo and on the same terms and conditions as was applicable to such Pinnacle cash performance unit award immediately prior to the distribution.

### ***Treatment of Pinnacle PUAs Granted After July 16, 2015***

At the time of distribution, each Exempt PUA will be converted into an OpCo PUA, having the same value as the corresponding Pinnacle cash performance unit, on the same terms and conditions regarding term, vesting (as may be equitably adjusted), and other provisions as were applicable to each such Exempt PUA prior to the time of distribution.

## **Dividend Policy**

In order to qualify to be taxed as a REIT, GLPI is required to annually distribute dividends, other than capital gain dividends, to its shareholders in an amount at least equal to: (1) the sum of (a) 90% of its REIT taxable income, computed without regard to its net capital gains and the deduction for dividends paid; and (b) 90% of its after tax net income, if any, from foreclosure property; minus (2) the excess of the sum of specified items of non-cash income over 5% of its REIT taxable income, computed without regard to its net capital gain and the deduction for dividends paid. GLPI generally must make these distributions in the taxable year to which they relate. At GLPI's election, a dividend distribution is treated as paid in a taxable year if it is declared before GLPI timely files its tax return for that year and if paid with or before the first regular dividend payment after such declaration as long as the payment is made during the 12-month period following the close of that year. These distributions will be treated as received by GLPI's shareholders in the year in which paid. In order for distributions to be counted as satisfying the annual distribution requirements for REITs, and to provide GLPI with a REIT-level tax deduction, the distributions must not be preferential dividends. A dividend is not a preferential dividend if the distribution is (1) pro rata among all outstanding shares of stock within a particular class and (2) in accordance with any preferences among different classes of stock as set forth in GLPI's organizational documents.

Pinnacle does not declare or pay cash dividends on its common stock. The indentures governing Pinnacle's senior subordinated notes and credit facility limit the amount of dividends that Pinnacle is permitted to pay.

For additional information on the treatment of dividends under the merger agreement, see *The Merger Agreement* Conduct of Business.

## **Agreement with Certain GLPI Shareholders**

Pinnacle entered into two separate voting agreements with each of the Carlino Group and Fortress Group, which as of the date of this joint proxy statement/prospectus collectively hold approximately 24.7 million shares of GLPI common

stock (approximately 21.3% of the outstanding shares of GLPI common stock). Pursuant to the voting agreements, each of the Carlino Group and Fortress Group has agreed, among other things, to vote all of their shares of GLPI common stock (the subject shares ) in favor of the issuance of GLPI common stock to the stockholders of Pinnacle as merger consideration pursuant to the terms of the merger agreement (subject to



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certain exceptions) and against any action that would prevent, impede, materially delay or materially impair the ability of GLPI or Merger Sub to consummate the merger. The voting agreement with the Carlino Group also restricts transfers of the subject shares held by the Carlino Group (subject to certain exceptions). Likewise, the Voting Agreement with the Fortress Group restricted transfer of the subject shares held by the Fortress Group until November 1, 2015 (subject to certain exceptions).

The Voting Agreements will terminate automatically upon the earlier of (i) termination of the merger agreement in accordance with its terms, (ii) the effective time of the merger; (iii) any adverse recommendation change (as defined below); (iv) the making of certain material changes, amendments, waivers or other modifications to the merger agreement including any such action that increases the amount or changes the form of the consideration to the stockholders of Pinnacle and (v) the end date (as defined in the merger agreement).

## **Listing of GLPI Common Stock; Delisting of Pinnacle Common Stock**

It is a condition to the consummation of the merger that the shares of GLPI common stock to be issued to Pinnacle stockholders in the merger be authorized for listing on NASDAQ, subject to official notice of issuance.

Shares of Pinnacle common stock currently trade on NASDAQ, under the stock symbol `PNK`. When the merger is completed, the Pinnacle common stock currently listed on NASDAQ will cease to be quoted on NASDAQ and will be deregistered under the Exchange Act.

## **No Appraisal/Dissenters' Rights**

Under the DGCL, as well as the governing documents of Pinnacle, the stockholders of Pinnacle are not entitled to appraisal rights or dissenters' rights in connection with the merger. Under the PBCL, as well as the governing documents of GLPI, the shareholders of GLPI are not entitled to appraisal rights or dissenters' rights in connection with the share issuance proposal.

## **Amendment to Pinnacle's Rights Plan**

On July 20, 2015, in connection with the execution of the merger agreement, Pinnacle and American Stock Transfer and Trust Company (the Rights Agent) entered into Amendment No. 1 to the Amended and Restated Rights Agreement between Pinnacle and the Rights Agent dated March 13, 2015. The amendment permits the execution of the merger agreement and the performance and consummation of the transactions contemplated by the merger agreement, including the merger, without triggering the provisions of the Amended and Restated Rights Agreement.

## **Expected Timing of the Merger**

Assuming timely satisfaction of necessary closing conditions, including the approval by our shareholders of the proposal to adopt the merger agreement, GLPI and Pinnacle anticipate that the merger will be consummated in the first calendar quarter of 2016. However, neither GLPI nor Pinnacle can predict the actual date on which the merger will be completed, nor can the parties assure that the merger will be completed, because completion is subject to conditions beyond each company's control.

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**Table of Contents****THE MERGER AGREEMENT**

*The following describes the material provisions of the merger agreement and certain exhibits thereto, which is included as Annex A to this joint proxy statement/prospectus and incorporated by reference herein. The summary of the material provisions of the merger agreement below and elsewhere in this joint proxy statement/prospectus is qualified in its entirety by reference to the merger agreement. This summary does not purport to be complete and may not contain all of the information about the merger agreement that is important to you. Pinnacle and GLPI encourage you to read carefully the merger agreement in its entirety before making any decisions regarding the transactions as it is the legal document governing the transactions, including the spin-off and the merger.*

*The merger agreement and this summary of its terms have been included to provide you with information regarding the terms of the merger agreement. GLPI and Pinnacle are responsible for considering whether additional disclosure of material information is required to make the statements in this joint proxy statement/prospectus not misleading. Factual disclosures about GLPI or Pinnacle contained in this joint proxy statement/prospectus or GLPI's or Pinnacle's public reports filed with the SEC may supplement, update or modify the factual disclosures about GLPI or Pinnacle contained in the merger agreement and described in the summary. The representations, warranties and covenants made in the merger agreement by GLPI and Pinnacle are qualified and subject to important limitations agreed to by GLPI and Pinnacle in connection with negotiating the terms of the merger agreement. In particular, in your review of the representations and warranties contained in the merger agreement and described in this summary, it is important to bear in mind that the representations and warranties were made solely for the benefit of the parties to the merger agreement, and were negotiated with the principal purpose of allocating risk between the parties to the merger agreement, rather than establishing matters as facts. The representations and warranties may also be subject to a contractual standard of materiality that may be different from that generally relevant to stockholders or applicable to reports and documents filed with the SEC, and in some cases are qualified by confidential disclosures that were made by each party to the other, which disclosures are not reflected in the merger agreement or otherwise publicly disclosed. The representations and warranties in the merger agreement will not survive the completion of the merger. Moreover, information concerning the subject matter of the representations and warranties may have changed since the date of the merger agreement and subsequent developments or new information qualifying a representation or warranty may have been included or incorporated by reference into this joint proxy statement/prospectus. For the foregoing reasons, the representations, warranties and covenants or any descriptions of those provisions should not be read alone, but instead should be read together with the information provided elsewhere in this joint proxy statement/prospectus and in the documents incorporated by reference into this joint proxy statement/prospectus. See *Where You Can Find More Information*.*

**Terms of the Merger; Merger Consideration**

The merger agreement provides that, prior to the effective time of the merger, Pinnacle will cause to be effected the separation and distribution pursuant to the terms of the separation and distribution agreement (the *separation agreement*), and, immediately thereafter, upon the terms and subject to the conditions of the merger agreement, Pinnacle will be merged with and into Merger Sub, whereupon the separate corporate existence of Pinnacle shall cease, and Merger Sub shall continue its existence under the laws of the State of Delaware as the surviving company in the merger. Each share of Pinnacle common stock issued and outstanding immediately prior to the effective time (other than shares of Pinnacle common stock (i) owned or held in treasury by Pinnacle or (ii) owned by GLPI, its subsidiaries or Merger Sub) will be cancelled and converted automatically into the right to receive 0.85 shares of GLPI common stock.

The merger agreement further provides that, prior to the closing of the merger, Pinnacle will provide for (i) the treatment of Pinnacle Options, RSUs and PUAs and (ii) the termination of each Pinnacle equity plan, as such term is

defined in the employee matters agreement, with respect to any liability related to retained deferred equity awards. See the section of this joint proxy statement/prospectus entitled "The Merger: Interests of Certain Pinnacle Persons in the Merger" for a detailed description of the treatment of Pinnacle Long-Term Incentive Awards.

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GLPI will not issue any fractional shares of GLPI common stock in connection with the merger. Instead, in lieu of any fractional shares of common stock, the exchange agent will issue a cash payment (without interest) in an amount representing the holder's proportionate interest in the net proceeds from the sale by the exchange agent on behalf of all such holders of GLPI common stock that would otherwise be issued.

## **Completion of the Merger**

Unless the parties agree otherwise, the closing of the merger will take place on the fifth business day after all the conditions to closing have been satisfied or waived (other than those conditions that by their nature are to be satisfied at the closing of the merger but subject to the satisfaction or waiver of such conditions). However, if the GLPI marketing period (as described below under **Marketing Periods**) has not ended at the time of the satisfaction or waiver of all of the conditions to closing (other than those conditions that by their nature are to be satisfied at the closing of the merger provided that such conditions are capable of being satisfied at the closing of the merger), the closing of the merger will not occur until (i) the earlier to occur of (a) a date during the GLPI marketing period specified by GLPI on no less than three business days' notice to Pinnacle or, if not specified, on the last day of such GLPI marketing period (subject to certain conditions) and (b) the end date (as described below under **Termination of the Merger Agreement**), subject to certain conditions; and (ii) that if the Pinnacle marketing period (described below under **Marketing Periods**) has not ended at the time of the satisfaction or waiver of all of the conditions to the closing (other than those conditions that by their nature are to be satisfied at the closing of the merger provided that such conditions are capable of being satisfied at the closing of the merger), the closing of the merger will not occur until the earlier to occur of (a) a date during the Pinnacle marketing period specified by Pinnacle on no less than three business days' notice to GLPI or, if not so specified, on the last day of such Pinnacle marketing period (subject to certain conditions) and (b) the end date, subject to certain conditions.

Concurrently with the closing of the merger, Pinnacle and Merger Sub will cause a certificate of merger to be filed with the Secretary of State of the State of Delaware. The merger will become effective at such time as the certificate of merger has been filed with the Delaware Secretary of State, unless the parties agree to some other, later date and time for the completion of the merger and specify that time in the certificate of merger.

GLPI and Pinnacle have targeted to complete the merger in the first quarter of 2016, subject to receipt of the required stockholder and shareholder approvals, regulatory approvals and the satisfaction or waiver of the other conditions to the merger (described below under **Conditions to Completion of the Merger**).

## **Exchange and Payment Procedures**

Prior to the effective time of the merger, GLPI will deposit or cause to be deposited with an exchange agent, evidence of GLPI common stock in book-entry form representing the number of shares of GLPI common stock sufficient to deliver the aggregate merger consideration to Pinnacle's stockholders.

As promptly as reasonably practicable after the effective time of the merger (but no later than the tenth business day after the closing date), the exchange agent will mail to each holder of record of Pinnacle common stock (whose shares were converted into the right to receive the merger consideration pursuant to the merger agreement) a letter of transmittal and instructions for use in effecting the surrender of the Pinnacle stock certificates and Pinnacle book-entry shares in exchange for the merger consideration. Upon receipt of (i) either Pinnacle stock certificates or Pinnacle book-entry shares and (ii) a signed letter of transmittal and such other documents as may be required pursuant to such instructions, the holder of such shares will be entitled to receive the merger consideration in exchange therefor within two business days following the later of (x) the effective time of the merger and (y) the exchange agent's receipt of such certificate. The amount of any merger consideration paid to Pinnacle's stockholders may be reduced by any

applicable tax laws.

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If any portion of the merger consideration deposited with the exchange agent is not claimed within twelve months following the effective time of the merger, such merger consideration will be returned to GLPI, upon demand, and any holders of Pinnacle common stock who have not complied with the exchange procedures in the merger agreement will thereafter look only to GLPI or Merger Sub (subject to applicable abandoned property, escheat or similar laws) as general creditor for payment of the merger consideration.

The letter of transmittal will include instructions if a Pinnacle stockholder has lost a share certificate or if such certificate has been stolen, mutilated or destroyed. If a Pinnacle stockholder has lost a certificate, or if such certificate has been stolen, mutilated or destroyed, then before such stockholder will be entitled to receive the merger consideration, such shareholder will have to make an affidavit of the loss, theft or destruction and may be required to post a bond in such amount as GLPI or the exchange agent may determine is reasonably necessary as indemnity against any claim that be made with respect to such lost, stolen, mutilated or destroyed certificate.

## **Representations and Warranties**

Pinnacle and GLPI have each made representations and warranties to the other. Pinnacle's representations and warranties relate to, among other topics, the following:

organization, standing and corporate power, organizational documents and ownership of subsidiaries;

capital structure;

corporate authority to enter into the merger agreement and other agreements contemplated by the merger agreement and to consummate the transactions contemplated by the merger agreement, including the merger and the spin-off;

the absence of conflicts with, or violations of, organizational documents;

consents and approvals relating to the transactions contemplated by the merger agreement;

SEC reports and financial statements;

internal controls and procedures;

absence of undisclosed liabilities and off-balance-sheet arrangements;

compliance with applicable laws and permits;

environmental laws and regulations;

employee benefit matters;

absence of certain changes or events;

litigation matters;

accuracy of information supplied or to be supplied in the registration statement and this joint proxy statement/prospectus;

anti-bribery laws and regulations;

tax matters;

owned and leased real property and other assets;

insurance policies;

receipt of an opinion from Pinnacle's financial advisor;

material contracts;

broker's fees payable in connection with the merger;

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inapplicability or absence of anti-takeover statutes, regulations, or provisions under applicable law or under organizational documents of Pinnacle;

affiliate transactions;

Pinnacle's amended rights plan;

the absence of a vote in connection with the spin-off; and

Pinnacle's financing arrangements for the merger.

GLPI's representations and warranties relate to, among other topics, the following:

organization, standing and corporate power, organizational documents and ownership of subsidiaries;

capital structure;

corporate authority to enter into the merger agreement and other agreements contemplated by the merger agreement and to consummate the transactions contemplated by the merger agreement;

consents and approvals relating to the transactions contemplated by the merger agreement;

SEC reports and financial statements;

internal controls and procedures;

absence of undisclosed liabilities and off-balance-sheet arrangements;

compliance with applicable laws and material contracts;

absence of certain changes or events;

litigation matters;



accuracy of information supplied or to be supplied in the registration statement and this joint proxy statement/prospectus;

tax matters;

broker's fees payable in connection with the merger;