

MGM Growth Properties LLC  
Form S-11/A  
April 08, 2016  
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As filed with the Securities and Exchange Commission on April 8, 2016

Registration No. 333-210322

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

**Amendment No. 3 to**  
**Form S-11**  
**FOR REGISTRATION UNDER THE SECURITIES ACT OF 1933**  
**OF SECURITIES OF CERTAIN REAL ESTATE COMPANIES**

**MGM Growth Properties LLC**  
**(Exact name of registrant as specified in governing instruments)**

**6385 S. Rainbow Blvd., Suite 500**  
**Las Vegas, Nevada 89118**  
**(702) 669-1480**

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

**John M. McManus, Esq.**

**Executive Vice President, General Counsel and Secretary**

**MGM Resorts International**

**3600 Las Vegas Boulevard South**

**Las Vegas, Nevada 89109**

**(702) 693-7120**

(Name, address, including zip code, and telephone number, including area code, of agent for service)

*With a copy to:*

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**Approximate date of commencement of proposed sale to the public:** As soon as practicable after this Registration Statement becomes effective.

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

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

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

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. "

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

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

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

**CALCULATION OF REGISTRATION FEE**

<b>Title of Each Class of Securities to be Registered</b>	<b>Amount to be Registered<sup>(1)(2)</sup></b>	<b>Proposed Maximum Offering Price Per Share</b>	<b>Proposed Maximum Aggregate Offering Price<sup>(3)</sup></b>	<b>Amount of Registration Fee</b>
Class A common shares representing limited liability company interests	57,500,000	\$21.00	\$1,207,500,000	\$121,595.25 <sup>(4)</sup>

- (1) Estimated solely for the purposes of calculating the registration fee pursuant to Rule 457(a) of the Securities Act of 1933, as amended.
- (2) Includes shares subject to the underwriters' overallotment option to purchase additional shares from us, if any.
- (3) Calculated pursuant to Rule 457(a) of the Securities Act of 1933, as amended, based on an estimate of the proposed maximum aggregate offering price.
- (4) A total of \$10,070.00 has previously been paid in connection with prior filings of this Registration Statement. A registration fee of \$111,525.25 is being transmitted herewith.

**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 Securities and Exchange Commission, acting pursuant to Section 8(a), may determine.**

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

**Subject to Completion, dated April 8, 2016**

**PROSPECTUS**

**50,000,000 Shares**

**MGM Growth Properties LLC**

**Class A Common Shares**

This is the initial public offering of MGM Growth Properties LLC ( "MGP" ). We are offering 50,000,000 Class A common shares representing limited liability company interests (the "Class A shares" ). We anticipate that the initial public offering will price between \$18.00 and \$21.00 per share. Currently, no public market exists for the Class A shares.

Following this offering, we will have two classes of authorized and outstanding voting common shares (collectively, the "shares" ): Class A shares and a single Class B common share ( "Class B share" ). Following this offering, our Class B share will be owned by MGM Resorts International ( "MGM" ). Our Class A shareholders will be entitled to one vote per share, while our Class B shareholder will be entitled to an amount of votes representing a majority of the total voting power of our shares. The Class B share holds no economic rights. If the holder of the Class B share and its controlled affiliates (excluding us and our subsidiaries) aggregate beneficial ownership of the combined economic interests in us and the Operating Partnership, as defined herein, falls below 30%, the Class B share will not be entitled to any voting rights. To the extent that the Class B share is entitled to majority voting power pursuant to our operating agreement, the Class B share may only be transferred (other than transfers to us, MGM or the holder of the Class B share's controlled affiliates) if and to the extent that such transfer is approved by Special Approval (as defined herein) by the conflicts committee, not to be unreasonably withheld. When determining whether to grant such approval, the conflicts committee must take into account the interests of our Class A shareholders and us ahead of the interests of the holder of the Class B share.

We intend to list our Class A shares under the ticker symbol "MGP" on the New York Stock Exchange (the "NYSE" ) and have filed an application for listing with the NYSE.

We are a controlled company under the corporate governance rules for NYSE listed companies, and our board of directors has determined not to have an independent nominating function and instead to have the full board of

directors be directly responsible for nominating members of our board.

We intend to elect and qualify to be taxed as a real estate investment trust ( REIT ) as defined under Section 856(a) of the Internal Revenue Code of 1986, as amended (the Code ), for U.S. federal income tax purposes. We currently expect such election to be effective commencing with our taxable year ending December 31, 2016. To assist us in qualifying to be taxed as a REIT, among other purposes, our operating agreement contains certain restrictions relating to the ownership and transfer of our shares and a provision generally restricting shareholders from owning more than 9.8% in value or in number, whichever is more restrictive, of any class of our shares (other than our Class B share) or 9.8% in value of the aggregate outstanding shares of all classes and series of our shares, including if repurchases by us cause a person's holdings to exceed such limitations. See Description of Shares of MGP Restrictions on Ownership and Transfer of our Shares for a detailed description of the ownership and transfer restrictions applicable to our shares.

We are an emerging growth company as the term is used in The Jumpstart Our Business Startups Act of 2012 (the JOBS Act ), and, as such, are allowed to provide in this prospectus more limited disclosures than an issuer that would not so qualify. See Prospectus Summary JOBS Act.

**Investing in our Class A shares involves risks. You should carefully consider the matters described under the caption Risk Factors beginning on page 28 of this prospectus.**

	Per Share	Total
Initial public offering price	\$	\$
Underwriting discounts and commissions <sup>(1)</sup>	\$	\$
Proceeds, before expenses, to us	\$	\$

(1) We refer you to Underwriting beginning on page 183 of this prospectus for additional information regarding underwriting compensation.

*The underwriters may also exercise their overallotment option to purchase an additional 7,500,000 shares from us, at the public offering price, less the underwriting discount, for 30 days after the date of this prospectus.*

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

**The underwriters expect to deliver the shares against payment in New York, New York on \_\_\_\_\_, 2016.**

*Joint Book-Running Managers*

**BofA Merrill Lynch**  
**Barclays**

**J.P. Morgan**  
**Citigroup**

*Co-Managers*

**Morgan Stanley**

**Deutsche Bank Securities**

**Evercore ISI**

**BNP PARIBAS**  
**Credit Agricole CIB**

**Fifth Third Securities**

**SMBC Nikko**

**SunTrust Robinson Humphrey**

**Union Gaming**

**Scotiabank**

**Oppenheimer & Co.**

**The date of this Prospectus is , 2016.**

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You should rely only on the information contained in this prospectus, any free writing prospectus prepared by us or information to which we have referred you. Neither we, MGM nor the underwriters have authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. Neither we, MGM nor the underwriters are making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information appearing in this prospectus is accurate only as of the date on the front cover of this prospectus or another date specified herein. Our business, financial condition and prospects may have changed since such dates.

## TRADEMARKS AND TRADE NAMES

The names of the brands under which our casino resorts operate are registered trademarks of the respective owners of those brands, and neither they nor any of their officers, directors, agents or employees:

have approved any disclosure in which they or the names of their brands appear; or  
are responsible or liable for any of the content of this document.

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**BASIS OF PRESENTATION**

In connection with this offering, MGM will engage in a series of transactions (the Formation Transactions ) prior to the effectiveness of the Registration Statement of which this prospectus forms a part, as further described under

Prospectus Summary Our Formation and Organizational Structure. Except as otherwise indicated or unless the context otherwise requires, all references in this prospectus to (i) we, our, us, ourselves, MGP, the Company, and our company refer to MGM Growth Properties LLC, a Delaware limited liability company, and unless the context requires otherwise, its consolidated subsidiaries (which will include MGM Growth Properties Operating Partnership LP (the Operating Partnership ) so long as MGP, or a subsidiary of MGP, is the general partner of the Operating Partnership) and (ii) MGM refers to MGM Resorts International, a Delaware corporation, and, unless the context requires otherwise, its consolidated subsidiaries, including MGP.

In connection with the Formation Transactions, certain subsidiaries of MGM will transfer the real estate assets that comprise the Properties (as defined herein) to newly formed property company subsidiaries that are controlled by MGM (each a Property Holdco ), with 100% of the ownership interests in the Property Holdcos subsequently directly or indirectly transferred to the Operating Partnership. Such Property Holdcos will then be contributed to a subsidiary of the Operating Partnership, and subsequently merge into a single Property Holdco, which we refer to in this prospectus as the Landlord. In light of the foregoing, such real estate assets and related operations are referred to as our predecessor (the Predecessor or Propco ), and the financial statements of the Predecessor are referred to herein as the Predecessor Financial Statements.

Unless otherwise indicated, the information contained in this prospectus is as of the date set forth on the cover of this prospectus, assumes that the underwriters' overallotment option is not exercised and assumes that the Class A shares to be sold in this offering are sold at \$19.50 per share, which is the midpoint of the price range set forth on the front cover of this prospectus.

Some of the statements in this prospectus constitute forward-looking statements. See Cautionary Note Regarding Forward-Looking Statements.

**CERTAIN OPERATIONAL AND NON-U.S. GAAP FINANCIAL MEASURES OF MGM**

In order to evaluate the business results of casino resorts, MGM monitors their net revenues and Adjusted Property EBITDA, as well as the key hotel performance indicators of occupancy rate, average daily rate ( ADR ) and revenue per available room ( REVPAR ). MGM's calculation of ADR, which is the average price of occupied rooms per day, includes the impact of complimentary rooms. Complimentary room rates are determined based on an analysis of retail or cash rates for each customer segment and each type of room product to estimate complimentary rates which are consistent with retail rates. Complimentary rates are reviewed at least annually and on an interim basis if there are significant changes in market conditions. Because the mix of rooms provided on a complimentary basis, particularly to casino customers, includes a disproportionate suite component, the composite ADR including complimentary rooms is slightly higher than the ADR for cash rooms, reflecting the higher retail value of suites. REVPAR is a summary measure of hotel results, combining ADR and occupancy rate.

MGM uses Adjusted EBITDA and Adjusted Property EBITDA as the primary profit measure for its reportable segments. Adjusted EBITDA is a measure defined as earnings before interest and other non-operating income (expense), taxes, depreciation and amortization, preopening and start-up expenses, and property transactions, net. Adjusted Property EBITDA is a measure defined as Adjusted EBITDA before corporate expense and stock compensation expense related to MGM's stock option plan, not allocated to each casino resort. Adjusted EBITDA or Adjusted Property EBITDA should not be construed as an alternative to operating income or net income, as an

indicator of MGM's performance; or as an alternative to cash flows from operating activities, as a measure of liquidity; or as any other measure determined in accordance with generally accepted accounting principles. MGM has significant uses of cash flows, including capital expenditures, interest payments, taxes and

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EBITDA or Adjusted Property EBITDA should not be construed as an alternative to operating income or net income, as an indicator of MGM's performance; or as an alternative to cash flows from operating activities, as a measure of liquidity; or as any other measure determined in accordance with generally accepted accounting principles. MGM has significant uses of cash flows, including capital expenditures, interest payments, taxes and debt principal repayments, which are not reflected in Adjusted EBITDA or Adjusted Property EBITDA. Also, other companies in the gaming and hospitality industries that report Adjusted EBITDA or Adjusted Property EBITDA information may calculate Adjusted EBITDA or Adjusted Property EBITDA in a different manner.

Please see Annex I for a reconciliation of MGM's Adjusted EBITDA and Adjusted Property EBITDA to net income (loss) and of MGM's operating income (loss) to Adjusted Property EBITDA and Adjusted EBITDA, all as reported by MGM.

**MARKET AND INDUSTRY DATA**

Although we are responsible for all of the disclosures contained in this prospectus, this prospectus contains industry, market and competitive position data and estimates that are based on industry publications and studies conducted by third parties. The industry publications and third-party studies generally state that the information that they contain has been obtained from sources believed to be reliable, although they do not guarantee the accuracy or completeness of such information. While we believe that the market position, market opportunity and market size information included in this prospectus is generally reliable, we have not independently verified such data. The industry forward-looking statements included in this prospectus may be materially different than our or the industry's actual results.

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**PROSPECTUS SUMMARY**

*This summary highlights information contained elsewhere in this prospectus, is not complete and does not contain all of the information that you should consider before making your investment decision. For a more complete understanding of our business, you should read this summary together with the more detailed information and financial statements appearing elsewhere in this prospectus. You should read this entire prospectus carefully, including the Risk Factors, Management's Discussion and Analysis of Financial Condition and Results of Operations and Cautionary Note Regarding Forward-Looking Statements sections and the consolidated and pro forma financial information and the notes to those financial statements appearing elsewhere in this prospectus before making an investment decision to purchase our Class A shares.*

**Overview of MGP**

Following the completion of this offering, we expect to be one of the leading publicly traded REITs engaged in the acquisition, ownership and leasing of large-scale destination entertainment and leisure resorts, whose diverse amenities include casino gaming, hotel, convention, dining, entertainment and retail offerings. In connection with this offering, we will acquire from MGM nine premier destination resorts in Las Vegas and elsewhere across the United States and one dining and entertainment complex which opened in April 2016. As of December 31, 2015, these properties collectively comprise 24,466 hotel rooms, approximately 2.5 million convention square footage, over 100 retail outlets, over 200 food and beverage outlets and approximately 20 entertainment venues. As a growth-oriented public real estate entity, we expect our relationship with MGM will attractively position us for the acquisition of additional properties across the entertainment, hospitality and leisure industries that MGM may develop in the future.

We will be organized in an umbrella partnership REIT (commonly referred to as an UPREIT) structure in which we will own substantially all of our assets and conduct substantially all of our business through our Operating Partnership subsidiary, which will be owned by us and certain other subsidiaries of MGM and whose general partner will be one of our subsidiaries. We will initially generate all of our revenue by leasing all ten of our assets to a subsidiary of MGM (the Tenant) pursuant to a long-term triple-net master lease agreement (the Master Lease). During our first year of operation, our Tenant will be obligated to pay us \$550.0 million of rent under the Master Lease. The Tenant's performance and payments under the Master Lease will be guaranteed by MGM. MGM will continue to hold a controlling interest in us following the completion of this offering through its ownership of our Class B share, but will not hold any of our Class A shares. Certain of MGM's operating and other subsidiaries will also directly hold a majority economic interest in, and will participate in distributions made by, the Operating Partnership through their ownership of approximately 76% of the partnership units of the Operating Partnership (Operating Partnership Units) (assuming that 50,000,000 Class A shares are sold in this offering and that the underwriters do not exercise their overallotment option). See Our Formation and Organizational Structure. The Class B share structure was put in place to align MGM's voting rights in us with its economic interest in the Operating Partnership. As further described below, MGM will no longer be entitled to any voting rights if MGM and its controlled affiliates (excluding us and our subsidiaries) aggregate beneficial ownership of the combined economic interests in us and the Operating Partnership falls below 30%. Our initial ten assets represent a core component of MGM's existing domestic asset base, accounting for approximately 57% of MGM's wholly owned domestic Adjusted Property EBITDA for the year ended December 31, 2015, which we believe strongly aligns MGM's incentives with ours. We believe MGM's economic interest in our Operating Partnership subsidiary and the large proportion of MGM's current real estate portfolio that will be owned by us after this offering will provide added stability to our ongoing financial performance as well as position us favorably for future potential acquisitions.

Our initial portfolio will consist of nine premier destination resorts operated by MGM, including properties that we believe are among the world's finest casino resorts, and The Park in Las Vegas (collectively, the





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Properties ) with gross book value including land, buildings and improvements to be contributed to us in connection with this offering of \$10.0 billion as of December 31, 2015. The Properties will include six large-scale entertainment and gaming-related properties located on the Las Vegas Strip (the Strip ): Mandalay Bay, The Mirage, Monte Carlo, New York-New York, Luxor and Excalibur, and The Park, a dining and entertainment complex located between New York-New York and Monte Carlo which opened in April 2016. Outside of Las Vegas, we will also own three market-leading casino resort properties: MGM Grand Detroit in Detroit, Michigan and Beau Rivage and Gold Strike Tunica, both of which are located in Mississippi. In the future, we plan to explore opportunities to expand by acquiring similar properties as well as strategically targeting a broader universe of real estate assets within the entertainment, hospitality and leisure industries.

Our Properties include a total of 24,466 hotel rooms as of December 31, 2015, which will make us among the five largest publicly traded REITs by number of owned hotel rooms in the United States. Further, we own one of the largest portfolios of properties in terms of total number of hotel rooms and convention square footage on the Strip with approximately 24% of the hotel rooms and approximately 35% of the privately owned convention and meeting space on the Strip as of December 31, 2015. These amenities are concentrated in a largely contiguous campus in the heart of Las Vegas, one of the largest convention markets in the United States and a premier travel destination that received a record 42.3 million visitors in 2015. In addition, under the operation of MGM, our Properties have consistently won numerous awards, including multiple AAA Four Diamond designations for Mandalay Bay, The Mirage, MGM Grand Detroit and Beau Rivage, and a Four Star designation from Forbes Travel Guide for MGM Grand Detroit.

## **Overview of MGM**

The Tenant will be a wholly owned subsidiary of MGM, and MGM will guarantee the Tenant's performance and payments under the Master Lease. MGM formed the REIT in order to optimize MGM's real estate holdings and establish a growth-oriented public real estate entity that will benefit from its relationship with MGM and is expected to generate reliable and growing quarterly cash distributions on a tax-efficient basis. MGM is a premier operator of a portfolio of well-known destination resort brands, with Adjusted EBITDA of \$2.2 billion, net revenues of \$9.2 billion and consolidated net loss of \$1.0 billion for the year ended December 31, 2015. MGM is one of the world's largest destination entertainment and leisure resort operators, with a market capitalization of more than \$12 billion and an enterprise value (defined as the sum of market capitalization, noncontrolling interests, and long term debt less cash and cash equivalents) of more than \$26 billion as of December 31, 2015. See Annex I for a reconciliation of MGM's Adjusted EBITDA.

MGM has significant holdings in gaming, hospitality and entertainment with current ownership or operating interests in a high quality portfolio of casino resorts with approximately 50,000 hotel rooms, 25,000 slot machines and 1,800 table games on a combined basis, including our Properties, MGM Macau and MGM's unconsolidated affiliates. MGM owns a 51% interest in MGM China Holdings Limited ( MGM China ), a publicly traded company listed on the Hong Kong Stock Exchange, which owns the MGM Macau resort and casino and is developing MGM Cotai, which is anticipated to open at the end of the first quarter of 2017. MGM is also currently in the process of developing MGM National Harbor in Maryland, which is expected to be completed in the fourth quarter of 2016, and MGM Springfield in Massachusetts, which is expected to be completed in late 2018.

MGM's revenues are diversified across geographies, customers and business lines, with 59% of MGM's net revenues from domestic resorts in 2015 attributable to its non-gaming operations, including hotel, food and beverage, entertainment and other amenities. MGM owns a premium portfolio of destination entertainment and leisure resorts and continually reinvests in its properties to maintain its competitive advantage through newly remodeled hotel rooms, convention space expansions, restaurants, entertainment and nightlife offerings, as well as other new features and

amenities. Since the beginning of 2010, MGM has reinvested \$924 million in total capital

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expenditures into our Properties (including capital expenditures on assets related to the Properties but which are not part of the Properties being contributed to us). Nearly all MGM-managed properties are connected through the M Life customer loyalty program, a broad-based program recognizing and rewarding customer loyalty and spending, which MGM believes fosters long-term customer relationships and drives visitation across properties.

**2015 Consolidated MGM Resorts Revenue by Geography<sup>(1)</sup>**

**2015 MGM Resorts Wholly Owned Domestic Revenue by Business Line**

(1) Excludes management and other operations and properties sold during 2015.

**Overview of Management and Governance**

We have a dedicated, experienced management team with extensive experience in the gaming, lodging and leisure industry, and who will receive incentive-based equity compensation linked to the performance of our company. Our Chief Executive Officer, James C. Stewart, and Chief Financial Officer, Andy H. Chien, are both industry veterans with approximately 30 years of combined experience in the real estate and leisure sectors and bring significant strategic acquisition expertise which we believe will help drive future growth and diversification. This leadership team will be bolstered by a board of directors that will include independent directors as of the closing of this offering.

Our operating agreement will provide that whenever a potential conflict of interest exists or arises between MGM or any of its affiliates (other than the Company and its subsidiaries), on the one hand, and the Company or any of its subsidiaries, on the other hand, any resolution or course of action by our board of directors in respect of such conflict of interest shall be conclusively deemed to be fair and reasonable to the Company if it is (i) approved by a majority of a conflicts committee which consists solely of independent directors (which we refer to as Special Approval) (such independence determined in accordance with the NYSE's listing standards, the standards established by the Securities Exchange Act of 1934 to serve on an audit committee of a board of directors and certain additional independence requirements in our operating agreement), (ii) determined by our board of directors to be fair and reasonable to the Company or (iii) approved by the affirmative vote of the holders of at least a majority of the voting power of the outstanding voting shares (excluding voting shares owned by MGM and its affiliates); provided, however, that our operating agreement will provide that any transaction, individually or in the aggregate, over \$25.0 million between MGM or any of its affiliates (other than the Company and its subsidiaries), on the one hand, and the Company or any of its subsidiaries, on the other hand (any such transaction, a Threshold Transaction), shall be permitted only if (i) Special Approval is obtained or (ii) such transaction is approved by the affirmative vote of the holders of at least a majority of the voting power of the outstanding voting shares (excluding voting shares owned by MGM and its affiliates). See Conflicts of Interest and No Fiduciary Duties below.

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The Master Lease has an initial lease term of ten years with the potential to extend the term for four additional five-year terms thereafter at the option of the Tenant. The Master Lease provides that any extension of its term must apply to all of the Properties under the Master Lease at the time of the extension. The Master Lease has a triple-net structure, which requires the Tenant to pay substantially all costs associated with each Property, including real estate taxes, insurance, utilities and routine maintenance, in addition to the base rent, ensuring that the cash flows associated with our Master Lease will remain relatively predictable for the duration of its term. Additionally, the Master Lease provides us with a right of first offer with respect to MGM's development properties located in National Harbor, Maryland and Springfield, Massachusetts, which we may exercise should MGM elect to sell these properties in the future (collectively, the ROFO Properties).

We anticipate that the annual rent payments due under the Master Lease will initially be \$550.0 million. Rent under the Master Lease will consist of a base rent component (the Base Rent) and a percentage rent component (the Percentage Rent). For the first year, the Base Rent is expected to represent 90% of the initial total rent payments due under the Master Lease, or \$495.0 million, and the Percentage Rent is expected to represent 10% of the initial total rent payments due under the Master Lease, or \$55.0 million. The Base Rent includes a fixed annual rent escalator of 2.0% for the second through the sixth lease years (as defined in the Master Lease). Thereafter, the annual escalator of 2.0% will be subject to the Tenant and, without duplication, the MGM operating subsidiary sublessees of our Tenant (such sublessees, collectively, the Operating Subtenants), collectively meeting an adjusted net revenue to rent ratio of 6.25:1.00 based on their net revenue from the leased properties subject to the Master Lease (as determined in accordance with U.S. GAAP, adjusted to exclude net revenue attributable to certain scheduled subleases and, at our option, reimbursed cost revenue). We expect this escalator to provide the opportunity for stable, long-term growth, which will result in the Base Rent growing over \$50 million from the fixed annual rent escalator during the first six years of our Master Lease. The Percentage Rent will initially be a fixed amount for approximately the first six years and will then be adjusted every five years based on the average actual annual net revenues of our Tenant and, without duplication, the Operating Subtenants from the leased properties subject to the Master Lease at such time for the trailing five-calendar-year period (calculated by multiplying the average annual net revenues, excluding net revenue attributable to certain scheduled subleases and, at our option, reimbursed cost revenue, for the trailing five-calendar-year period by 1.4%). The Master Lease will include covenants that impose ongoing reporting obligations on the Tenant relating to MGM's financial statements which, in conjunction with MGM's public disclosures to the SEC, will give us insight into MGM's financial condition on an ongoing basis. The Master Lease will also require MGM, on a consolidated basis with the Tenant, to maintain an EBITDAR to rent ratio (as described in the Master Lease) of 1.10:1.00.

**Distribution Policy**

We intend to pay regular quarterly distributions to holders of our Class A shares. We intend to pay a pro rata initial distribution with respect to the period commencing on the completion of this offering and ending on the last day of the then-current fiscal quarter (which will be paid at the end of the first full fiscal quarter following the closing of this offering), based on a distribution of \$0.3575 per share for a full quarter. On an annualized basis, this would be \$1.43 per share, or an annual distribution rate of approximately 80.6% based on the midpoint of the estimated price range set forth on the cover of this prospectus.

We intend to maintain a distribution rate for the twelve-month period following completion of this offering that is at or above our initial distribution rate unless actual results of operations, economic conditions or other factors differ materially from the assumptions used in our estimates. We do not intend to reduce the expected distributions per share if the underwriters exercise their overallotment option. Based on our estimate and the related assumptions and our

intention to acquire assets with characteristics similar to our Properties, we expect to grow our cash available for distribution and increase our quarterly cash distributions over time; however, any future distributions

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we make will be at the discretion of our board of directors and will be dependent upon a number of factors, including prohibitions or restrictions under financing agreements or applicable law and other factors described herein. See Risk Factors. There can be no assurance that we will be able to make distributions to our Class A shareholders or maintain our anticipated level of distributions over time.

**Our Properties**

The following table summarizes certain features of the Properties, all as of or for the year ended December 31, 2015. The Properties are diversified across a range of primary uses, including gaming, hotel, convention, dining, entertainment, retail and other resort amenities and activities.

		Net	Adjusted Property EBITDA <sup>(1)</sup>	Hotel	Approximate	Approximate	Occupancy		
	Location	Revenues	(in	Rooms	Casino	Convention	Rate	REVPAR <sup>(1)</sup>	
		(in thousands)	thousands)		Square	Square			
					Footage	Footage			
<i>Las Vegas</i>									
Mandalay Bay	Las Vegas, NV	\$ 906,243	\$ 203,474	4,752 <sup>(2)</sup>	124	160,000	2,121,000 <sup>(3)</sup>	90.6%	\$ 184
The Mirage	Las Vegas, NV	\$ 568,607	\$ 112,475	3,044	77	100,000	170,000	94.2%	\$ 157
<i>New York-New York</i>									
Luxor	Las Vegas, NV	\$ 372,426	\$ 87,169	4,400	58	116,000	20,000	94.2%	\$ 99
Monte Carlo	Las Vegas, NV	\$ 290,240	\$ 85,962	2,992	21	87,000	30,000	96.4%	\$ 115
Excalibur	Las Vegas, NV	\$ 289,324	\$ 82,247	3,981	51	95,000	30,000	93.2%	\$ 82
The Park	Las Vegas, NV					3			
<i>Subtotal</i>		\$ 2,735,159	\$ 677,784	21,193	354	648,000	2,396,000	93.9%	\$ 128
<i>Regional Properties</i>									
<i>MGM Grand</i>									
Detroit	Detroit, MI	\$ 547,399	\$ 154,979	400	24	127,000	30,000	59.1%	\$ 141
Beau Rivage	Biloxi, MS	\$ 367,587	\$ 88,843	1,740	25	74,000	50,000	94.0%	\$ 95
Gold Strike Tunica	Tunica, MS	\$ 160,863	\$ 46,023	1,133	24	53,000	17,000	71.8%	\$ 53
<i>Subtotal</i>		\$ 1,075,849	\$ 289,845	3,273	73	254,000	97,000	82.1%	\$ 86
<b>Total/Weighted Average</b>		<b>\$ 3,811,008</b>	<b>\$ 967,629</b>	<b>24,466</b>	<b>427</b>	<b>902,000</b>	<b>2,493,000</b>	<b>92.3%</b>	<b>\$ 122</b>

(1) For a discussion of this metric, see Certain Operational and Non-U.S. GAAP Financial Measures of MGM.

(2) Includes 1,117 rooms at the Delano and 424 rooms at the Four Seasons Hotel, both of which are located at our Mandalay Bay property.

(3) Includes 26,000 square feet at the Delano and 30,000 square feet at the Four Seasons, both of which are located at our Mandalay Bay property.

## **Business Strengths**

*We will own a high-quality portfolio of large-scale assets anchored by branded destination entertainment resorts located at the heart of the Strip.* We will own high-quality mixed-use properties with a significant presence in Las Vegas, which we believe is one of the most attractive travel destinations in the United States. Las Vegas attracted a record 42.3 million visitors in 2015 and is a market characterized by steady economic growth and high consumer and business demand with limited new supply. Our Las Vegas properties feature gaming entertainment, large-scale hotels, extensive food and beverage options, state-of-the-art convention facilities, retail outlets, entertainment showrooms and other amenities, and MGM's brands include many of the most highly recognized names in the gaming industry, such as Mandalay Bay and The Mirage.

We believe that our Las Vegas properties are well positioned and collectively have a leading share in a strong Las Vegas market which continues to benefit from positive macroeconomic trends, including record visitation levels in 2015, and strong convention attendance, hotel occupancy and average daily rates, among other key indicators. With 72% of their overall net revenues for the year ended December 31, 2015 derived from non-gaming uses, including hotel, food and beverage, entertainment and other non-gaming amenities, our Properties located on the Strip generate diversified revenue streams and showcase a wide variety of customer offerings. Our Properties in Las



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Vegas include a total of 21,193 hotel rooms, or approximately 24% of the total hotel rooms on the Strip. Our Properties on the Strip exceed Strip average industry performance metrics, with an average occupancy rate of 94%, compared to 90% for the Strip as a whole, ADR of \$136, compared to \$120 for the Strip as a whole, and REVPAR of \$128, compared to \$105 for the Strip as a whole, for the year ended December 31, 2015.

***Our portfolio consists of properties in unique locations supported by strong net asset values.*** Our Properties on the Strip benefit from their prime location in a Las Vegas market that is characterized by limited availability of desirable land directly along the Strip and the significant amount of capital investment and time required to develop large-scale casino resorts. We estimate that the construction cost for upscale resorts in Las Vegas is currently approximately \$1 million per room. As a result, over the next several years, few lodging or gaming real estate developments of significance are expected to open along the Strip despite a rebounding Las Vegas economy. This limited new supply, coupled with strong and growing visitation levels, has already driven improved performance in Las Vegas, as evidenced by hotel occupancy levels of nearly 90% for 2015 and a compound annual growth rate in average daily hotel room rates of 4.8% since 2010.

Further, the net asset value of our Las Vegas real estate provides strong valuation support, as evidenced by recent precedent construction and acquisition transactions in the Las Vegas market. For instance, in 2015, it was announced that the Blackstone Group purchased the Cosmopolitan of Las Vegas, a 2,959-room luxury resort casino in Las Vegas, for approximately \$1.7 billion, resulting in an implied valuation multiple of approximately 18 times the Cosmopolitan's prior twelve months' adjusted EBITDA based on its public filings with the SEC prior to the acquisition. In addition, based on public records from the 2014 acquisition of the former New Frontier land by Crown Resorts, we estimate that Las Vegas Strip land values are approximately \$12 million per acre.

***We will also own market-leading regional resorts featuring significant invested capital.*** The three Properties that we will own outside of Las Vegas include award-winning casino resorts that are market leaders within their respective regions. MGM Grand Detroit has been a AAA Four Diamond-rated hotel since 2008, among other notable designations, and has been the gaming market leader in Detroit as measured by revenues since 2005. Beau Rivage is comparable to MGM Grand Detroit as it is also one of the largest resorts within its market, offering 1,740 guest rooms, approximately 50,000 square feet of convention space and over 2,000 gaming positions. In addition, it has won numerous awards, including the AAA Four Diamond award each year since 2002, and has twice been designated the Best Casino in the South by AAA Southern Traveler. The property has consistently been a market leader and currently captures gaming revenue market share of approximately 25% in the Gulf Coast Region. Gold Strike Tunica is also a market-leading resort and is ranked number one in size for the Northern River sub-market, capturing gaming revenue market share of 15% in the Mississippi River Counties, which is the state's publicly reported segment that includes the Northern River Counties. MGM has invested a significant amount of capital into these regional properties, including capital expenditures related to restaurant renovations, casino enhancements, convention facility improvements and other updated amenities and offerings.

***Our Properties feature a diversified portfolio of businesses with a broad and varied customer base.*** Our Properties are occupied by multiple businesses spanning a broad set of product offerings, including lodging, convention, gaming, food and beverage and entertainment. Our Properties include a total of 24,466 hotel rooms, including 21,193 hotel rooms in Las Vegas, representing approximately 24% of total rooms on the Strip as of December 31, 2015. Further, we own one of the largest portfolios of properties in terms of total convention square footage on the Strip with approximately 35% of the privately owned convention and meeting space on the Strip. In addition to our extensive hotel and convention offerings, our Properties feature over 100 retail outlets, over 200 food and beverage outlets and approximately 20 entertainment venues. In 2015, over three million tickets were sold for various sporting and entertainment events at our Properties.

In addition to these broad business offerings, our portfolio is further diversified across geographies and customers. Our Las Vegas Properties attract a diverse mix of customers from locations all over the world, driven

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by the city's position as a hub for leisure, business, convention and tourism travel. We believe that our Properties offer a broad range of attractions which cater to numerous demographics with large representation across gender, age and other socioeconomic differentiators (i.e., low, mid and high-end customers). Outside of Las Vegas, our regional properties provide further geographic, market-specific and customer diversification across the United States.

*All of our Properties will be leased to a subsidiary of MGM, which is a premier operator in the entertainment and leisure industry, with leading iconic brands and market position.* We believe that our relationship with MGM provides us with significant benefits. First and foremost, this relationship is expected to augment our financial stability, as MGM will guarantee the payment and performance of the Tenant under the Master Lease. In addition, the lease structure offers an attractive corporate rent coverage ratio of approximately 3.7x for the year ended December 31, 2015 and historically has exceeded 2.0x each year since the 2008 recession.

The following chart shows MGM's corporate rent coverage ratio for the last eight years (see also Risk Factors Risks Related to Our Business and Operations MGM's historical results, including its historical corporate rent coverage ratio described in this prospectus, may not be a reliable indicator of its future results):

**MGM Historical Corporate Rent Coverage Ratio<sup>(1)(2)</sup>**

- (1) MGM's Corporate Rent Coverage Ratio is calculated by dividing (a) the sum of Adjusted EBITDA as reported by MGM related to its wholly owned domestic resorts, management and other operations, and corporate (excluding stock-based compensation), plus dividends and distributions received by MGM from CityCenter, Borgata, Grand Victoria and MGM China, by (b) year one rent under the Master Lease of \$550.0 million. For a calculation of MGM's Historical Corporate Rent Coverage Ratio see Annex II. We use MGM's Corporate Rent Coverage Ratio to illustrate our Tenant's ability to meet its obligations under the Master Lease. For a discussion of this metric, see Certain Operational and Non-U.S. GAAP Financial Measures of MGM.
- (2) The numerator to the Historical Corporate Rent Coverage Ratio includes \$60.7 million, \$93.9 million, \$339.3 million, \$60.5 million, \$225.9 million, \$328.5 million, \$405.2 million and \$535.1 million of special and ordinary dividends and other cash distributions actually received by MGM from CityCenter, Borgata, Grand Victoria and MGM China for the years ended December 31, 2008, 2009, 2010, 2011, 2012, 2013, 2014 and 2015, respectively. Dividends and distributions are made at the discretion of each relevant entity's board of directors or similar body, and depend on several factors, including financial position, results of

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operations, cash flows, capital requirements, debt covenants, and applicable law, among others. Accordingly, historical dividends and distributions may not be indicative of future dividends or distributions and should not be relied upon as an indicator of MGM's corporate rent coverage ratio for future periods. MGM's corporate rent coverage ratio excluding dividends and distributions received by MGM from CityCenter, Borgata, Grand Victoria and MGM China was 3.3x, 2.2x, 1.9x, 2.1x, 2.0x, 2.3x, 2.4x and 2.7x for the years ended December 31, 2008, 2009, 2010, 2011, 2012, 2013, 2014 and 2015, respectively. Since the 2008 recession, the lowest annual MGM corporate rent coverage ratio (excluding dividends and distributions received by MGM from CityCenter, Borgata, Grand Victoria and MGM China) was 1.9x. For a discussion of this metric, see Certain Operational and Non-U.S. GAAP Financial Measures of MGM.

We believe MGM's economic interest in our Operating Partnership subsidiary establishes incentives to maintain its level of high-quality operational execution at the Properties and enables us to retain the benefits and expertise that MGM currently provides across its entire portfolio, while maximizing the operational efficiencies of our Properties. MGM is one of the world's largest destination entertainment and leisure resort operators, with Adjusted EBITDA of \$2.2 billion, net revenues of \$9.2 billion and consolidated net loss of \$1.0 billion for the year ended December 31, 2015, an enterprise value of more than \$26 billion and a market capitalization of more than \$12 billion as of December 31, 2015. Nearly all MGM-managed casino properties are connected through the M Life customer loyalty program, a broad-based program recognizing and rewarding customer loyalty and spending, which MGM believes fosters long-term customer relationships and drives visitation across properties.

MGM currently operates a portfolio of 14 highly recognized, iconic properties, including our Properties, Bellagio and MGM Grand Las Vegas, in addition to CityCenter Las Vegas and MGM Macau, and is developing three additional world-class properties in Maryland, Massachusetts and on the Cotai Strip in Macau. MGM owns a 51% interest in MGM China, a publicly traded company listed on the Hong Kong Stock Exchange that owns the MGM Macau resort and casino and is developing MGM Cotai, and holds 50% interests in CityCenter in Las Vegas, The Borgata Hotel Casino & Spa in Atlantic City, New Jersey, Grand Victoria Casino Elgin in Elgin, Illinois and T-Mobile Arena in Las Vegas, which opened in April 2016. Collectively, these assets (MGM Macau, CityCenter, Borgata, and Grand Victoria) generated \$4.4 billion in combined revenues for the year ended December 31, 2015.

MGM will continue to operate the Properties, which will enable us to retain the same benefits and operational expertise that MGM currently provides across its entire portfolio while maximizing the operational efficiencies of our Properties. We believe MGM's financial performance, scale, brand equity and established customer loyalty program provide stability to our ongoing business, and will generate revenue growth. In addition, MGM has invested a significant amount of capital into our Properties, including \$924 million in capital expenditures since the beginning of 2010 (including capital expenditures on assets related to the Properties but which are not part of the Properties being contributed to us) with average capital expenditures per year for our Properties of 4.3% of net revenues of the Properties. The scope of these capital projects has included restaurant renovations, casino enhancements, convention facility improvements and other updated amenities and offerings, which we believe enhances the value of our portfolio.

***Our long-term triple-net master lease structure provides a highly predictable rent stream with embedded growth potential.*** We expect the Properties, which will have a 100% occupancy rate under the Master Lease, to generate long-term, stable cash flows derived from our Master Lease with the Tenant, helping to support meaningful future cash distributions to our shareholders. There are significant features of the Master Lease that contribute to the expected stability of the rental stream. First, the Master Lease is a single, unitary lease with a fixed base rent component that represents 90% of the initial total rent from the Master Lease for all of the Properties. The inclusion of all of our Properties under a single Master Lease provides us protection from reduced performance at any individual Property. The Tenant is generally not permitted to remove individual Properties from the Master Lease, except that the Tenant may assign its leasehold estate in certain Properties to



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third-parties meeting certain criteria (see Certain Relationships and Related Party Transactions The Master Lease Assignment and Subletting ), and the Tenant has the right, following certain casualty events or condemnations, to terminate the Master Lease with respect to affected Properties. Second, based on the historical performance of the Properties, nearly all of which are established assets with long records of performance, we expect that the Properties will generate sufficient revenues for the Tenant to pay rent under the Master Lease even if operating revenues were to decline. Third, the Tenant's performance and payments under the Master Lease will be fully guaranteed by MGM, which provides significant additional credit support.

The terms of our Master Lease will also offer the opportunity for long-term, predictable growth. Our Master Lease has an initial lease term of ten years with the potential to extend the term for four additional five-year terms thereafter at the option of the Tenant. Additionally, the base rent component of the Master Lease includes a fixed annual rent escalator of 2.0% for the second through the sixth lease years (as defined in the Master Lease). Thereafter, the annual escalator of 2.0% will be subject to the Tenant and, without duplication, the Operating Subtenants collectively meeting an adjusted net revenue to rent ratio of 6.25:1.00 based on their net revenue from the leased properties subject to the Master Lease (as determined in accordance with U.S. GAAP, adjusted to exclude net revenue attributable to certain scheduled subleases and, at our option, reimbursed cost revenue). The Master Lease also provides for a percentage rent component to be adjusted every five years based on the average actual annual net revenues of our Tenant and, without duplication, the Operating Subtenants from the leased properties subject to the Master Lease at such time for the trailing five-calendar-year period (excluding net revenue attributable to certain scheduled subleases and, at our option, reimbursed cost revenue), which will represent 10% of the initial total rent from the Master Lease. The embedded growth in the Master Lease is further complemented by potential acquisitions of the ROFO Properties, which are discussed in detail in Business and Growth Strategies.

***We expect to maintain a strong balance sheet with significant financial flexibility.*** We expect to have a strong, flexible balance sheet with moderate leverage to ensure we meet our financing obligations and operating requirements. We will rely on a combination of equity and debt financing for our future property acquisitions in order to maintain a conservative, stable balance sheet and financial profile. Upon the completion of this offering, our balance sheet will have no debt maturing for at least 5 years (excluding required amortization payments under the Term Loan Facilities), with a weighted average maturity of 7.1 years. Furthermore, we expect that the Operating Partnership will enter into a revolving credit facility that will provide for borrowings of up to \$600.0 million from time to time, including for our working capital needs. We intend to be disciplined with our financial management, which will allow us to maintain a balanced capital structure and a predictable distribution policy for our shareholders while evaluating opportunities to finance potential future acquisitions.

## **Business and Growth Strategies**

***Stable income and internal growth profile.*** We initially expect to derive our revenues from long-term contractual cash flows pursuant to our Master Lease, which includes a fixed annual rent escalator on the Base Rent of 2.0% for the second through the sixth lease years (as defined in the Master Lease). Thereafter, the annual escalator of 2.0% will be subject to the Tenant and, without duplication, the Operating Subtenants collectively meeting an adjusted net revenue to rent ratio of 6.25:1.00. We expect this escalator to provide the opportunity for stable long-term growth, which will result in the Base Rent growing over \$50 million from the fixed annual rent escalator during the first six years of our Master Lease. In addition, the Master Lease includes periodic Percentage Rent resets every five years based on the average actual annual net revenues (as determined in accordance with U.S. GAAP, adjusted to exclude net revenue attributable to certain scheduled subleases and, at our option, reimbursed cost revenue) of our Tenant and, without duplication, the Operating Subtenants from the leased properties then subject to the Master Lease at such time during the five-year periods then ended, enabling us to benefit from future revenue growth at the Properties. It is our intention that any additional properties we may acquire in the future will also be leased to tenants with established

operating histories pursuant to long-term, triple-net lease arrangements with terms similar to the Master Lease.

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***Opportunity to acquire properties from MGM.*** In the future, we expect to have the opportunity to acquire properties from MGM, our controlling shareholder and the parent of the Tenant. We will have a right of first offer with respect to the two ROFO Properties, which are under development by MGM and described below, should MGM elect to sell these properties in the future.

***MGM National Harbor.*** MGM was awarded the sixth and final casino license under current statutes in the State of Maryland by the Maryland Video Lottery Facility Location Commission to build and operate MGM National Harbor, a destination casino resort in Prince George's County at National Harbor, which is a waterfront development located on the Potomac River just outside of Washington, D.C. The expected cost to develop and construct MGM National Harbor is approximately \$1.3 billion, excluding capitalized interest and land-related costs. MGM expects that the resort will include a casino with approximately 3,600 slots and 160 table games including poker, a 300-room hotel with luxury spa and rooftop pool, 93,100 square feet of high-end branded retail and fine and casual dining, a 3,000-seat theater venue, 50,000 square feet of meeting and event space and a 4,700-space parking garage. Construction of MGM National Harbor has commenced with estimated completion in the fourth quarter of 2016.

***MGM Springfield.*** A subsidiary of MGM was awarded a casino license to build and operate MGM Springfield in Springfield, Massachusetts. MGM Springfield will be developed on approximately 14 acres of land in downtown Springfield, Massachusetts. MGM's plans for the resort currently include a casino with approximately 3,000 slots and 100 table games including poker, a 250-room hotel, 100,000 square feet of retail and restaurant space, 44,000 square feet of meeting and event space, and a 3,375-space parking garage, with an expected development and construction cost of approximately \$865 million, excluding capitalized interest and land related costs. Construction of MGM Springfield is expected to be completed in late 2018.

We believe that our relationship with MGM will provide us with access to similar domestic acquisition opportunities in the future from properties currently owned by MGM, or from properties that MGM may acquire or develop in the future, in each case at MGM's discretion. Should MGM elect to sell these properties, we believe that we will have a competitive advantage over other potential buyers given MGM's continuing economic ownership interest in the Operating Partnership, simplified operational logistics and, as compared to cash buyers, the opportunity to offer tax deferral. The potential acquisition of properties from MGM provides the additional benefit of leveraging MGM's operational and industry expertise to execute transactions.

***We will actively seek to further diversify our holdings through the acquisition of gaming and gaming-related assets from non-MGM entities.*** In addition to the gaming and gaming-related properties we may acquire from MGM from time to time in the future, we will also actively seek to identify additional entertainment and gaming-related properties for potential acquisition from non-MGM entities. We intend to selectively grow our portfolio of gaming properties through the acquisition of assets that contribute to our tenant and geographic diversification, can be leased subject to long-term leases with tenants with established operating histories, have low operating risks and provide stable cash flows, consistent with our Properties. We believe that a number of gaming operators would be willing to enter into transactions designed to monetize their real estate assets (i.e., gaming facilities) through sale-leaseback transactions. These gaming operators could use the proceeds from the sale of those assets to repay debt and rebalance their capital structures, while maintaining the operations related to the facilities through long-term leases. We also expect to provide such gaming operators with expansion opportunities that they may not otherwise be in a position to pursue by providing them with the equivalent of secured capital through sale and leaseback transactions at more attractive rates than they could obtain from traditional lenders.

***We will actively seek to increase our diversification through the opportunistic acquisition of non-gaming assets and other attractive triple-net lease opportunities.*** Our Properties include mixed-use assets with lodging, retail, dining, entertainment and other components. We will seek opportunities to acquire non-gaming lodging, leisure and



entertainment-related assets, and pursue other attractive triple-net lease acquisitions that may be available in other sectors, that will simultaneously complement our portfolio while contributing to our diversification. We will evaluate potential acquisition opportunities based on customary factors, including

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sustainability of cash flows, purchase price, expected financial performance, physical features, geographic market, location and opportunity for future value enhancement and will continue to pursue similarly advantageous master lease structures.

## **Description of Our Properties**

The following summaries describe the main features and unique characteristics of each of our Properties, grouped by region. For a more comprehensive description of our Properties, please see Business and Properties of MGP Our Properties.

### **Las Vegas**

*Mandalay Bay.* Mandalay Bay is a AAA Four Diamond resort offering approximately 2.1 million total square feet of meeting and convention space (ranking fifth in North America in both total convention square feet and exhibit space), numerous restaurants, multiple entertainment venues, and a pool and spa. The Mandalay Bay resort complex also includes a Four Seasons Hotel with its own lobby, restaurants and pool and spa, which has been providing visitors with a AAA Five Diamond-rated hospitality experience since 1999, and The Delano, an all-suite hotel tower with its own spa and fitness center, a lounge and two restaurants. A 3,000-room renovation project and a 350,000-square foot convention center expansion at Mandalay Bay were both completed in early 2016.

*The Mirage.* The Mirage, a AAA Four Diamond resort, is a tropically themed hotel and casino resort located at the center of the Strip. The property features a wide array of restaurants, entertainment and nightlife options, numerous retail shopping outlets and approximately 170,000 square feet of meeting and convention space, including the 90,000-square foot Mirage Events Center.

*New York-New York.* New York-New York Hotel and Casino is located at the corner of the Strip and Tropicana Avenue with pedestrian bridges linking the property to both MGM Grand Las Vegas and Excalibur. The architecture at New York-New York replicates many of New York City's landmark buildings and icons, including the Statue of Liberty, the Empire State Building, the Brooklyn Bridge, and a Coney Island-style roller coaster. The property features several restaurants, numerous bars and lounges, varying entertainment options and a spa and salon. New York-New York also offers approximately 25,000 square feet of meeting and convention space.

*Luxor.* Luxor is a 4,400 room pyramid-shaped hotel and casino resort situated at the south end of the Strip between Mandalay Bay and Excalibur. Luxor offers approximately 20,000 square feet of meeting and convention space, a spa and salon, and food and entertainment venues on three different levels beneath a soaring hotel atrium.

*Monte Carlo.* Monte Carlo is located on the Strip adjacent to New York-New York and connected to Aria via a walkway and to Crystals via a people mover that can be accessed through Monte Carlo's Street of Dreams retail area. The property also features approximately 30,000 square feet of meeting and convention space, a spa and salon, and a variety of restaurant and entertainment options.

*Excalibur.* Excalibur is a castle-themed hotel and casino complex situated immediately north of Luxor at the corner of the Strip and Tropicana Avenue, featuring 30,000 square feet of meeting and convention facilities, a spa and fitness facility, several restaurants and bars and varying entertainment options. Excalibur, Luxor and Mandalay Bay are connected by a tram, allowing guests to travel easily from resort to resort.

*The Park.* The Park, which opened in April 2016, is an immersive outdoor destination with an array of common spaces and casual restaurants and bars. The Park spans approximately three acres located between New York-New

York and Monte Carlo, connecting the two properties to a 20,000-seat arena developed by MGM and Anschutz Entertainment Group, Inc. ( AEG ) that also opened in April 2016. The location of The Park is anticipated to attract visitors to the neighboring Monte Carlo and New York-New York properties.

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### **Regional Properties**

*MGM Grand Detroit.* MGM Grand Detroit, a AAA Four Diamond resort, is one of three casinos in Detroit, Michigan. The resort features two restaurants by Wolfgang Puck, TAP sports pub, exciting nightlife amenities, and a luxurious spa. Additional amenities include a private entrance and lobby for hotel guests and 30,000 square feet of meeting and convention space. MGM Grand Detroit accounted for 42% of the total gaming revenues in Detroit for the year ended December 31, 2015, and has consistently had the highest market share in Detroit as measured by percentage of gaming revenues.

*Beau Rivage.* Beau Rivage is located on a beachfront site where Interstate 110 meets the Gulf Coast in Biloxi, Mississippi. Beau Rivage blends world-class amenities with southern hospitality and features elegantly remodeled guest rooms and suites, numerous restaurants, nightclubs and bars, a 1,550-seat theatre, an upscale shopping promenade, and a spa and salon. The resort also has 50,000 square feet of meeting and convention space. Beau Rivage accounted for 25% of the total gaming revenues in the Mississippi Gulf Coast market for the year ended December 31, 2015.

*Gold Strike Tunica.* Gold Strike Tunica is a dockside casino located along the Mississippi River, 20 miles south of Memphis and approximately three miles west of Mississippi State Highway 61, a major north/south highway connecting Memphis with Tunica County. The property features an 800-seat showroom, various food and beverage offerings and 17,000 square feet of meeting space. Gold Strike Tunica accounted for 15% of the total gaming revenues in the Mississippi River Counties, which is the state's publicly reported segment that includes Northern Mississippi, for the year ended December 31, 2015.

### **Market Overview**

#### **Las Vegas Market Overview**

Las Vegas is one of the world's premier entertainment, gaming, tourist, and meeting and convention destinations. With a uniquely dense concentration of over 40 casinos, approximately 150,000 hotel rooms, extensive convention and meeting facilities, and world-class retail, dining and entertainment offerings, Las Vegas has broad appeal to a wide audience and attracted a record of 42.3 million visitors from around the world in 2015. Total annual visitation to Las Vegas has doubled over the last 25 years, reflecting the Las Vegas market's increasing long-term significance as a major destination for U.S. and international visitors.

#### **Las Vegas Visitor Volume (millions)**

Source: Las Vegas Convention and Visitors Authority



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The Strip, a vibrant four-mile stretch of Las Vegas Boulevard South, represents the majority of the Las Vegas market and is the largest gaming market in the United States, with total gross gaming revenues of \$5.8 billion and total non-gaming revenues of \$10.9 billion for the twelve months ended June 30, 2015. As the Strip has continued to diversify its sources of revenue and benefit from an improving economy with limited new supply, gaming revenues have shown strong and steady growth, increasing at a compound annual growth rate of 2.5% since the twelve months ended June 30, 2010. Over the last 15 years, property owners on the Strip have invested heavily in non-gaming entertainment options and amenities to satisfy changes in consumer demand and reinforce the durability of revenues through diversification.

**The Strip: Total Resort Revenues (in billions)**

**2015 Strip Revenue Mix**

Source: UNLV Center for Gaming Research

Source: UNLV Center for Gaming Research

(for the twelve months ended June 30)

(for the twelve months ended June 30, 2015)

As a result of these investments, the Strip has solidified its position as a premier destination for conventions and meetings as well as leisure travelers who are increasingly drawn to Las Vegas' unique mix of entertainment offerings. Hosting 5.9 million convention attendees in 2015 and with approximately 11 million total square feet of exhibit and meeting space, the Las Vegas market has been recognized by Trade Show News Network as the number one trade show destination in the U.S. for 21 consecutive years. For the twelve months ended June 30, 2015, non-gaming revenues accounted for approximately 65% of all casino resort revenues in Las Vegas, up from just 42% in 1990. Our Properties account for approximately 24% of the hotel rooms, and accounted for approximately 12% of the total gaming revenues on the Strip for the year ended December 31, 2015.

Limited availability of desirable land and the need to make significant capital expenditures limit the ability of potential competitors to build new large-scale casino resorts on the Strip. As a result, over the next several years, few lodging or gaming real estate developments of significance are expected to open along the Strip despite a rebounding Las Vegas economy. This limited new supply, coupled with strong and growing visitation levels, has already driven improved performance in Las Vegas, as evidenced by hotel occupancy levels of nearly 90% for 2015 and a compound annual growth rate in average daily hotel room rates of 4.8% since 2010.

**Las Vegas Hotel Room Occupancy (%)**

**Las Vegas Average Daily Room Rate (\$)**

Source: Las Vegas Convention and Visitors Authority. Tables present data for Las Vegas as a whole.



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### **Detroit Market Overview**

The commercial gaming market in the Detroit metropolitan area consists of three commercial casino properties in Michigan and one commercial casino located across the Detroit River in Windsor, Ontario. Detroit is primarily a drive-to gaming destination, with a substantial majority of its gaming revenues derived from repeat customers who live within several hours of Detroit. Since its inception in 1999, the Detroit gaming market has evolved to become the fifth largest gaming market in the U.S. based on 2015 gross gaming revenues, and has demonstrated relatively stable long-term operating performance.

### **Mississippi Gulf Coast Market Overview**

The Mississippi Gulf Coast gaming market consists of 12 commercial casino properties located along the southern edge of Mississippi in the towns of Biloxi, Gulfport, Bay St. Louis and D Iberville. These 12 properties have a total of over 600,000 square feet of gaming space, approximately 5.6 million square feet of hotel and other entertainment space, over 14,000 slots, and over 400 table games. Total capital invested in gaming facilities in the region exceeds \$2.7 billion as of December 31, 2015, with many properties having completed significant rebuilding and improvement projects since Hurricane Katrina in 2005. Customers at Mississippi Gulf Coast properties come from a variety of U.S. states and other locations, but predominantly visit from Mississippi and nearby states such as Louisiana, Alabama, Florida, Georgia, and Texas.

### **Northern Mississippi Market Overview**

The Northern Mississippi gaming market consists of nine commercial casino properties located in the cities of Tunica and Lula along the Mississippi River in the Northwestern corner of Mississippi. These nine properties have a total of 460,000 square feet of gaming space, 2.8 million square feet of hotel and other entertainment space, nearly 9,000 slot machines, and over 200 table games. Total capital invested in gaming facilities in the region exceeds \$1.5 billion as of December 31, 2015. Customers at these properties come from many U.S. states, but predominantly visit from Mississippi and its neighboring states such as Arkansas, Tennessee, and Alabama.

### **Our Formation and Organizational Structure**

In connection with this offering, MGM will engage in the Formation Transactions in which certain subsidiaries of MGM will transfer the real estate assets that comprise our Properties to newly formed Property Holdcos that will be indirectly owned by MGM. Each such subsidiary will subsequently directly or indirectly transfer 100% of the ownership interests in each Property Holdco to the Operating Partnership in exchange for Operating Partnership Units. The Property Holdcos will then be contributed to a subsidiary of the Operating Partnership, and subsequently merged into one Property Holdco, which will be the Landlord under the Master Lease. The Operating Partnership will also assume approximately \$4.0 billion of liabilities from MGM and certain subsidiaries of MGM under certain bridge facilities (the Bridge Facilities ) to be entered into by MGM and certain of its subsidiaries on the closing date and subsequently assumed and repaid by the Operating Partnership on the same date with a combination of third-party debt and the proceeds from this offering. The partnership agreement of the Operating Partnership will provide holders of Operating Partnership Units the right (subject to certain conditions and limitations) to exchange all or a portion of their Operating Partnership Units for cash (in the form of a redemption of such Operating Partnership Units by the Operating Partnership) or, at the election of our conflicts committee on our behalf, for Class A shares on a one-for-one basis (subject to adjustment as provided in the partnership agreement of the Operating Partnership), in each case, subject to the ownership limits described under Description of Shares of MGP Restrictions on Ownership and Transfer of Our Shares.



We intend to use all of the proceeds from the sale of our Class A shares in this offering to purchase Operating Partnership Units at a purchase price per unit equal to the initial public offering price per share of Class A shares in this offering, net of underwriting discounts and commissions. The aggregate number of Operating Partnership Units purchased will be equal to the number of Class A shares sold to the public in this offering.

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Following this offering, we will be a holding company and our sole material assets will be (i) Operating Partnership Units representing approximately 24% of the economic interest in the Operating Partnership (assuming that 50,000,000 Class A shares are sold in this offering and that the underwriters do not exercise their overallotment option) and (ii) the general partner interest of the Operating Partnership, which we will indirectly own through our wholly owned subsidiary. We will operate and control all of the business affairs and consolidate the financial results of the Operating Partnership and its subsidiaries. The Operating Partnership is a holding company for the companies that directly or indirectly own our Properties.

The following diagram depicts our expected ownership structure upon completion of the Formation Transactions and this offering:

- (1) The Class B share is a non-economic interest representing a majority of the outstanding voting power of our common shares.
- (2) MGM will own 76% of the Operating Partnership Units through certain of its operating and other subsidiaries following the completion of this offering (assuming that 50,000,000 Class A shares are sold in this offering and that the underwriters do not exercise their overallotment option).
- (3) The Tenant will sublease the Properties to operating subsidiaries of MGM.

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**Table of Contents****Transactions with MGM**

Following the completion of this offering, we will continue to be a subsidiary of MGM. Upon the completion of this offering, MGM will not own any of our Class A shares, but will continue to own our single outstanding Class B share, entitling it to an amount of votes representing a majority of the total voting power of our shares. The Class B share holds no economic rights. The Class B share structure was put in place to align MGM's voting rights in us with its economic interest in the Operating Partnership. If the holder of the Class B share and its controlled affiliates (excluding us and our subsidiaries) aggregate beneficial ownership of the combined economic interests in us and the Operating Partnership falls below 30%, the Class B share will not be entitled to any voting rights. To the extent that the Class B share is entitled to majority voting power pursuant to our operating agreement, MGM may only transfer the Class B share (other than transfers to us and its controlled affiliates) if and to the extent that such transfer is approved by Special Approval by the conflicts committee, not to be unreasonably withheld. When determining whether to grant such approval, the conflicts committee must take into account the interests of our Class A shareholders and us ahead of the interests of the holder of the Class B share. Following this offering, certain of MGM's operating and other subsidiaries will also initially own 76% of the Operating Partnership Units, entitling MGM to 76% of the economic interest in the Operating Partnership (assuming that 50,000,000 Class A shares are sold in this offering and that the underwriters do not exercise their overallotment option). The general partner of the Operating Partnership will be one of our subsidiaries, and we and MGM (indirectly, as a result of its ownership of our Class B share) will therefore have operating control over the Operating Partnership. As a result, so long as MGM holds the Class B share, MGM will be able to control us and our corporate decisions. See **Risk Factors** **Risks Related to Our Affiliation with MGM**.

In connection with the offering, we and MGM are entering into the following agreements, on terms established by MGM with the intention of producing sustainable terms consistent with the respective business plans of both MGM and MGP following this offering. Because these agreements will be negotiated in the context of the offering, they will involve negotiations between affiliated entities. Accordingly, the terms of these agreements may have different terms than would have resulted from negotiations with one or more unrelated third parties. For a discussion of the risks related to our relationship with MGM, please see **Risk Factors** **Risks Related to Our Affiliation with MGM**.

*Master Contribution Agreement.* In connection with this offering, we will enter into a master contribution agreement (the **Master Contribution Agreement**), which will provide for, among other things, our responsibility for liabilities relating to our business and the responsibility of MGM for liabilities unrelated to our business, our agreements with MGM and the Operating Partnership regarding the principal transactions necessary to effect the transfer by MGM of certain assets to us or our subsidiaries, the assumption by us or our subsidiaries of certain liabilities in connection with that transfer, the assumption by us or our subsidiaries of the Bridge Facilities in connection with the Formation Transactions and other agreements that govern various aspects of our relationship with MGM after the closing of the transactions contemplated by the Master Contribution Agreement. The Master Contribution Agreement will also contain indemnification obligations and ongoing commitments of us, the Operating Partnership and MGM.

*Master Lease.* The Tenant will enter into the Master Lease for the Properties with the Landlord, a subsidiary of the Operating Partnership, pursuant to which the Tenant will lease the Properties following the Formation Transactions and the completion of this offering. The Tenant's performance and payments under the Master Lease will be guaranteed by MGM. A default by the Tenant with regard to any property under the Master Lease or by MGM with regard to its guarantee will cause a default with regard to the entire portfolio covered by the Master Lease. The Master Lease will provide for an initial term of ten years and, at the option of the Tenant, may be extended for up to four additional five-year renewal terms beyond the initial term, on the same terms and conditions.



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The Tenant will make the rent payments in monthly installments. Rent under the Master Lease will consist of a base rent component and a percentage rent component. For the first year, the Base Rent is expected to represent 90% of the initial total rent payments due under the Master Lease, or \$495.0 million, and the Percentage Rent is expected to represent 10% of the initial total rent payments due under the Master Lease, or \$55.0 million. The Base Rent includes a fixed annual rent escalator of 2.0% for the second through the sixth lease years (as defined in the Master Lease). Thereafter, the annual escalator of 2.0% will be subject to the Tenant and, without duplication, the Operating Subtenants collectively meeting an adjusted net revenue to rent ratio of 6.25:1.00 based on their net revenue from the leased properties subject to the Master Lease, as determined in accordance with U.S. GAAP, adjusted to exclude net revenue attributable to certain scheduled subleases and, at our option, reimbursed cost revenue. We expect this escalator to provide the opportunity for stable, long-term growth, which will result in the Base Rent growing over \$50 million from the fixed annual rent escalator during the first six years of our Master Lease. The Percentage Rent will initially be a fixed amount for approximately the first six years and will then be adjusted every five years based on the average actual annual net revenues of our Tenant and, without duplication, the Operating Subtenants from the leased properties subject to the Master Lease at such time for the trailing five-calendar-year period (calculated by multiplying the average annual net revenues (excluding net revenue attributable to certain scheduled subleases and, at our option, reimbursed cost revenue) for the trailing five-calendar-year period by 1.4%).

Under the Master Lease, we will have a right of first offer with respect to the ROFO Properties that we will be entitled to exercise should MGM elect to sell these properties in the future. Within 30 days of receiving notification from the Tenant that MGM intends to sell either or both of the ROFO Properties, we must notify the Tenant in writing whether we wish to make an offer to purchase the property to be sold, and, if so, provide the price we are willing to pay for the property. If our offer is at least 105% of the proposed sale price on an all cash basis and we agree to all of the other terms set forth in the written notice, then MGM must sell the relevant ROFO Property to us.

*Corporate Services Agreement.* MGM will agree to provide MGP and its subsidiaries with financial, administrative and operational support services pursuant to a corporate services agreement (the Corporate Services Agreement), including accounting and finance support, human resources support, legal and regulatory compliance support, insurance advisory services, internal audit services, governmental affairs monitoring and reporting services, information technology support, construction services, and various other support services (the Corporate Services). The Corporate Services Agreement will provide that the Operating Partnership will reimburse MGM for all costs MGM incurs directly related to providing the Corporate Services.

*IP License Agreement.* In connection with this offering, we will enter into a royalty-free intellectual property rights license agreement (the IP License Agreement) with MGM pursuant to which we will have the right to use MGM in the corporate names of our company and our subsidiaries for up to 50 years. Pursuant to the IP License Agreement, we will also have the right to use the MGM mark and the MGM logo in our advertising materials without royalties for up to 50 years.

*Registration Rights Agreement.* We expect to enter into a registration rights agreement (the Registration Rights Agreement) with the operating subsidiaries of MGM that hold Operating Partnership Units. Pursuant to the Registration Rights Agreement, commencing on the first anniversary of the first day of the first full calendar month following the completion of this offering, MGM and certain of its subsidiaries will have the right to require us to effect a registration statement to register the issuance and resale of Class A shares upon exchange of Operating Partnership Units beneficially owned by MGM. The Registration Rights Agreement will also provide for, among other things, demand registration rights and piggyback registration rights for the operating subsidiaries of MGM that hold Operating Partnership Units.

*Sublease Agreement.* We expect to enter into a sublease agreement with a subsidiary of MGM, MGM Hospitality Global, LLC ( Sublandlord ), pursuant to which we will lease office space as more particularly

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described in the sublease. The sublease will contain provisions whereby we agree to indemnify and hold harmless Sublandlord from any and all claims, liens, demands, charges, encumbrances, litigation and judgments arising directly or indirectly from any use, occupancy or activity of us, or out of any work performed, material furnished, or obligations incurred by us in, upon or otherwise in connection with the subleased premises. The sublease agreement will terminate (i) by mutual written consent of both us and Sublandlord, (ii) by Sublandlord on 30 days written notice to us or (iii) by us upon 30 days written notice to Sublandlord, or otherwise upon the expiration or earlier termination of the underlying office lease.

## **Corporate Information**

We are a newly formed limited liability company that was formed in Delaware on October 23, 2015. Our principal offices are currently located at 6385 S. Rainbow Blvd., Suite 500 Las Vegas, Nevada 89118 and our main telephone number is (702) 669-1480. We intend to make an election on our U.S. federal income tax return for our taxable year ending December 31, 2016 to be treated as a REIT.

Following this offering, we will be a publicly traded, controlled REIT primarily engaged in the property business, which will consist of owning, acquiring, and leasing gaming and related facilities, including hotel, convention, dining, entertainment and retail facilities.

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

## **Summary Risk Factors**

An investment in our Class A shares involves various risks, and prospective investors are urged to carefully consider the matters discussed under Risk Factors prior to making an investment in our Class A shares. The following is a list of some of these risks:

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

Initially, we will depend on the Properties for all of our anticipated cash flows.

We may not be able to re-lease our Properties following the expiration or termination of the Master Lease.

Our sole material assets will be Operating Partnership Units representing approximately 24% of the ownership interests in the Operating Partnership (assuming that 50,000,000 Class A shares are sold in this offering and that the underwriters do not exercise their overallotment option), over which we have operating control through our ownership of its general partner, and our ownership interest in the general partner of the Operating Partnership. Because our interest in the Operating Partnership represents our only cash-generating

asset, our cash flows and distributions will depend entirely on the performance of the Operating Partnership and its ability to distribute cash to us.

The Master Lease restricts our ability to sell the Properties or our interests in the Operating Partnership or Landlord.

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

We are controlled by MGM, whose interests in our business may conflict with ours or yours.



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We are dependent on MGM for the provision of administration services to our operations and assets.

MGM's historical results, including its historical corporate rent coverage ratio described in this prospectus, may not be a reliable indicator of its future results.

Our operating agreement will contain provisions that reduce or eliminate duties (including fiduciary duties) of our directors, officers and others.

In the event of a bankruptcy of the Tenant, a bankruptcy court may determine that the Master Lease is not a single lease but rather multiple severable leases, each of which can be assumed or rejected independently, in which case underperforming leases related to properties we own that are subject to the Master Lease could be rejected by the Tenant while tenant-favorable leases are allowed to remain in place.

If we do not qualify to be taxed as a REIT, or fail to remain qualified to be taxed as a REIT, we will be subject to U.S. federal income tax as a regular corporation and could face a substantial tax liability, which would have an adverse effect on our business, financial condition and results of operations.

## **Debt Financing**

In connection with this offering, the Operating Partnership is expected to incur approximately \$3.2 billion principal amount of new indebtedness (the **Financing**) in the form of a senior secured term loan A facility (the **Term Loan A Facility**), a senior secured term loan B facility (the **Term Loan B Facility**) and together with the Term Loan A Facility, the **Term Loan Facilities**) and senior unsecured notes (the **Senior Notes**), and we will also enter into a senior secured revolving credit facility (the **Revolving Credit Facility**), which we expect to be undrawn on the closing date of this offering (assuming gross proceeds from this offering of at least \$932.1 million). The proceeds of such new indebtedness will be used to refinance a portion of the indebtedness under the Bridge Facilities assumed by the Operating Partnership from MGM and certain of its subsidiaries in connection with the Formation Transactions. Proceeds of the Revolving Credit Facility drawn from time to time after the consummation of the Formation Transactions are expected to be used for general corporate purposes. The proceeds received by the Operating Partnership in connection with our purchase of Operating Partnership Units will be used to refinance the remaining debt under the Bridge Facilities assumed by the Operating Partnership from MGM and certain of its subsidiaries in connection with the Formation Transactions. See **Management's Discussion and Analysis of Financial Condition and Results of Operations Liquidity and Capital Resources** for additional details about the Financing. In the event that the gross proceeds from this offering are less than \$932.1 million, the Operating Partnership is expected to incur indebtedness under the Revolving Credit Facility equal to the difference, but not exceeding \$300.0 million of total outstanding indebtedness under the Revolving Credit Facility on the closing date of this offering.

## **Restrictions on Ownership and Transfer of our Shares**

To assist us in complying with the limitations on the concentration of ownership of REIT shares imposed by the Code, among other purposes, our operating agreement will provide for restrictions on ownership and transfer of our shares, including, subject to certain exceptions, prohibitions on any person actually or constructively owning more than 9.8% in value or in number, whichever is more restrictive, of any class of our shares (other than our Class B share) or 9.8% in value of the aggregate outstanding shares of all classes and series of our shares. These restrictions are collectively referred to herein as the **ownership limits**. A person that did not acquire shares in excess of such ownership limits may

become subject to our operating agreement restrictions, as described further below, if repurchases by us cause such person's holdings to exceed such ownership limits. Under certain circumstances, our board of directors may waive the ownership limits if it determines that we will not fail to qualify as a REIT and certain other conditions are satisfied.

Our operating agreement provides that shares of beneficial interest of us acquired or held in excess of the ownership limit will be transferred to a trust for the benefit of one or more designated charitable beneficiaries to be subsequently sold by the trust, and that any person who acquires shares of beneficial interest of us in violation

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of the ownership limits will not be entitled to any distributions on the shares or be entitled to vote the shares or receive any proceeds from the subsequent sale of the shares in excess of the lesser of the price paid by such person for the shares (or, if such person did not give value for the shares, the market price on the day the shares were transferred to the trust) or the amount realized from the sale. We or our designee will have the right to purchase the shares from the trustee at this calculated price as well. In addition, a transfer of shares of beneficial interest of us in violation of the restrictions on ownership and transfer in the operating agreement may be void under certain circumstances.

Our ownership limits may have the effect of delaying, deferring or preventing a change in control of us, including an extraordinary transaction (such as a merger, tender offer or sale of all or substantially all of our assets) that might provide a premium price for our shareholders or otherwise be in their best interest. See Description of Shares of MGP Restrictions on Ownership and Transfer of our Shares.

## **Our Tax Status**

We intend to elect and qualify to be taxed as a REIT for U.S. federal income tax purposes as defined under Section 856(a) of the Code, which we currently expect to occur commencing with our taxable year ending December 31, 2016. Our qualification as a REIT depends upon our ability to meet, on a continuing basis, through actual investment and operating results, various complex requirements under the Code, relating to, among other things, the sources of our gross income, the composition and value of our assets, our distribution levels and the diversity of ownership of our shares. We believe that, at the time of such election, we will be organized in conformity with the requirements for qualification and taxation as a REIT under the Code and that our intended manner of operation will enable us to meet the requirements for qualification and taxation as a REIT.

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

## **JOBS Act**

As a company with less than \$1.0 billion in revenue during our last fiscal year, we qualify as an emerging growth company, as defined in the JOBS Act. Section 107 of the JOBS Act provides that an emerging growth company can take advantage of the extended transition period provided in Section 7(a)(2)(B) of the Securities Act for complying with new or revised accounting standards. Thus, an emerging growth company can delay the adoption of certain accounting standards until those standards would otherwise apply to private companies.

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

not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act of 2002, as amended (the Sarbanes-Oxley Act );

reduced disclosure obligations regarding executive compensation in our periodic reports, proxy statements and registration statements; and

exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and shareholder approval of any golden parachute payments not previously approved.

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We may take advantage of these provisions until the last day of our fiscal year following the fifth anniversary of the date of the first sale of our common equity securities pursuant to an effective registration statement under the Securities Act, which such fifth anniversary is expected to occur in 2021. However, if certain events occur prior to the end of such five-year period, including if we become a large accelerated filer, our annual gross revenues exceed \$1.0 billion or we issue more than \$1.0 billion of non-convertible debt in any three-year period, we will cease to be an emerging growth company prior to the end of such five-year period. As described herein, we expect to incur \$3.2 billion principal amount of indebtedness, which may include more than \$1.0 billion in non-convertible debt securities, upon the completion of this offering. Accordingly, we expect that MGP may no longer be an emerging growth company on and after the closing date of this offering. See Management's Discussion and Analysis of Financial Condition and Results of Operations Liquidity and Capital Resources for additional details about the Financing.

We have elected to take advantage of all of the reduced reporting obligations afforded to emerging growth companies by the JOBS Act. However, we are choosing to opt out of the extended transition period election under Section 107(b) of the JOBS Act and, as a result, we will comply with new or revised accounting standards on the relevant dates on which adoption of such standards is required for non-emerging growth companies. Section 107 of the JOBS Act provides that our decision to opt out of the extended transition period for complying with new or revised accounting standards is irrevocable.

## **Conflicts of Interest**

Following the Formation Transactions and this offering, our single outstanding Class B share, representing a majority of the voting power of our shares, will be owned by MGM, whose interests may differ from or conflict with the interests of our other shareholders. MGM will have the ability to exercise control over our affairs, including control over the outcome of all matters submitted to our shareholders for approval, such as the election of directors and significant transactions. MGM will also have the power to prevent or cause a change in control as a result of its beneficial ownership of our Class B share, which could, among other things, discourage a potential acquirer from attempting to obtain control of us in a manner that provides a control premium to any shareholders other than MGM. Moreover, in such a change of control, shareholders are not entitled to dissenters' rights of appraisal under our operating agreement or applicable Delaware law. As a result, unless and until MGM and its controlled affiliates (excluding us and our subsidiaries) aggregate beneficial ownership of the combined economic interests in MGP and the Operating Partnership falls below 30%, MGM will be able to effectively control us.

Our operating agreement will provide that whenever a potential conflict of interest exists or arises between MGM or any of its affiliates (other than the Company and its subsidiaries), on the one hand, and the Company or any of its subsidiaries, on the other hand, any resolution or course of action by our board of directors in respect of such conflict of interest (including any action that would result in us no longer qualifying as a REIT) shall be permitted and deemed approved by all of our shareholders, and shall not constitute a breach of our operating agreement, of any limited liability company or other governing agreement of any of our affiliates, of any agreement contemplated by our operating agreement or any governing agreement of any of our affiliates, or of any duty under our operating agreement or existing at law, in equity or otherwise, if the resolution or course of action is or, by operation of our operating agreement, is deemed to be, fair and reasonable to the Company. A resolution or course of action will be conclusively deemed fair and reasonable to the Company if such resolution or course of action in respect of such conflict of interest is (i) approved by Special Approval, (ii) determined by our board of directors to be fair and reasonable to the Company or (iii) approved by the affirmative vote of the holders of at least a majority of the voting power of the outstanding voting shares (excluding voting shares owned by MGM and its affiliates); provided, however, that our operating agreement will provide that any Threshold Transaction, shall be permitted only if (i) Special Approval is obtained or (ii) such transaction is approved by the affirmative vote of the holders of at least a majority of the voting power of the outstanding voting shares (excluding voting shares owned by MGM and its

affiliates). For the avoidance of doubt, the

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exercise of rights by MGM or any of its affiliates (other than the Company and its subsidiaries) under any of the agreements described in or filed as exhibits to the Registration Statement shall not be considered a Threshold Transaction.

In connection with any Special Approval, the conflicts committee shall have the authority to engage independent counsel and other advisors, as it determines necessary to carry out its duties. Such engagement shall not require approval of the entire board of directors. We will agree to provide appropriate funding, as determined by the conflicts committee for (i) compensation for independent counsel and other advisors retained by the conflicts committee, and (ii) ordinary administrative expenses of the conflicts committee that are necessary or appropriate in carrying out its duties.

Our board of directors and any conflicts committee (in connection with any Special Approval) will each be authorized in connection with its resolution of any conflict of interest to consider such factors as it determines in its sole and absolute discretion to be relevant, reasonable or appropriate under the circumstances. Our board of directors will be authorized but not required in connection with its resolution of any conflict of interest to seek Special Approval of such resolution, and our board of directors may also adopt a resolution or course of action that has not received Special Approval. The failure to seek Special Approval by our board of directors will not be deemed to indicate that a conflict of interest exists or that Special Approval could not have been obtained.

In addition, our operating agreement will provide that, to the fullest extent permitted by the Limited Liability Company Act of Delaware (the Delaware LLC Act), the existence of the conflicts of interest and the agreements described in or contemplated by this Registration Statement are approved, and all such conflicts of interest are waived, by all shareholders and shall not constitute a breach of our operating agreement or any duty existing at law or otherwise.

## **No Fiduciary Duties**

Our operating agreement will provide that our directors and officers, MGM and its affiliates and any other person eligible for indemnification under the terms of our operating agreement do not have any duties or liabilities, including fiduciary duties, to the fullest extent permitted by law, to MGP, any shareholder or any other person bound by our operating agreement. The provisions of our operating agreement, to the extent that they restrict or otherwise modify or eliminate the duties and liabilities, including fiduciary duties, of our directors and officers, MGM and its affiliates and any other indemnified person existing at law or in equity, will be deemed agreed by the shareholders to replace such other duties and liabilities of the directors and officers, MGM or any of its affiliates and any other indemnified person.

In addition, our operating agreement will provide that when a director or officer is acting in an individual capacity (or in his or her capacity as a director or officer of MGM or any affiliate of MGM), as opposed to in such director's or officer's capacity as a director or officer of MGP, he or she is entitled, to the fullest extent permitted by law, to make such determination or to take or not take such action free of any duty (including any fiduciary duty) or obligation to us or our shareholders whatsoever and such director or officer will not, to the fullest extent permitted by law, be required to act pursuant to any other standard imposed by our operating agreement, any other agreement contemplated thereby or under the Delaware LLC Act or any other law, rule or regulation or at equity.

Whenever our board of directors (or any committee thereof) or any other person entitled to indemnification under our operating agreement is permitted to or required to make a decision in its sole discretion or discretion or that it deems necessary or appropriate or necessary or advisable or under a grant of similar authority or latitude, then our board of directors (or such committee thereof) or such indemnitee, as appropriate, will, to the fullest extent permitted by law, make such decision in its sole and absolute discretion (regardless of





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whether there is a reference to sole discretion or discretion ) and will be entitled to consider only such interests and factors as they desire, including their own interests or the interests of MGM and its affiliates, and will have no duty or obligation (fiduciary or otherwise) to give any consideration to any interest of or factors affecting us or our shareholders and will not be subject to any different standards imposed by the operating agreement, the Delaware LLC Act, or under any other law, rule or regulation or in equity. Whenever in our operating agreement (or any other agreement contemplated thereby) or otherwise, the board of directors (or any committee thereof) or any other indemnitee, as appropriate, is permitted to or required to make a decision in its good faith, then for purposes of our operating agreement, the board of directors (or such committee thereof) or such other indemnitee, as appropriate, shall be conclusively presumed to be acting in good faith if such person or persons subjectively believe or believes that the decision made or not made is in the best interests of MGP.

For additional information about the modification of the fiduciary duties of our board of directors under our operating agreement, see Risk Factors Our operating agreement will contain provisions that reduce or eliminate duties (including fiduciary duties) of our directors, officers and others and Conflicts of Interest and Fiduciary Duties No Fiduciary Duties.

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**This Offering**

Class A shares offered by us	50,000,000 shares
Overallotment option	7,500,000 shares
Class A shares to be outstanding after this offering	50,000,000 shares
Class B share to be outstanding after this offering	One share (whether or not the underwriters exercise their overallotment option)
Voting power held by holders of Class A shares after giving effect to this offering	Approximately 49%. See Description of Shares of MGP Shares Voting Rights.
Voting power held by MGM, as the sole holder of the Class B share, after giving effect to this offering	Approximately 51%. See Description of Shares of MGP Shares Voting Rights.
Use of proceeds	The proceeds of this offering will be used to purchase approximately 50,000,000 Operating Partnership Units, representing 24% of the economic interest in the Operating Partnership (assuming that 50,000,000 Class A shares are sold in this offering and that the underwriters do not exercise their overallotment option). The Operating Partnership will use the proceeds to repay a portion of the indebtedness under the Bridge Facilities it assumed from MGM and certain of its subsidiaries in connection with the Formation Transactions, and to pay fees and expenses related to this offering and the Formation Transactions, with the remainder, if any, for general corporate purposes. Any proceeds received in connection with the exercise by the underwriters of their overallotment option will be used by the Operating Partnership for general corporate purposes, including to pay down any amounts drawn under the Revolving Credit Facility in connection with the Formation Transactions.
Listing	We have filed an application with the NYSE to list our Class A shares under the ticker symbol MGP on the NYSE.

Ownership and transfer restrictions

To assist us in complying with the limitations on the concentration of ownership of REIT shares imposed by the Code, among other purposes, our operating agreement will generally prohibit, among other prohibitions, as of the closing of this offering, any shareholder from beneficially or constructively owning more than 9.8% in value or in number, whichever is more restrictive, of any class of our shares (other than our Class B share), or 9.8% in value of the aggregate

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outstanding shares of all classes and series of our shares. See Description of Shares of MGP Restrictions on Ownership and Transfer of our Shares.

Risk factors

Investing in our Class A shares involves a high degree of risk. You should carefully read and consider the information set forth under Risk Factors beginning on page 28 and all other information in this prospectus before investing in our Class A shares.

Reserved Share Program

At our request, the underwriters have reserved for sale, at the initial public offering price, up to 5% of the Class A shares offered by this prospectus for sale to certain of our directors, officers, employees, business associates and related persons through a Reserved Share Program. If these persons purchase reserved Class A shares it will reduce the number of Class A shares available for sale to the general public. Any reserved Class A shares that are not so purchased will be offered by the underwriters to the general public on the same terms as the other Class A shares offered by this prospectus.

Distribution policy

Commencing with our taxable year ending on December 31, 2016, consistent with industry standards, we expect to pay distributions in cash in an amount equal to approximately 80.6% of cash available for distribution for each quarterly period, which amount may be changed in the future without advance notice. Our ability to pay regular quarterly distributions is subject to various restrictions and other factors described in more detail under the caption Distribution Policy.

We intend to pay a pro-rated distribution with respect to the period commencing from the date Class A shares will be delivered to investors in this offering as set forth on the cover of this prospectus through the last day of the then-current fiscal quarter, based on a distribution of \$0.3575 per Class A share for a full quarter.

Unless otherwise indicated, the information contained in this prospectus assumes that the underwriters' overallotment option is not exercised, assumes that the Class A shares to be sold in this offering are sold at \$19.50 per share, which is the midpoint of the price range set forth on the front cover of this prospectus, and excludes 2,500,000 shares (calculated based on the midpoint of the price range set forth on the front cover of this prospectus) that are reserved for future issuance under our equity incentive and compensation plans.



**Table of Contents****Summary Historical Financial Statements and Pro Forma Financial Information**

Following the initial public offering, we will be a publicly traded, controlled REIT primarily engaged in the real property business through our investment in the Operating Partnership. Initially, the Operating Partnership's portfolio will consist of the Properties that are owned by subsidiaries of MGM as of the date of this prospectus, which will be contributed by subsidiaries of MGM to the Operating Partnership in connection with the initial public offering. See Basis of Presentation. The Landlord will lease all of the Properties to the Tenant under the Master Lease. We initially expect to generate revenues by leasing the Properties to the Tenant.

The following summary financial information does not reflect the financial position or results of operations of MGP for the periods indicated. The Predecessor Financial Statements presented below were prepared by combining the financial results of the Properties expected to be owned by us at the completion of this offering. The following table should be read in conjunction with: MGP Unaudited Pro Forma Condensed Consolidated Financial Information, Management's Discussion and Analysis of Financial Condition and Results of Operations and the Predecessor Financial Statements and notes thereto presented elsewhere herein.

The pro forma financial information may not be indicative of our future performance and does not necessarily reflect what our financial position and results of operations would have been had we operated as a publicly traded company independent from MGM during the periods presented.

	(Historical)		(Pro Forma) <sup>(1)</sup>
	For the year ended December 31, 2014	For the year ended December 31, 2015	For the year ended December 31, 2015 (unaudited)
<i>(in thousands, except share and per share amounts)</i>			
<b>Statement of Operations Data:</b>			
Revenues			
Rental income	\$	\$	\$ 552,300
Property taxes reimbursed by Tenant			48,122
Total revenues			600,422
Operating expenses			
Depreciation	186,262	196,816	196,816
Property transactions, net		6,665	6,665
Property taxes	48,346	48,122	48,122
Property insurance	11,634	10,351	
Other general and administrative			1,650
Total operating expenses	246,242	261,954	253,253
Operating income (loss)	(246,242)	(261,954)	347,169

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Interest expense			155,593
Income (loss) before income taxes	(246,242)	(261,954)	191,576
Provision for income taxes			
Net income (loss)	(246,242)	(261,954)	191,576
Less: Net income (loss) attributable to noncontrolling interest			145,524
Net income (loss) attributable to Class A shareholders	\$ (246,242)	\$ (261,954)	\$ 46,052
Class A Shares			
Weighted average number of Class A shares			
Basic			50,000,000
Diluted			50,011,538
Basic earnings per share			\$ 0.92
Diluted earnings per share			\$ 0.92

(1) See MGP Unaudited Pro Forma Condensed Consolidated Financial Information.

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<i>(in thousands, except share amounts)</i>	(Historical)		(Pro Forma)
	As of December 31, 2014	As of December 31, 2015	As of December 31, 2015 (unaudited)
<b>Balance Sheet Data:</b>			
Assets			
Property and equipment, net	\$ 7,867,812	\$ 7,793,639	\$ 7,793,639
Cash and cash equivalents			42,950
Other assets			10,700
Total assets	\$ 7,867,812	\$ 7,793,639	\$ 7,847,289
Liabilities			
Long term debt	\$	\$	\$ 3,142,625
Deferred tax liabilities	1,740,465	1,734,680	
Total liabilities	1,740,465	1,734,680	3,142,625
Equity			
Net Parent investment	6,127,347	6,058,959	
Class A shares, 1,000,000,000 shares authorized, 50,000,000 shares issued and outstanding			
Additional paid-in capital			1,130,929
Total shareholders equity	6,127,347	6,058,959	1,130,929
Noncontrolling interest			3,573,735
Total equity	6,127,347	6,058,959	4,704,664
Total liabilities and equity	\$ 7,867,812	\$ 7,793,639	\$ 7,847,289

*Non-U.S. GAAP Measures***Reconciliation of FFO to Net Income**

Funds from operations ( FFO ) is a financial measure that is not prepared in conformity with accounting principles generally accepted in the United States ( U.S. GAAP ) and is considered a supplement to U.S. GAAP measures for the real estate industry. The National Association of Real Estate Investment Trusts ( NAREIT ) defines FFO as net income (computed in accordance with U.S. GAAP), excluding gains and losses from sales or disposals of property (presented below as property transactions, net), plus real estate depreciation. We have defined Adjusted Funds From Operations ( AFFO ) as FFO as adjusted for amortization of financing costs, non-cash compensation expense, and the net effect of straight-line rents.

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



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

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

	<b>Pro Forma for Year Ended December 31, 2015</b>
Net income (loss)	\$ 191,576
Real estate depreciation	196,816
Property transactions, net	6,665
 FFO	 395,057
Amortization of financing costs	9,547
Non-cash compensation expense	450
Net effect of straight-line rents	(2,300)
 AFFO	 \$ 402,754

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**RISK FACTORS**

*Investment in our shares involves risks. In addition to other information contained in this prospectus, you should carefully consider the following factors before acquiring our Class A shares offered by this prospectus. The occurrence of any of the following risks might cause you to lose all or a part of your investment. Some statements in this prospectus, including statements in the following risk factors, constitute forward-looking statements. Please refer to the section entitled *Cautionary Note Regarding Forward-Looking Statements*.*

**Risks Related to Our Business and Operations**

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

Immediately following the Formation Transactions, the Tenant will be the lessee of all of the Properties pursuant to the Master Lease and account for all of our revenues. Additionally, because the Master Lease will be a triple-net lease, we will depend on the Tenant to pay all insurance, taxes, utilities and maintenance and repair expenses in connection with these Properties and to indemnify, defend and hold us harmless from and against various claims, litigation and liabilities arising in connection with its business, including existing liabilities which may be unknown or unquantifiable at the time this offering is completed. There can be no assurance that the Tenant will have sufficient assets, income and liquidity to satisfy its payment obligations under the Master Lease, including any payment obligations that may arise in connection with the indemnities under the Master Lease, or that MGM will be able to satisfy its guarantee of the Tenant's obligations under the Master Lease. Furthermore, there can be no assurance that we will have the right to seek reimbursement against an insurer or have any recourse against the Tenant or MGM in connection with such liabilities. The Tenant and MGM rely on the properties they own and/or operate for income to satisfy their obligations, including their debt service requirements and lease payments due to us under the Master Lease. If income from these properties were to decline for any reason, or if the Tenant's or MGM's debt service requirements were to increase, whether due to an increase in interest rates or otherwise, the Tenant may become unable or unwilling to satisfy its payment obligations under the Master Lease and MGM may become unable or unwilling to make payments under its guarantee of the Master Lease. If the Tenant were unable or unwilling to meet its rent obligations and other obligations for one or more of the Properties, there can be no assurances that we would be able to contract with other lessees on similar terms as the Master Lease or at all. The inability or unwillingness of the Tenant to meet its rent obligations and other obligations under the Master Lease could materially adversely affect our business, financial position or results of operations, including our ability to pay distributions to our shareholders as required to maintain our status as a REIT. For these reasons, if the Tenant or MGM were to experience a material adverse effect on their respective business, financial positions or results of operations, our business, financial position or results of operations could also be materially adversely affected.

Due to our dependence on rental payments from the Tenant or from MGM (pursuant to its guarantee) as our only source of revenues, we may be limited in our ability to enforce our rights under the Master Lease or to terminate the Master Lease. In addition, we may be limited in our ability to enforce our rights under the Master Lease because it is a unitary lease and does not provide for termination with respect to individual properties by reason of the default of the Tenant. While we believe that the Tenant will have an interest in complying with the terms of the Master Lease as a result of MGM's continuing economic interest in our Operating Partnership subsidiary, failure by the Tenant to comply with the terms of the Master Lease or to comply with the gaming regulations to which the Properties under the Master Lease are subject could require us to find another lessee for all of the Properties. During this period, there could be a decrease or cessation of rental payments by the Tenant. In such event, we may be unable to locate a suitable lessee at similar rental rates in a timely manner or at all, which would have the effect of reducing our rental revenues.



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### ***Initially, we will depend on the Properties for all of our anticipated cash flows.***

Initially, unless and until we acquire additional properties, we will depend on our Properties, all of which are operated by subsidiaries of MGM, for all of our anticipated cash flows. We may not immediately acquire other properties to further diversify and increase our sources of cash flow and reduce our portfolio concentration. Any default with regard to any property under the Master Lease will cause a default with regard to the entire portfolio covered by the Master Lease. Consequently, the impairment or loss of any one or more of the Properties could materially and disproportionately reduce our ability to collect rent under the Master Lease and, as a result, have a material adverse effect on our business, financial condition, results of operations and ability to make distributions to our shareholders.

### ***We may not be able to re-lease our Properties following the expiration or termination of the Master Lease.***

When the Master Lease expires, the Properties, together or individually, may not be relet in a timely manner or at all, or the terms of reletting, including the cost of allowances and concessions to future tenants, including MGM or its subsidiaries, may be less favorable than the current lease terms. The loss of MGM and its subsidiaries, or future tenants on acquired properties, through lease expiration or other circumstances may require us to spend (in addition to other re-letting expenses) significant amounts of capital to renovate the property before it is suitable for a new tenant and cause us to incur significant costs in the form of ongoing expenses for property maintenance, taxes, insurance and other expenses.

The Master Lease allows the Tenant to cease operations at any of the Properties at any time as long as the Tenant and the Operating Subtenants collectively would have maintained an EBITDAR to rent ratio (as described in the Master Lease) of at least 1.90:1.00 for the preceding twelve month period, after giving effect to the cessation of operations at the applicable Property on a pro forma basis. If the Tenant were to cease operations at a Property, whether due to market or economic conditions or for any other reason, the value of such Property may be impaired and we will not have the right to re-lease the Property as a result of Tenant's continuing rights to such Property.

The Master Lease is especially suited to MGM, the parent of the Tenant under the Master Lease. Because the Properties have been designed or physically modified for a particular tenant, if the Master Lease is terminated or not renewed, we may be required to renovate the Properties at substantial costs, decrease the rent we charge or provide other concessions to re-lease the Properties. In addition, if we are required to sell a Property, we may have difficulty selling it to a party other than to a gaming operator due to the special purpose for which the Property may have been designed or modified. This potential illiquidity may limit our ability to quickly modify our portfolio in response to changes in economic or other conditions, including tenant demand. To the extent that we are not able to re-lease our Properties or that we incur significant capital expenditures as a result of Property vacancies, our business, results of operations and financial condition could be materially adversely affected. Further, if we were unable to re-lease our properties following the expiration or termination of the Master Lease, our cash flow, liquidity and dividend yield on our Class A shares may be adversely affected.

### ***We may assume unknown liabilities in connection with the Formation Transactions.***

As part of the Formation Transactions, we will acquire properties that may be subject to unknown existing liabilities. These liabilities might include liabilities for clean-up or remediation of undisclosed environmental conditions, claims by tenants, vendors or other persons dealing with the contributing entities (that had not been asserted or threatened prior to this offering), tax liabilities and accrued but unpaid liabilities incurred in the ordinary course of business. While the Master Lease will allocate responsibility for many of these liabilities to the Tenant under the Master Lease, if the Tenant fails to discharge these liabilities, we could be required to do so. Additionally while in some instances we may have the right to seek reimbursement against an insurer, any recourse against third parties, including the prior

investors in our assets, for certain of these liabilities will be limited. There can be no assurance that we will be entitled to any such reimbursement or that ultimately we will be able to recover in respect of such rights for any of these historical liabilities.

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***Our sole material assets will be Operating Partnership Units representing approximately 24% of the ownership interests in the Operating Partnership (assuming that 50,000,000 Class A shares are sold in this offering and that the underwriters do not exercise their over-allotment option), over which we have operating control through our ownership of its general partner, and our ownership interest in the general partner of the Operating Partnership. Because our interest in the Operating Partnership represents our only cash-generating asset, our cash flows and distributions will depend entirely on the performance of the Operating Partnership and its ability to distribute cash to us.***

Following this offering, we will be a holding company whose sole material assets will be Operating Partnership Units representing approximately 24% of the ownership interests in the Operating Partnership (assuming that 50,000,000 Class A shares are sold in this offering and that the underwriters do not exercise their over-allotment option) and our ownership interest in the general partner of the Operating Partnership and the source of our earnings and operating cash flow will consist exclusively of cash distributions from the Operating Partnership. Therefore, our ability to make distributions to our shareholders will be completely dependent on the performance of the Operating Partnership and its ability to distribute funds to us. The Operating Partnership's partnership agreement requires it to distribute to us all or such portion of its available cash each quarter as determined by the general partner. The general partner, our wholly owned subsidiary, intends to cause the Operating Partnership to make such distributions and retain such cash reserves to provide for the proper conduct of its business, to enable it to make distributions to us so that we can make timely distributions, or to comply with applicable law or any of the Operating Partnership's debt or other agreements.

To the extent that we need funds, and the Operating Partnership is restricted from making such distributions pursuant to the terms of the agreements governing its debt or under applicable law or regulation, or is otherwise unable to provide such funds, it could materially and adversely affect our liquidity and financial condition. The earnings from, or other available assets of, the Operating Partnership may not be sufficient to make distributions or loans to us to enable us to make distributions on our Class A shares, taxes and other expenses.

***The Master Lease restricts our ability to sell the Properties or our interests in the Operating Partnership and Landlord.***

Our ability to sell or dispose of the Properties may be hindered by the fact that such Properties will be subject to the Master Lease, as the terms of the Master Lease may make such Properties less attractive to a potential buyer than alternative properties that may be for sale. In addition, the Master Lease provides that we may not sell the Properties to certain competitors of MGM, limiting the number of potential purchasers of our Properties for as long as the Properties are subject to the Master Lease. The Master Lease also restricts us from selling our interests in the Operating Partnership or the Landlord to certain competitors of MGM.

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

Our success will depend in large part upon the leadership and performance of our executive management team, particularly James C. Stewart, our chief executive officer, and Andy H. Chien, our chief financial officer. The appointment of certain key members of our executive management team will be subject to regulatory approvals based upon suitability determinations by gaming regulatory authorities in the jurisdictions where our properties are located. If Messrs. Stewart or Chien are found unsuitable by any such gaming regulatory authorities, or if we otherwise lose their services, we would have to find alternative candidates and may not be able to successfully manage our business or achieve our business objectives.



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*We may face extensive regulation from certain gaming and other regulatory authorities, and our operating agreement provides that any of our shares held by investors who are found to be unsuitable by state gaming regulatory authorities are subject to redemption.*

The ownership, operation and management of gaming facilities are subject to pervasive regulation. Certain gaming authorities in the jurisdictions in which MGM operates may require us and our affiliates to maintain a license as a key business entity or supplier because of our status as landlord. Gaming authorities also retain great discretion to require us to be found suitable as a landlord, and certain of our shareholders, officers and directors may be required to be found suitable as well.

Gaming authorities have very broad discretion in determining whether an applicant should be deemed suitable. Subject to certain administrative proceeding requirements, the gaming regulators have the authority to deny any application or limit, condition, restrict, revoke or suspend any license, registration, finding of suitability or approval, or fine any person licensed, registered or found suitable or approved, for any cause deemed reasonable by the gaming authorities. If the gaming authorities were to find us unsuitable as a landlord, MGM may be required to sever its relationship with us and we could be compelled to sell the Properties.

Gaming authorities may conduct investigations into the conduct or associations of our directors, officers, key employees or investors to ensure compliance with applicable standards. If we are required to be found suitable and are found suitable as a landlord, we will be registered as a public company with the gaming authorities and will be subject to disciplinary action if, after we receive notice that a person is unsuitable to be a shareholder or to have any other relationship with us, we:

pay that person any distribution or interest upon any of our voting securities;

allow that person to exercise, directly or indirectly, any voting right conferred through securities held by that person;

pay remuneration in any form to that person for services rendered or otherwise; or

fail to pursue all lawful efforts to require such unsuitable person to relinquish his or her voting securities including if necessary, the immediate purchase of the voting securities for cash at fair market value.

Many jurisdictions also require any person who acquires beneficial ownership of more than a certain percentage of voting securities, typically 5%, of registered public companies or companies that have been found suitable and, in some jurisdictions, non-voting securities to report the acquisition to gaming authorities, and gaming authorities may require such holders to apply for qualification or a finding of suitability, subject to limited exceptions for institutional investors that hold a public company's voting securities for investment purposes only. In addition, to the extent a person or institution also holds shares in MGM, such shares may be aggregated with the shares they hold in us in connection with calculating such person's or institution's beneficial ownership for purposes of complying with any regulatory requirements in an applicable jurisdiction.

Further, our directors, officers, key employees and investors in our shares must meet approval standards of certain gaming regulatory authorities. If such gaming regulatory authorities were to find such a person or investor unsuitable,



we may be required to sever our relationship with that person or the investor may be required to dispose of his, her or its interest in us. Our operating agreement provides that all of our shares held by investors who are found to be unsuitable by regulatory authorities are subject to redemption upon our receipt of notice of such finding. Gaming regulatory agencies may conduct investigations into the conduct or associations of our directors, officers, key employees or investors to ensure compliance with applicable standards.

Additionally, if we are registered as a public company with the gaming authorities neither we nor any of our subsidiaries may make a public offering of securities without the prior approval of certain gaming authorities. Changes in control through merger, consolidation, stock or asset acquisitions, management or consulting agreements, or otherwise are subject to receipt of prior approval of gaming authorities. Entities seeking to acquire control of us or one of our subsidiaries must satisfy gaming authorities with respect to a variety of stringent standards prior to assuming control.

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

In connection with this offering, we expect to incur indebtedness in principal amount of approximately \$3.2 billion (assuming gross proceeds from this offering of at least \$932.1 million). We expect that the proceeds from this indebtedness will be used to refinance a portion of the debt assumed by the Operating Partnership in connection with the Formation Transactions. In the event that the gross proceeds from this offering are less than \$932.1 million, the Operating Partnership is expected to incur indebtedness under the Revolving Credit Facility equal to the difference, but not exceeding \$300.0 million of total outstanding indebtedness under the Revolving Credit Facility on the closing date of this offering. We may also incur additional indebtedness in the future to refinance our existing indebtedness or to finance newly acquired properties. Any significant additional indebtedness could require a substantial portion of our cash flow to make interest and principal payments due on our indebtedness. Greater demands on our cash resources may reduce funds available to us to pay distributions, make capital expenditures and acquisitions, or carry out other aspects of our business strategy. Increased indebtedness can also limit our ability to adjust rapidly to changing market conditions, make us more vulnerable to general adverse economic and industry conditions and create competitive disadvantages for us compared to other companies with relatively lower debt levels. Increased future debt service obligations may limit the Operating Partnership's and our operational flexibility, including our ability to acquire properties, finance or refinance our properties, contribute properties to joint ventures or sell properties as needed. Further, to the extent we were required to incur indebtedness, our future interest costs would increase, thereby reducing our earnings and cash available for distribution from what they otherwise would have been.

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

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

We may raise additional funds in the future through the issuance of equity securities and as a result our shareholders may experience significant dilution. Additionally, sales of substantial amounts of our Class A shares in the public market following the initial public offering, or the perception that such sales could occur, could adversely affect the market price of our Class A shares, may make it more difficult for our shareholders to sell our Class A shares at a time and price that they deem appropriate and could impair our future ability to raise capital through an offering of our equity securities.

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

The agreements governing our indebtedness are expected to contain customary covenants, including restrictions on our ability to grant liens on our assets, incur indebtedness, sell assets, make investments, engage in acquisitions, mergers or consolidations and pay certain distributions and other restricted payments. In addition, we will be required

to comply with certain financial covenants. These restrictions may limit our operational flexibility. Covenants that limit our operational flexibility as well as defaults under our debt instruments could have a material adverse effect on our business, financial position or results of operations.

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***The Master Lease requires us to pay for certain capital improvements or to purchase certain personal property from the Tenant in certain circumstances, and we may be required to obtain additional financing.***

The Master Lease provides that, if MGM were required to cease consolidating us within its financial statements prepared in accordance with U.S. GAAP at any time in the future (a deconsolidation event), we may be required to pay the Tenant, should the Tenant so elect, an amount equal to the fair market value of certain capital improvements made by or at the direction of the Tenant or the Operating Subtenants from the start of the term of the Master Lease until the deconsolidation event, subject to an initial cap of \$100 million in the first year of the Master Lease increasing annually by \$75 million each year thereafter. Rent under the Master Lease will increase by a factor applied to such amount paid by us to the Tenant. If such a deconsolidation event were to occur and we do not elect to pay in equity, we may not have sufficient liquidity to fund these payments in respect of capital improvements, and may be required to obtain additional financing, which could adversely affect funds for future acquisitions or our AFFO and have a material adverse effect on our business, financial position or results of operations. Alternatively, we may elect to make payments in respect of the capital improvements in the form of equity, which could be dilutive to existing shareholders.

In addition, the Master Lease provides that, under certain circumstances in connection with the expiration of the Master Lease, we may be required to purchase certain tangible personal property of the Tenant or Operating Subtenants at the properties then subject to the Master Lease, including gaming equipment and hotel furniture, fixtures and equipment, for fair market value. If we were required to purchase these assets (subject to applicable gaming laws), we may not have sufficient liquidity to fund these purchases, and may be required to obtain additional financing, which could adversely affect funds for future acquisitions or our AFFO and have a material adverse effect on our business, financial position or results of operations.

***Rising expenses could reduce cash flow and funds available for future acquisitions and distributions.***

Our properties will be subject to increases in tax rates and tax assessments, utility costs, insurance costs, repairs, maintenance and administrative expenses, and other operating expenses. We may also incur significant expenditures as a result of deferred maintenance for the Properties and other properties we may acquire in the future. While the Properties under the Master Lease are leased on a triple-net basis, if the Tenant or future tenants fail to pay required tax, utility and other impositions and other operating expenses, or if the Tenant or future tenants fails to maintain leased properties in the condition required by the Master Lease, and if we are required to incur a high level of capital expenditures, we could be required to pay those costs which may require that we obtain additional financing and could adversely affect funds available for future acquisitions or cash available for distributions.

***We have a limited operating history and the Predecessor historical and pro forma financial information included in this prospectus may not be a reliable indicator of future results.***

We are a newly organized company with a limited operating history prior to the completion of this offering. Therefore, our growth prospects must be considered in light of the risks, expenses and difficulties frequently encountered when any new business is formed. We cannot assure you that we will be able to successfully operate our business profitably or implement our operating policies and investment strategy as described in this prospectus. Further, we have not historically operated as a REIT, which may place us at a competitive disadvantage that our competitors may exploit. We urge you to carefully consider the information included in this prospectus concerning us in making an investment decision.

The only financial statements included herein are the Predecessor Financial Statements and our balance sheet as of December 31, 2015. Our balance sheet, pro forma financial information and the Predecessor Financial Statements

included herein may not reflect what our business, financial position or results of operations will be in the future when we are a separate, publicly traded company. Until the Formation Transactions are completed, we will not have been an operating business and will not have had historical operations. The Properties being contributed to our Operating Partnership by subsidiaries of MGM in connection with the Formation Transactions

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were historically operated by MGM as part of its larger corporate organization and not as a stand-alone business or independent company. The financial information that we have included in this prospectus may not reflect what our financial condition, results of operations or cash flows would have been had we been a stand-alone business or independent entity, or had we operated as a REIT, during the periods presented. Significant changes will occur in our cost structure, financing and business operations as a result of our operation as a stand-alone company and the entry into transactions with MGM that have not existed historically, including the Master Lease.

Further, we have no operating history as a REIT. We cannot assure you that our past experience will be sufficient to successfully operate our company as a REIT. Upon completion of this offering, we will be required to implement substantial control systems and procedures in order to maintain the possibility of qualifying to be taxed as a REIT. As a result, we will incur significant legal, accounting and other expenses that we have not previously incurred, and our management and other personnel will need to devote a substantial amount of time to comply with these rules and regulations and establish the corporate infrastructure and controls demanded of a REIT. These costs and time commitments could be substantially more than we currently expect. Therefore, our unaudited pro forma consolidated financial statements may not be indicative of our future costs and performance as a REIT.

The pro forma financial information included in this prospectus was prepared on the basis of assumptions derived from available information that we believe to be reasonable. However, these assumptions may change or may be incorrect, and actual results may differ, perhaps significantly. Therefore, the financial information we have included in this prospectus may not necessarily be indicative of what our financial condition, results of operations or cash flows will be in the future. For additional information about the basis of presentation of the financial information included in this prospectus, see Capitalization, Selected Historical Financial Data, MGP Unaudited Pro Forma Condensed Consolidated Financial Information and the financial statements.

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

As the owner of properties associated with gaming facilities, we will be impacted by the risks associated with the gaming industry. Therefore, our success is to some degree dependent on the gaming industry, which could be adversely affected by economic conditions in general, changes in consumer trends, reductions in discretionary consumer spending and corporate spending on conventions and business development and preferences and other factors over which we and MGM have no control. Economic contraction, economic uncertainty or the perception by our customers of weak or weakening economic conditions may cause a decline in demand for hotels, casino resorts, trade shows and conventions, and for the type of luxury amenities offered at our properties. In addition, changes in discretionary consumer spending or consumer preferences could be driven by factors such as the increased cost of travel, an unstable job market, perceived or actual disposable consumer income and wealth, outbreaks of contagious diseases or fears of war and future acts of terrorism. Because a component of the rent under the Master Lease is based, over time, on the actual net revenues (as determined in accordance with U.S. GAAP, adjusted to exclude net revenue attributable to certain scheduled subleases and, at our option, reimbursed cost revenue) of our Tenant and, without duplication, the Operating Subtenants from the leased properties subject to the Master Lease, a decrease in the gaming business would likely have a greater adverse effect on our revenues than if we owned a more diversified real estate portfolio.

***Because a majority of our major gaming resorts are concentrated on the Strip, we are subject to greater risks than a company that is more geographically diversified.***

Given that a majority of our major resorts are concentrated on the Strip, our business may be significantly affected by risks common to the Las Vegas tourism industry. For example, the cost and availability of air services and the impact

of any events that disrupt air travel to and from Las Vegas can adversely affect the business of our Tenant. We cannot control the number or frequency of flights to or from Las Vegas, but our Tenant relies on air traffic for a significant portion of its visitors. Reductions in flights by major airlines as a result of higher fuel prices or lower demand can impact the number of visitors to our properties. Additionally,

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there is one principal interstate highway between Las Vegas and Southern California, where a large number of the customers that frequent our properties reside. Capacity constraints of that highway or any other traffic disruptions may also affect the number of customers who visit our facilities. Moreover, due to the concentration of our major resorts that operate on the Strip, we may be disproportionately affected by general risks such as acts of terrorism, natural disasters, including major fires, floods and earthquakes, and severe or inclement weather, should such developments occur in or nearby Las Vegas.

***Our pursuit of investments in, and acquisitions or development of, additional properties (including our acquisition of the ROFO Properties) may be unsuccessful or fail to meet our expectations.***

We will operate in a highly competitive industry and face competition from other REITs, investment companies, private equity and hedge fund investors, sovereign funds, lenders, gaming companies and other investors, some of whom are significantly larger and have greater resources and lower costs of capital. Increased competition will make it more challenging to identify and successfully capitalize on acquisition opportunities that meet our investment objectives. Additionally, although our Master Lease provides us with a right of first offer with respect to the ROFO Properties, there can be no assurance that the development of the ROFO Properties will be completed on schedule, or at all, or as to the timing of their commencement of operations or when operations at the ROFO Properties will stabilize in order for us to consider a purchase of one or both of these assets. In addition, MGM may elect not to sell the ROFO Properties in the future, or we may be unable to reach an agreement with MGM on the terms of the purchase of such properties if MGM were to elect to sell the ROFO Properties in the future. Accordingly, there can be no assurance that we will be able to acquire any additional properties in the future.

If we cannot identify and purchase a sufficient quantity of gaming properties and other properties at favorable prices or if we are unable to finance acquisitions on commercially favorable terms, our business, financial position or results of operations could be materially adversely affected. Additionally, the fact that we must distribute 90% of our net taxable income (determined without regard to the dividends-paid deduction and excluding any net capital gains) in order to maintain our qualification as a REIT may limit our ability to rely upon rental payments from our leased properties or subsequently acquired properties in order to finance acquisitions. As a result, if debt or equity financing is not available on acceptable terms, further acquisitions might be limited or curtailed.

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

Further, even if we were able to acquire additional properties in the future, including the ROFO Properties, there is no guarantee that such properties would be able to maintain their historical performance, or that we would be able to realize the same margins from those properties as the previous owners. In addition, our financing of these acquisitions could negatively impact our cash flows and liquidity, require us to incur substantial debt or involve the issuance of substantial new equity, which would be dilutive to existing shareholders. See We will have future capital needs and may not be able to obtain additional financing on acceptable terms. In addition, we cannot assure you that we will be successful in implementing our growth strategy or that any expansion will improve operating results. The failure to identify and acquire new properties effectively, or the failure of any acquired properties to perform as expected, could have a material adverse effect on us and our ability to make distributions to our shareholders.



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

MGM (and any future tenants of our gaming properties) will be required to be licensed under applicable law in order to operate any of our gaming properties as gaming facilities. If the Master Lease or any future lease agreements

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we will enter into are terminated (which could be required by a regulatory agency) or expire, any new tenant must be licensed and receive other regulatory approvals to operate the properties as gaming facilities. Any delay in or inability of the new tenant to receive required licenses and other regulatory approvals from the applicable state and county government agencies may prolong the period during which we are unable to collect the applicable rent. Further, in the event that the Master Lease or future agreements are terminated or expire and a new tenant is not licensed or fails to receive other regulatory approvals, the properties may not be operated as gaming facilities and we will not be able to collect the applicable rent. Moreover, we may be unable to transfer or sell the affected properties as gaming properties, which would adversely impact our financial condition and results of operation.

***Our operating agreement will restrict the ownership and transfer of our outstanding Class A shares, which may have the effect of delaying, deferring or preventing a transaction or change of control of our company.***

In order for us to qualify to be taxed as a REIT, not more than 50% in value of our outstanding shares may be owned, actually or constructively, by five or fewer individuals at any time during the last half of each taxable year after the first year for which we elect to qualify to be taxed as a REIT. Additionally, at least 100 persons must beneficially own our shares during at least 335 days of a taxable year (other than the first taxable year for which we elect to be taxed as a REIT). Also, subject to limited exceptions, neither we nor an actual or constructive owner of 10% or more (by value) of our shares may actually or constructively own 10% or more of the interests in the assets or net profits of a non-corporate tenant, or, if the tenant is a corporation, 10% or more of the total combined voting power of all classes of stock entitled to vote or 10% or more of the total value of all classes of stock of the tenant. Any tenant that exceeds such ownership limits is referred to as a related party tenant, and rent from a related party tenant generally will not qualify under the REIT income tests.

Our operating agreement, with certain exceptions, will authorize the board of directors to take such actions as are necessary and desirable to preserve our qualification as a REIT. Our operating agreement will also provide, subject to certain exceptions, that no person may beneficially or constructively own more than 9.8% in value or in number, whichever is more restrictive, of any class of our shares (other than our Class B share) or 9.8% of the value of the aggregate outstanding shares of all classes and series of our shares. See Description of Shares of MGP Restrictions on Ownership and Transfer of our Shares and Material U.S. Federal Income Tax Considerations. The constructive ownership rules are complex and may cause shares owned directly or constructively by a group of related individuals or entities to be constructively owned by one individual or entity. These ownership limits could delay or prevent a transaction or a change in control that might involve a premium price for our shares or otherwise be in the best interests of our shareholders. The acquisition of less than 9.8% of our shares by an individual or entity could cause that individual or entity to own beneficially or constructively in excess of 9.8% in value of our outstanding shares, and thus violate our operating agreement's ownership limit. Any attempt to own or transfer our shares in violation of these restrictions may result in the transfer being automatically void. Our operating agreement will also provide that shares acquired or held in excess of the ownership limit will be transferred to a trust for the benefit of one or more designated charitable beneficiaries to be subsequently sold by the trust, and that any person who acquires our shares in violation of the ownership limit will not be entitled to any distributions on the shares or be entitled to vote the shares or receive any proceeds from the subsequent sale of the shares in excess of the lesser of the market price on the day the shares were transferred to the trust or the amount realized from the sale. We or our designee will have the right to purchase the shares from the trustee at this calculated price as well.

***Any mechanic's liens incurred by the Tenant or the Operating Subtenants will attach to, and constitute liens on, our interest in the Properties.***

To the extent our Tenant or the Operating Subtenants make any improvements, these improvements could cause mechanic's liens to attach to our Properties. To the extent that mechanic's liens, or similar claims, are recorded against

any of the Properties or any properties we may acquire in the future, the holders of such mechanic's liens or claims may enforce them by court action and courts may cause the applicable Properties or future properties to be sold to satisfy such liens or claims, which could negatively impact our revenues, AFFO

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and our distributions to shareholders. Further, holders of such liens or claims could have priority over our Class A shareholders in the event of bankruptcy or liquidation, and as a result, a trustee in bankruptcy may have difficulty realizing or foreclosing on such Properties in any such bankruptcy or liquidation, and the amount of distributions our Class A shareholders could receive in such bankruptcy or liquidation could be reduced.

***Net leases may not result in fair market lease rates over time, which could negatively impact our income and reduce the amount of funds available to make distributions to shareholders.***

All of our rental income is generated from the Master Lease, which is a triple-net lease, and provides greater flexibility to the Tenant related to the use of leased property than would be the case with ordinary property leases, such as the right to freely sublease portions of each leased property, to make alterations in the leased premises and to terminate the lease prior to its expiration under specified circumstances. Furthermore, net leases typically have longer lease terms and, thus, there is an increased risk that contractual rental increases in future years will fail to result in fair market rental rates during those years. As a result, our income and distributions to our shareholders could be lower than they would otherwise be if we did not enter into a net lease.

***The Tenant may assign its responsibilities under the Master Lease to unaffiliated third parties.***

The Tenant may assign its obligations under the Master Lease (including with respect to one or more individual Properties) to a third party assignee without our consent if such assignee meets certain conditions under the Master Lease regarding its experience operating large-scale casinos (or in the case of any of our non-gaming properties, experience operating similar properties), licensing status and economic condition, among other requirements. Despite these assignment requirements, there can be no assurances that any future assignee of the Tenant's obligations under the Master Lease would be as creditworthy as the Tenant or MGM, or would be able to operate the Properties with the same operational expertise as the Tenant and MGM, which could have a material adverse effect on our business, financial condition, results of operations.

***We may be unable to realize the anticipated benefit of the rent escalators in our Master Lease.***

Although the Master Lease provides that the Base Rent will be escalated annually by 2.0% for the second through the sixth lease years (as defined in the Master Lease), thereafter this rent escalation is subject to the Tenant and, without duplication, the Operating Subtenants collectively meeting an adjusted net revenue to rent ratio of 6.25:1.00 based on their net revenue from the leased properties subject to the Master Lease (as determined in accordance with U.S. GAAP, adjusted to exclude net revenue attributable to certain scheduled subleases and, at our option, reimbursed cost revenue). If the rent escalation were not to apply in any particular year, no arrears would accrue or be payable in future lease years. Therefore, there can be no assurance that we will ever realize the benefit of the rent escalators in the Master Lease after the sixth lease year, which could have a material adverse effect on anticipated future cash flows and our ability to increase our distributions to shareholders.

Even if we were able to receive rent escalators under the Master Lease, the rent escalators may lag behind inflation rates. These annual escalators under the Master Lease are based on fixed percentage increases, subject to certain conditions. If these annual escalations lag behind inflation, it could adversely impact our financial condition, results of operations, cash flow, trading price of our Class A shares, our ability to satisfy our debt obligations and our ability to pay distributions to our shareholders.

***Our dividend yield could be reduced if we were to sell any of our Properties in the future.***

If we elect to sell one or more of the Properties in the future, our AFFO could decrease, resulting in a lower level of distributions to our shareholders than we made prior to such sale or sales. If our distributions were to decrease, the effective dividend yield of our Class A shares (i.e., the yield as a percentage of the then-market price of our Class A shares) could subsequently decrease as well, which could have a material adverse effect on the market price of our Class A shares.

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***An increase in market interest rates could increase our interest costs on existing and future debt and could adversely affect the price of our Class A shares.***

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

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

***The Tenant may choose not to renew the Master Lease or seek to renegotiate the terms of the Master Lease at each renewal term.***

The Master Lease has an initial lease term of ten years with the potential to extend the term for four additional five-year terms thereafter, solely at the option of the Tenant. At the expiration of the initial lease term or of any additional renewal term thereafter, the Tenant may choose not to renew the Master Lease or seek to renegotiate the terms of the Master Lease. If the Master Lease expires without renewal, or the terms of the Master Lease are modified in a way which is adverse to us, our results of operations and our ability to maintain previous levels of distributions to shareholders may be adversely affected.

***We may be required to contribute insurance proceeds with respect to casualty events at our Properties to the lenders under our debt financing agreements.***

In the event that we were to receive insurance proceeds with respect to a casualty event at any of our Properties, we may be required under the terms of our debt financing agreements to contribute all or a portion of those proceeds to the repayment of such debt, which may prevent us from restoring such Properties to their prior state. If the remainder of the proceeds (after any such required repayment) were insufficient to make the repairs necessary to restore the damaged Properties to a condition substantially equivalent to its state immediately prior to the casualty, we may not have sufficient liquidity to otherwise fund these repairs and may be required to obtain additional financing, which could adversely affect our AFFO and have a material adverse effect on our business, financial position or results of operations.

***There can be no assurance that we will be able to make distributions to our Class A shareholders or maintain our anticipated level of distributions over time.***

We will determine future distributions based on a number of factors, including, among other things, our AFFO, operating results, our financial condition, especially in relation to our anticipated future capital needs, our then-current expansion plans, the distribution requirements for REITs under the Code, and other factors our board deems relevant. For example, if our Tenant were unable to make rental payments under the Master Lease and MGM were unable to fulfill its obligations under its guarantee, our ability to make distributions would be materially impaired. Our ability to make distributions to our Class A shareholders, to maintain our anticipated level of distributions over time, and the timing, amount and composition of any future distributions, will be at the sole discretion of our board in light of conditions then existing. Consequently, there can be no assurance that we will ever be able to make distributions at the anticipated distribution rate or be able to maintain our anticipated distribution rate over time, and any change in our

distribution policy could have a material adverse effect on the market price of our Class A shares.

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*Delaware law and provisions in our operating agreement may delay or prevent takeover attempts by third parties and therefore inhibit our shareholders from realizing a premium on their shares.*

Our operating agreement will contain, and Delaware law contains, provisions that are intended to prevent coercive takeover practices and inadequate takeover bids and to require prospective acquirers to negotiate with our board of directors. Our operating agreement will, among other things:

provide majority voting rights to the holder of our outstanding Class B share, which will be MGM following this offering;

provide that any merger, consolidation, conversion, sale or other disposition of our assets requires approval of our board of directors;

require advance notice for our shareholders to nominate candidates for election to our board of directors or to propose business to be considered by our shareholders at a meeting of our shareholders;

allow us to issue additional securities, including, but not limited to, preferred shares, without approval by our shareholders;

allow the board of directors to amend the operating agreement without the approval of the shareholders except under certain specified circumstances;

require that (subject to certain exceptions) no person may own, or be deemed to own by virtue of the attribution provisions of the Code, more than 9.8% of the aggregate value or number (whichever is more restrictive) of any class of our shares (other than our Class B share) or more than 9.8% in value of the aggregate outstanding shares of all classes and series of our shares (see Description of Shares of MGP Restrictions on Ownership and Transfer of our Shares ); and

limit the ability of our shareholders to call special meetings of our shareholders or to act by written consent. In addition, our operating agreement will not limit or impair the ability of our board of directors to adopt a poison pill or shareholder or other similar rights plan, whether such poison pill or plan contains dead hand provisions, no hand provisions or other provisions relating to the redemption of the poison pill or plan.

Our board of directors believes these provisions will protect its shareholders from coercive or otherwise unfair takeover tactics by requiring potential acquirers to negotiate with our board of directors. These provisions will apply even if the offer may be considered beneficial by some shareholders and could delay or prevent an acquisition that our board of directors determines is not in our best interests. These provisions may also prevent or discourage attempts to remove and replace incumbent directors.



***MGM's historical results, including its historical corporate rent coverage ratio described in this prospectus, may not be a reliable indicator of its future results.***

In connection with the Formation Transactions, MGM's cost structure, financing and business operations will experience significant changes. While the information regarding MGM's historical corporate rent coverage ratio was prepared on the basis of assumptions and information that we believe to be reasonable, MGM's actual results and corporate rent coverage ratio in the future may differ from the historical numbers presented, perhaps significantly, due to numerous factors, including the condition of the gaming market in the regions in which MGM operates and the levels of dividends and distributions received by MGM from CityCenter, Borgata, Grand Victoria and MGM China. In addition, MGM, its subsidiaries and CityCenter, Borgata, Grand Victoria and MGM China have a significant amount of outstanding indebtedness, and the cash flow required to service such indebtedness, which is not accounted for in the calculation of MGM's corporate rent coverage ratio, may impact the amount of actual cash MGM has available to satisfy its obligations under the Master Lease. Accordingly, you should not place undue reliance on such information as it may not be indicative of MGM's results or corporate rent coverage ratio in the future.

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***The bankruptcy or insolvency of our Tenant could result in the termination of the Master Lease and material losses to us.***

Although the Tenant's performance and payments under the Master Lease will be guaranteed by MGM, a default by the Tenant with regard to any property under the Master Lease, or by MGM with regard to its guarantee, will cause a default with regard to the entire portfolio covered by the Master Lease. There can be no assurances that the Tenant or MGM would assume the Master Lease or guarantee, as applicable, in the event of a bankruptcy, and if the Master Lease or guarantee were rejected, the Tenant or MGM, as applicable, may not have sufficient funds to pay the damages that would be owed to us as a result of the rejection. For these and other reasons, the bankruptcy of the Tenant or MGM could have a material adverse effect on our business, financial condition and results of operations.

***In the event of a bankruptcy of the Tenant, a bankruptcy court may determine that the Master Lease is not a single lease but rather multiple severable leases, each of which can be assumed or rejected independently, in which case underperforming leases related to properties we own that are subject to the Master Lease could be rejected by the Tenant while tenant-favorable leases are allowed to remain in place.***

The Tenant, a subsidiary of MGM, leases all of the Properties pursuant to the Master Lease. Bankruptcy laws afford certain protections to tenants that may also affect the Master Lease, which may be treated for purposes of bankruptcy laws as either a single lease for all the properties or as separate and severable leases for each property. Subject to certain restrictions, a tenant under a lease generally is required to assume or reject the lease as a whole, rather than making the decision on a property-by-property basis. This prevents the tenant from assuming only the better performing properties and terminating the lease with respect to the poorer performing properties. However, it is possible that a bankruptcy court could determine that a single master lease covering multiple properties is not a single indivisible lease but rather is multiple severable leases each of which can be assumed or rejected independently. Whether or not a bankruptcy court will require that the Master Lease must be assumed or rejected as a whole depends upon a facts and circumstances analysis considering a number of factors, including the parties' intent, the nature and purpose of the relevant documents, whether there was separate and distinct consideration for each property included in the Master Lease, whether the Landlord or Tenant had the ability to dispose of its interest in any property included in the Master Lease, the provisions contained in the relevant documents and applicable state law. If a bankruptcy court in a bankruptcy of the Tenant were to determine that the Master Lease is not a single lease but rather multiple severable leases each of which can be assumed or rejected independently, certain underperforming leases related to properties we own could be rejected by the Tenant in bankruptcy while tenant-favorable leases are allowed to remain in place, thereby adversely affecting payments to us derived from the properties.

***A bankruptcy court may judicially recharacterize the Master Lease as a secured lending transaction, in which case we would not be treated as the owner of the Properties and could lose certain rights as the owners in the bankruptcy proceedings.***

It is possible that, if we were to become subject to bankruptcy proceedings, a bankruptcy court could re-characterize the lease transactions set forth in the Master Lease as secured lending transactions depending on its interpretation of the terms of the Master Lease, including, among other factors, the length of the Master Lease relative to the useful life of the leased property. If the Master Lease were judicially recharacterized as a secured lending transaction, we would not be treated as the owner of the Properties and could lose the legal as well as economic attributes of the owners of the Properties, which could have a material adverse effect on our business, financial position or results of operations.

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

While the Master Lease will require, and any new lease agreements are expected to require, that comprehensive insurance and hazard insurance be maintained by the Tenant, there are certain types of losses, generally of a catastrophic nature, such as earthquakes, hurricanes and floods, that will be subject to sublimits

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and may be uninsurable or not economically insurable. Insurance coverage may not be sufficient to pay the full current market value or current replacement cost of a loss. Inflation, changes in building codes and ordinances, environmental considerations, and other factors also might make it infeasible to use insurance proceeds to replace the property after such property has been damaged or destroyed. Under such circumstances, the insurance proceeds received might not be adequate to restore the economic position with respect to such property.

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

In addition, even if damage to our properties is covered by insurance, a disruption of our business caused by a casualty event may result in the loss of business or tenants. The business interruption insurance carried by the Tenant may not fully compensate us for the loss of business due to an interruption caused by a casualty event. Further, if the Tenant has insurance but is underinsured, it may be unable to satisfy its payment obligations under its lease with us.

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

***Changes in building and/or zoning laws may require us to update a property in the event of recapture or prevent us from fully restoring a property in the event of a substantial casualty loss and/or require us to meet additional or more stringent construction requirements.***

Due to changes, among other things, in applicable building and zoning laws, ordinances and codes that may affect certain of our properties that have come into effect after the initial construction of the properties, certain properties may not comply fully with current building and/or zoning laws, including electrical, fire, health and safety codes and regulations, use, lot coverage, parking and setback requirements, but may qualify as permitted non-conforming uses. Although the Master Lease requires the Tenant to pay for and ensure continued compliance with applicable law, there is no assurance that future leases will be negotiated on the same basis or that the Tenant or other future tenants will make the required changes as required by the terms of the Master Lease and/or any future leases we may enter into. In addition, such changes may limit the Tenant's ability to restore the premises of a property to its previous condition in the event of a substantial casualty loss with respect to the property or the ability to refurbish, expand or renovate such property to remain compliant, or increase the cost of construction in order to comply with changes in building or zoning codes and regulations. If the Tenant is unable to restore a property to its prior use after a substantial casualty loss or is required to comply with more stringent building or zoning codes and regulations, we may be unable to re-lease the space at a comparable effective rent or sell the property at an acceptable price, which may materially and adversely affect us.

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

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

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

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the government for damages and the costs the government incurs in connection with such contamination. The presence of contamination or the failure to remediate contamination may adversely affect our ability to sell or lease the real estate or to borrow using the real estate as collateral.

***Certain Properties are subject to restrictions pursuant to reciprocal easement agreements, operating agreements, or similar agreements.***

Many of the Properties are, and properties that we acquire in the future may be, subject to use restrictions and/or operational requirements imposed pursuant to ground leases, restrictive covenants or conditions, reciprocal easement agreements or operating agreements (collectively, Property Restrictions ) that could adversely affect our ability to lease space to third parties. Such Property Restrictions could include, for example, limitations on alterations, changes, expansions, or reconfiguration of properties; limitations on use of properties; limitations affecting parking requirements; or restrictions on exterior or interior signage or facades. In certain cases, consent of the other party or parties to such agreements may be required when altering, reconfiguring, expanding or redeveloping. Failure to secure such consents when necessary may harm our ability to execute leasing strategies, which could adversely affect our business, financial condition or results of operations.

***Our Properties are subject to risks from natural disasters such as earthquakes, hurricanes and severe weather.***

Our Properties are located in areas that may be subject to natural disasters, such as earthquakes, and extreme weather conditions, including, but not limited to, hurricanes. Such natural disasters or extreme weather conditions may interrupt operations at the casino resorts, damage our properties, and reduce the number of customers who visit our facilities in such areas. A severe earthquake in Las Vegas could damage or destroy a number of our Properties. In addition, our operations could be adversely impacted by a drought or other cause of water shortage. A severe drought of extensive duration experienced in Las Vegas or in the other regions in which we expect to operate could adversely affect the business and results of operations at our Properties. Although our Tenant will be required to maintain both property and business interruption insurance coverage for certain extreme weather conditions, such coverage is subject to deductibles and limits on maximum benefits, including limitation on the coverage period for business interruption, and we cannot assure you that we or our Tenant will be able to fully insure such losses or fully collect, if at all, on claims resulting from such natural disasters or extreme weather conditions.

In addition, the Master Lease allows the Tenant to elect to remove a Property from the Master Lease following certain casualty or condemnation events. If the insurance proceeds received in such a casualty event are insufficient to restore the affected Property, responsibility for the shortfall of insurance proceeds will be allocated between the Landlord and the Tenant as set forth in the Master Lease. If the condemnation award received in such a condemnation event is insufficient to restore the affected Property, the shortfall in the condemnation award will be born entirely by the Landlord. In either event, there can be no assurance that we would have access to sufficient funds to restore the affected Property. Even if we are able to restore the affected Property, we could be limited to selling or leasing such Property to a new tenant in order to obtain an alternate source of revenue, which may not happen on comparable terms or at all. Any such removal also could lead to a reduction in the amount of rent we would receive under the Master Lease and negatively impact our revenues.

***Possible terrorist activity or other acts of violence could adversely affect our financial condition and results of operations.***

Terrorist attacks or other acts of violence may result in declining economic activity, which could harm the demand for goods and services offered by the Tenant and the value of our properties and might adversely affect the value of an investment in our securities. Such a resulting decrease in retail demand could make it difficult for us to renew or

re-lease our properties at lease rates equal to or above historical rates. Terrorist activities or violence also could directly affect the value of our properties through damage, destruction or loss, and the availability of insurance for such acts, or of insurance generally, might be lower or cost more, which could increase our operating expenses and adversely affect our financial condition and results of operations. To the

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extent that the Tenant is affected by future attacks, its business similarly could be adversely affected, including its ability to continue to meet obligations under the Master Lease. These acts might erode business and consumer confidence and spending and might result in increased volatility in national and international financial markets and economies. Any one of these events might decrease demand for real estate, decrease or delay the occupancy of our new or redeveloped properties, and limit our access to capital or increase our cost of raising capital.

***For as long as we are an emerging growth company and while remaining a non-accelerated filer, we will not be required to comply with certain reporting requirements that apply to other public companies.***

As an emerging growth company under the JOBS Act, we intend to take advantage of provisions that, among other things, reduce certain reporting requirements, including relating to accounting standards and compensation disclosure. For as long as we are an emerging growth company and while remaining a non-accelerated filer, which may be up to five full fiscal years, unlike most other public companies, we will not be required to:

provide an auditor's attestation report on the effectiveness of our system of internal control over financial reporting pursuant to Section 404 of the Sarbanes-Oxley Act;

comply with any new requirements adopted by the Public Company Accounting Oversight Board, requiring mandatory audit firm rotation or a supplement to the auditor's report in which the auditor would be required to provide additional information about the audit and the financial statements of the issuer;

provide certain disclosure regarding executive compensation required of larger public companies; or

hold shareholder advisory votes on executive compensation.

As described herein, we expect to incur approximately \$3.2 billion principal amount of indebtedness, which may include more than \$1.0 billion in non-convertible debt securities, upon the completion of this offering. Accordingly, we expect that MGP may no longer be an emerging growth company on and after the closing date of this offering.

***Our status as an emerging growth company under the JOBS Act may make it more difficult to raise capital as and when we need it.***

Because of the exemptions from various reporting requirements provided to us as an emerging growth company, we may be less attractive to investors and it may be difficult for us to raise additional capital as and when we need it. Investors may be unable to compare our business with other companies in our industry if they believe that our financial accounting is not as transparent as other companies in our industry. If we are unable to raise additional capital as and when we need it, our financial condition and results of operations may be materially and adversely affected.

***The operation of our Properties (including any ROFO Properties we may acquire) will require, and the operation of properties acquired in the future will likely require, the use of certain brand names.***



The operation of our Properties requires the use of certain brand names, and the terms of the Master Lease do not require the Tenant, MGM or any of its subsidiaries to transfer any intellectual property rights associated with any casino resort to us or to potential new tenants. If the Tenant or another subsidiary of MGM were to cease being the tenant of the Properties, we or a successor tenant may be required to rebrand and/or renovate such properties at substantial cost. If we are unable to successfully manage the transition of our business to new brands in order to accommodate future tenants, it could have a material adverse effect on our business, financial condition, results of operations and cash flows.

Further, in connection with this offering, we will enter into the IP License Agreement with MGM pursuant to which we will have the right to use MGM in the corporate names of our company and our subsidiaries without royalties for up to 50 years. Pursuant to the IP License Agreement, we will also have the right to use the

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MGM mark and the MGM logo in our advertising materials without royalties for up to 50 years. We will be reliant on MGM to maintain and protect its intellectual property rights and we could be adversely impacted by infringement, invalidation, unauthorized use or litigation affecting the licensed intellectual property or brand names used in the operation of the Properties. When our right to use the MGM brand name and logo expires under the terms of the IP License Agreement, or if such agreement is terminated earlier due to a breach or otherwise, we may not be able to maintain or enjoy comparable name recognition or status under our new brand. If we are unable to successfully manage the transition of our business to our new brand, it could have a material adverse effect on our business, financial condition, results of operations and cash flows.

## **Risks Related to Our Affiliation with MGM**

*We are controlled by MGM, whose interests in our business may conflict with ours or yours.*

Our Class B share, representing a majority of the voting power of our shares, is owned by MGM, whose interests may differ from or conflict with the interests of our other shareholders. MGM will have the ability to exercise control over our affairs, including control over the outcome of all matters submitted to our shareholders for approval, including the election of directors and significant transactions. MGM will also have the power to prevent or cause a change in control as a result of its beneficial ownership of our Class B share, which could, among other things, discourage a potential acquirer from attempting to obtain control of us in a manner that provides a control premium to any shareholders other than MGM. Moreover, in such a change of control, shareholders are not entitled to dissenters' rights of appraisal under our operating agreement or applicable Delaware law. As a result, unless and until MGM and its controlled affiliates (excluding us and our subsidiaries) aggregate beneficial ownership of the combined economic interests in MGP and the Operating Partnership falls below 30%, MGM will be able to effectively control us.

It is possible that MGM's interests may, in some circumstances, conflict with your interests as a shareholder. For example, MGM may prevent us from selling properties if such sales would result in unfavorable tax allocations to MGM under Section 704(c) of the Code, which would require allocations to be made to MGM upon a transfer of any properties contributed by it to the Operating Partnership on account of the difference between the fair market value of those properties and their adjusted tax basis on the date that MGM contributed such properties, even if such a sale would be advantageous to MGP. In addition, because of our dual class structure, MGM will continue to be able to elect our board of directors and control all matters submitted to our shareholders for approval even though they will not own any Class A shares. This concentrated control will limit the ability of shareholders to influence corporate matters and, as a result, we may take actions that our shareholders do not view as beneficial, which could adversely affect the market price of our Class A shares.

Various conflicts of interest between MGM and us could arise. Some of our directors may own more stock in MGM than in our company following this offering. Ownership interests of officers and directors of MGM in our shares, or a person's service as either an officer or director of both companies, could create or appear to create potential conflicts of interest when those officers and directors are faced with decisions that could have different implications for MGM and us. Potential conflicts of interest could also arise if we enter into any new commercial arrangements with MGM while it remains one of our principal shareholders. Furthermore, our ability to lease our properties to or acquire properties from companies other than MGM or its affiliates in the future could be limited. In particular, we will be prevented from selling or leasing our properties or our interests in the Operating Partnership or the Landlord to competitors of MGM. Our operating agreement will provide that MGM will have no duty to refrain from engaging in the same or similar business activities or lines of business, doing business with any of our customers or employing or otherwise engaging any of our directors, officers or employees, and MGM is not obligated to identify, acquire, or sell us any properties in the future.

Pursuant to the terms of our operating agreement, the doctrine of corporate opportunity, or any analogous doctrine, shall not apply to, among others, MGM and its affiliates and our directors or executive officers or any of their affiliates. Some of our executive officers and directors may also serve as officers and directors of MGM. No such person or entity that becomes aware of a potential transaction, agreement, arrangement or other matter

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that may be an opportunity for us will have any duty to communicate or offer such opportunity to us. Any such person or entity will not be liable to us or to any shareholder for breach of any fiduciary duty or other duty by reason of the fact that such person or entity pursues or acquires such opportunity for itself, directs such opportunity to another person or entity or does not communicate such opportunity or information to us. Therefore, MGM and its affiliates may compete with us for investment opportunities and may own an interest in entities that compete with us on an operations basis.

Prior to the completion of this offering, we will enter into various agreements to govern our relationship with MGM. These agreements will include, in addition to the Master Lease, the Master Contribution Agreement, Corporate Services Agreement, IP License Agreement and Registration Rights Agreement. Related agreements and other transactions with MGM will be determined by MGM and thus may not be representative of what we could achieve on a stand-alone basis or from an unaffiliated third party. For a description of these agreements and the other agreements that we will enter into with MGM, see Certain Relationships and Related Party Transactions.

***We are dependent on MGM for the provision of administration services to our operations and assets.***

The operation of our business will depend on the administration services provided by MGM. MGM's personnel and support staff that provide services to us will not be required to act exclusively for us, and no specific individuals are required to be provided to us by MGM. Any failure to effectively manage our operations or to implement our strategy could have a material adverse effect on our business, financial condition, results of operations and cash flows.

If MGM were to default in the performance of its obligations to provide us with services, we may be unable to contract with a substitute service provider on similar terms or at all. The costs of substituting service providers may be substantial. In addition, in light of MGM's familiarity with our properties, a substitute service provider may not be able to provide the same level of service due to lack of pre-existing synergies. If we cannot locate a service provider that is able to provide us with substantially similar services as MGM does under our current agreements on similar terms, it could have a material adverse effect on our business, financial condition, results of operations and cash flows.

***Our operating agreement will contain provisions that reduce or eliminate duties (including fiduciary duties) of our directors, officers and others.***

Our operating agreement will provide that our board of directors, in exercising its rights in its capacity as members of the board of directors, will be entitled to consider only such interests and factors as they desire, including MGM's interests, and will have no duty or obligation (fiduciary or otherwise) to give any consideration to any interest of or factors affecting us and will not be subject to any different standards imposed by our operating agreement, the Delaware LLC Act or under any other law, rule or regulation or in equity. Similarly, our operating agreement will provide that our officers, MGM and its affiliates and any other person eligible for indemnification under the terms of our operating agreement do not have any duties or liabilities, including fiduciary duties, to the fullest extent permitted by law, to us, any shareholder or any other person bound by our operating agreement. These modifications of fiduciary duties are expressly permitted by Delaware law.

***MGM has no obligation to fund our future capital needs.***

MGM has no obligation to fund our business and operations, and does not guarantee or otherwise provide credit support for our indebtedness. We cannot assure our shareholders that adequate sources of funding will be available to us on favorable terms or at all. As a result, we may not be able to fund our future capital needs, which could have an adverse effect on our business, financial condition and results of operations.



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***If MGM engages in the same type of business we conduct, our ability to successfully operate and expand our business may be hampered.***

Our operating agreement will provide that:

the doctrine of corporate opportunity, or any analogous doctrine, shall not apply to, among others, MGM and its affiliates and our directors or executive officers or any of their affiliates;

no such persons or entities will have any duty to communicate or offer any opportunity, of which such person becomes aware, relating to a potential transaction, agreement, arrangement or other matter that may be an opportunity for such other persons;

no such persons or entities will be liable to such other persons for breach of any fiduciary duty or other duty by reason of the fact that such person pursues or acquires such opportunity for itself, directs such opportunity to another person or entity or does not communicate such opportunity or information to such other persons or entities; and

MGM and its affiliates may compete with us for investment opportunities and may own an interest in entities that compete with us on an operations basis.

If MGM were to engage in a business in direct competition with us, it could have a material adverse effect on our business, financial condition, results of operations and cash flows.

***The Master Lease and other agreements governing our relationship with MGM were not negotiated on an arm's-length basis and the terms of those agreements may be less favorable to us than they might otherwise have been in an arm's-length transaction.***

Prior to the completion of this offering, we will enter into the Master Lease and various agreements to govern our relationship with MGM. These agreements will include the Master Contribution Agreement, Corporate Services Agreement, IP License Agreement, Registration Rights Agreement and a sublease agreement. While MGM endeavored to have these agreements reflect customary, arm's-length commercial terms and conditions, these agreements are not the result of arm's-length negotiations, and consequently there can be no assurance that the terms of these agreements are as favorable to us as if they had been negotiated with unaffiliated third parties. In addition, we may choose not to enforce, or to enforce less vigorously, our rights under our agreements with MGM because of our desire to maintain our ongoing relationship with MGM and its affiliates.

***MGM may undergo a change of control without the consent of us or of our shareholders.***

MGM is not required to seek our consent or the consent of our shareholders in connection with a change of control involving MGM, and accordingly, MGM's controlling interest in us may become controlled by a new owner of MGM in the event of such change of control. If a new owner were to acquire MGM and thereby acquire MGM's interest in us, and appoint new directors or officers of its own choosing, it would be able to exercise substantial influence over our policies and procedures and exercise substantial influence over our management and the types of acquisitions that we make. Such changes could result in our capital being used to make acquisitions that are substantially different from

our targeted acquisitions. Additionally, we cannot predict with any certainty the effect that any change of control of MGM and transfer in MGM's interest in us would have on the trading price of our shares or on our ability to raise capital or make investments in the future, because such matters would depend to a large extent on the identity of the new owner and the new owner's intentions with regard to us. As a result, our future would be uncertain, which could have a material adverse effect on our business, financial condition, results of operations and cash flows.

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***Following this offering, we will be a controlled company within the meaning of applicable stock market rules and, as a result, will qualify for, and intend to rely on, exemptions from certain corporate governance requirements that provide protection to shareholders of other companies.***

Upon the completion of this offering, MGM will own more than 50% of the voting power of all of our then-outstanding shares entitled to vote generally in the election of directors, and we will be a controlled company under applicable stock exchange corporate governance standards. As a controlled company, we intend to rely on exemptions from certain stock exchange corporate governance standards, including the requirements that:

the majority of our board of directors consists of independent directors;

we have a nominating and governance committee composed entirely of independent directors with a written operating agreement addressing the committee's purpose and responsibilities; and

we have a compensation committee composed entirely of independent directors with a written operating agreement addressing the committee's purpose and responsibilities.

We intend to rely on these exemptions, and, as a result, you will not have the same protections afforded to shareholders of companies that are subject to all of the stock exchange corporate governance requirements.

## **Risks Related to Our REIT Election and Our Status as a REIT**

***If we do not qualify to be taxed as a REIT, or fail to remain qualified to be taxed as a REIT, we will be subject to U.S. federal income tax as a regular corporation and could face a substantial tax liability, which would have an adverse effect on our business, financial condition and results of operations.***

We intend to operate in a manner that will allow us to qualify to be taxed as a REIT for U.S. federal income tax purposes. We expect that we will receive an opinion of Weil, Gotshal & Manges LLP ( REIT Tax Counsel ) that, commencing with our taxable year ending December 31, 2016, we will be organized in conformity with the requirements for qualification and taxation as a REIT under the U.S. federal income tax laws and our proposed method of operations will enable us to satisfy the requirements for qualification and taxation as a REIT under the U.S. federal income tax laws for our taxable year ending December 31, 2016 and subsequent taxable years. Investors should be aware, however, that opinions of counsel are not binding on the Internal Revenue Service ( IRS ) or any court. The opinion of REIT Tax Counsel represents only the view of REIT Tax Counsel, based on its review and analysis of existing law and on certain representations as to factual matters and covenants made by MGM and us, including representations relating to the values of our assets and the sources of our income. The opinion will be expressed as of the date issued. REIT Tax Counsel will have no obligation to advise MGM, us or the holders of our shares of any subsequent change in the matters stated, represented or assumed or of any subsequent change in applicable law. Furthermore, both the validity of the opinion of REIT Tax Counsel and our qualification to be taxed as a REIT will depend on our satisfaction of certain asset, income, organizational, distribution, shareholder ownership and other requirements on a continuing basis, the results of which will not be monitored by REIT Tax Counsel. Our ability to satisfy the asset tests depends upon our analysis of the characterization and fair market values of our assets, some of which are not susceptible to a precise determination, and for which we will not obtain independent appraisals. Any failure to qualify to be taxed as a REIT, or failure to remain to be qualified to be taxed as a REIT, would have an adverse effect on our business, financial condition and results of operations.



***Qualifying to be taxed as a REIT involves highly technical and complex provisions of the Code, and violations of these provisions could jeopardize our REIT qualification.***

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

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***The ownership limits that apply to REITs, as prescribed by the Code and by our operating agreement, may inhibit market activity in our shares and restrict our business combination opportunities.***

In order for us to qualify to be taxed as a REIT, not more than 50% in value of our outstanding shares may be owned, beneficially or constructively, by five or fewer individuals, as defined in the Code to include certain entities, at any time during the last half of each taxable year after the first year for which we elect to qualify to be taxed as a REIT. Additionally, at least 100 persons must beneficially own our shares during at least 335 days of a taxable year (other than the first taxable year for which we elect to be taxed as a REIT). Also, subject to limited exceptions, neither we nor an actual or constructive owner of 10% or more (by value) of our shares may actually or constructively own 10% or more of the interests in the assets or net profits of a non-corporate tenant, or, if the tenant is a corporation, 10% or more of the total combined voting power of all classes of stock entitled to vote or 10% or more of the total value of all classes of stock of the tenant. Any tenant that exceeds such ownership limits is referred to as a related party tenant, and rent from a related party tenant generally will not qualify under the REIT income tests. Subject to certain exceptions, our operating agreement will authorize our board of directors to take such actions as are necessary and desirable to preserve our qualification to be taxed as a REIT. Our operating agreement will also provide that, unless exempted by the board of directors in its sole discretion, no person may own more than 9.8% in value or in number, whichever is more restrictive, of any class of our shares (other than our Class B share) or 9.8% in value of the aggregate outstanding shares of all classes and series of our shares, including if repurchases by us cause a person's holdings to exceed such limitations. See Description of Shares of MGP Restrictions on Ownership and Transfer of our Shares and Material U.S. Federal Income Tax Considerations. The constructive ownership rules are complex and may cause Class A shares owned directly or constructively by a group of related individuals to be constructively owned by one individual or entity. These ownership limits could delay or prevent a transaction or a change in control of us that might involve a premium price for our shares or otherwise be in the best interests of our shareholders.

***Distributions payable by REITs generally do not qualify for the reduced tax rates available for some dividends.***

Distributions payable by REITs generally are not eligible for the reduced U.S. federal income tax rates applicable to income from qualified dividends payable to U.S. shareholders that are individuals, trusts or estates. Although these rules do not adversely affect the taxation of REITs, the more favorable rates applicable to regular corporate qualified dividends could cause investors who are individuals, trusts or estates to perceive investments in REITs to be less attractive than investments in the shares of non-REIT corporations that pay dividends, which could adversely affect the value of the shares of REITs, including our Class A shares.

***REIT distribution requirements could adversely affect our ability to execute our business plan.***

To maintain REIT status, we must meet a number of organizational and operational requirements, including a requirement that we annually distribute to our shareholders at least 90% of our REIT taxable income, determined without regard to the dividends-paid deduction and excluding any net capital gains. See Material U.S. Federal Income Tax Considerations. To the extent that we satisfy this distribution requirement and qualify for taxation as a REIT but distribute less than 100% of our REIT taxable income, determined without regard to the dividends-paid deduction and including any net capital gains, we will be subject to U.S. federal corporate income tax on our undistributed net taxable income. In addition, we will be subject to a nondeductible 4% excise tax if the amount that we actually distribute to our shareholders in a calendar year is less than a minimum amount specified under U.S. federal tax laws. We intend to make distributions to our shareholders to comply with the REIT requirements of the Code.

From time to time, we may generate taxable income greater than our cash flow as a result of differences in timing between the recognition of taxable income and the actual receipt of cash or the effect of nondeductible capital expenditures, the creation of reserves or required debt or amortization payments. If we do not have other funds

available in these situations, we could be required to borrow funds on unfavorable terms, sell assets at disadvantageous prices or distribute amounts that would otherwise be invested in future acquisitions to make distributions sufficient to enable us to pay out enough of our taxable income to satisfy the REIT distribution

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requirement and to avoid corporate income tax and the 4% excise tax in a particular year. These alternatives could increase our costs or reduce the value of our equity. Thus, compliance with the REIT requirements may hinder our ability to grow, which could adversely affect the value of our Class A shares.

***To fund our growth strategy and refinance our indebtedness, we may depend on external sources of capital, which may not be available to us on commercially reasonable terms or at all.***

To maintain REIT status, we must meet a number of organizational and operational requirements, including a requirement that we annually distribute to our shareholders at least 90% of our REIT taxable income, determined without regard to the dividends-paid deduction and excluding any net capital gains. See Material U.S. Federal Income Tax Considerations. As a result of these requirements, we may not be able to fund future capital needs, including any necessary acquisition financing, solely from operating cash flows. Consequently, we intend to rely on third-party capital market sources for debt or equity financing to fund our business strategy. In addition, we will likely need third-party capital market sources to refinance our indebtedness at maturity. Continued or increased turbulence in the United States or international financial markets and economies could adversely affect our ability to replace or renew maturing liabilities on a timely basis or access the capital markets to meet liquidity and capital expenditure requirements and may result in adverse effects on our business, financial condition and results of operations. As such, we may not be able to obtain the financing on favorable terms or at all. Our access to third-party sources of capital also depends, in part, on:

the market's perception of our growth potential;

our then-current levels of indebtedness;

our historical and expected future earnings, cash flows and cash distributions; and

the market price per share of our Class A shares.

In addition, our ability to access additional capital may be limited by the terms of the indebtedness we incurred pursuant to the Formation Transactions, which may restrict our incurrence of additional debt. If we cannot obtain capital when needed, we may not be able to acquire or develop properties when strategic opportunities arise or refinance our debt, which could have a material adverse effect on our business, financial condition and results of operations.

***Even if we remain qualified to be taxed as a REIT, we may face other tax liabilities that reduce our cash flow.***

Even if we remain qualified for taxation as a REIT, we may be subject to certain U.S. federal, state and local taxes on our income and assets, including taxes on any undistributed income and state or local income, property and transfer taxes. See Material U.S. Federal Income Tax Considerations Taxation of MGP. For example, in the future, we may hold some of our assets or conduct certain of our activities through one or more taxable REIT subsidiaries (a TRS), to the extent we have a TRS in the future, or other subsidiary corporations that will be subject to foreign, federal, state and local corporate-level income taxes as regular C corporations. In addition, we may incur a 100% excise tax on transactions with a TRS if they are not conducted on an arm's-length basis. Any of these taxes would decrease cash available for distribution to our shareholders.

***Complying with REIT requirements may cause us to liquidate investments or forgo otherwise attractive opportunities.***

To qualify to be taxed as a REIT for U.S. federal income tax purposes, we must ensure that, at the end of each calendar quarter, at least 75% of the value of our assets consists of cash, cash items, government securities and real estate assets (as defined in the Code), including certain mortgage loans and securities. The remainder of our investments (other than government securities, qualified real estate assets and securities issued by a TRS) generally cannot include more than 10% of the outstanding voting securities of any one issuer or more than 10% of the total value of the outstanding securities of any one issuer. In addition, in general, no more than 5% of the value of our total assets (other than government securities, qualified real estate assets and securities issued by a

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TRS) can consist of the securities of any one issuer, and no more than 25% (20% for taxable years beginning after December 31, 2017) of the value of our total assets can be represented by securities of one or more TRSs. See

Material U.S. Federal Income Tax Considerations Taxation of MGP. If we fail to comply with these requirements at the end of any calendar quarter, we must correct the failure within 30 days after the end of the calendar quarter or qualify for certain statutory relief provisions to avoid losing our REIT qualification and suffering adverse tax consequences. As a result, we may be required to liquidate or forgo otherwise attractive investments. These actions could have the effect of reducing our income and amounts available for distribution to our shareholders.

In addition to the asset tests set forth above, to qualify to be taxed as a REIT we must continually satisfy tests concerning, among other things, the sources of our income, the amounts we distribute to our shareholders and the ownership of our Class A shares. We may be unable to pursue investments that would be otherwise advantageous to us in order to satisfy the source-of-income or asset-diversification requirements for qualifying to be taxed as a REIT. Thus, compliance with the REIT requirements may hinder our ability to make certain attractive investments.

***Complying with REIT requirements may limit our ability to hedge effectively and may cause us to incur tax liabilities.***

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

***If we fail to meet the REIT income tests as a result of receiving non-qualifying income, we would be required to pay a penalty tax in order to retain our REIT status, or may fail to qualify as a REIT.***

Certain income we receive could be treated as non-qualifying income for purposes of the REIT requirements. See Material U.S. Federal Income Tax Considerations Taxation of MGP Income Tests Rents from Real Property. For example, rents we receive or accrue from the Tenant will not be treated as qualifying rent for purposes of these requirements if the Master Lease is not respected as a true lease for U.S. federal income tax purposes and is instead treated as a service contract, joint venture or some other type of arrangement. If the Master Lease is not respected as a true lease for U.S. federal income tax purposes, we may fail to qualify to be taxed as a REIT. Even if we have reasonable cause for a failure to meet the REIT income tests as a result of receiving non-qualifying income, we would nonetheless be required to pay a penalty tax in order to retain our REIT status.

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

The rules dealing with federal income taxation are constantly under review by persons involved in the legislative process and by the IRS and the U.S. Department of the Treasury. Changes to the tax laws, with or without retroactive application, could materially and adversely affect our investors, our business plans or us. We cannot predict how changes in the tax laws might affect our investors or us. New legislation, Treasury regulations, administrative

interpretations or court decisions could significantly and negatively affect our ability to qualify as a REIT or the U.S. federal income tax consequences of such qualification.

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**Risks Related to this Offering**

*There is currently no public market for our shares. An active trading market for our Class A shares may not develop following this offering, and you may be unable to sell your shares at a price above the initial public offering price or at all.*

Our Class A shares have been approved for listing on the NYSE, subject to official notice of issuance. We cannot assure you, however, that an active trading market for our Class A shares will develop after this offering or, if one develops, that it will be sustained. Upon the completion of this offering, MGM will own our single outstanding Class B share and will control our business and affairs. In the absence of a public market, you may be unable to liquidate an investment in our Class A shares. There has not been any public market for our shares prior to this offering. Consequently, the initial public offering price of our Class A shares will be determined by negotiations between us and the underwriters. The initial public offering price will not necessarily bear any relationship to our book value, assets or financial condition or any other established criteria of value and may not be indicative of the market price for our Class A shares after this offering. The price at which our Class A shares trade after the completion of this offering may be lower than the price at which the underwriters sell them in this offering.

*The market price and trading volume of our shares may be volatile following this offering.*

Even if an active trading market develops for our Class A shares, the market price of our Class A shares may be volatile. In addition, the trading volume in our Class A shares may fluctuate and cause significant price variations to occur. If the market price of our Class A shares declines, you may be unable to resell your shares at or above the public offering price or at all. We cannot assure you that the market price of our Class A shares will not fluctuate or decline significantly in the future.

Some of these factors, many of which are beyond our control, could negatively affect the market price of our Class A shares or result in fluctuations in the price or trading volume of our Class A shares include:

actual or anticipated variations in our quarterly results of operations or distributions;

changes in our funds from operations or earnings estimates;

publication of research reports about us or the real estate or gaming industries;

changes in market interest rates that may cause purchasers of our shares to demand a different yield;

changes in market valuations of similar companies;

market reaction to any additional debt we may incur in the future;



additions or departures of key personnel;

actions by institutional shareholders;

speculation in the press or investment community about our company or industry or the economy in general;

the occurrence of any of the other risk factors presented in this prospectus; and

general market and economic conditions.

***An increase in market interest rates could cause potential investors to seek higher returns and therefore reduce demand for our Class A shares and result in a decline in our share price.***

One of the factors that may influence the price of our Class A shares is the return on our shares (i.e., the amount of distributions as a percentage of the price of our shares) relative to market interest rates. An increase in market interest rates, which are currently at low levels relative to historical rates, may lead prospective purchasers of our Class A shares to expect a return which we may be unable or choose not to provide. Higher

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interest rates would likely increase our borrowing costs and potentially decrease the cash available for distribution. Thus, higher market interest rates could cause the market price of our Class A shares to decline.

***Our cash available for distribution to shareholders may not be sufficient to make distributions at expected levels, and we may need to borrow in order to make such distributions, make such distributions in the form of shares or may not be able to make such distributions in full.***

Distributions that we make will be authorized and determined by our board of directors in its sole discretion out of funds legally available therefor. See Distribution Policy. While we anticipate maintaining relatively stable distribution(s) during each year, the amount, timing and frequency of distributions will be at the sole discretion of the board of directors and will be declared based upon various factors, including, but not limited to: future taxable income, limitations contained in debt instruments, debt service requirements, operating cash inflows and outflows including capital expenditures and acquisitions, limitations on our ability to use cash generated in the TRSs, if any, to fund distributions and applicable law.

For purposes of satisfying the minimum distribution requirement to qualify for and maintain REIT status, our taxable income will be calculated without reference to our cash flow. Consequently, under certain circumstances, we may not have available cash to pay our required distributions, and we may need to increase our borrowings in order to fund our intended distributions, or we may distribute a portion of our distributions in the form of our Class A shares, which could result in significant shareholder dilution, or in the form of our debt instruments. While the IRS has issued private letter rulings to other REITs treating certain distributions that are paid partly in cash and partly in stock as taxable dividends that would satisfy that REIT annual distribution requirement and qualify for the dividends paid deduction for U.S. federal income tax purposes, those rulings may be relied upon only by taxpayers to whom they were issued, and no assurances can be provided that we would obtain a similar ruling from the IRS if we were to request such a ruling, which we do not currently intend to do. Therefore, it is unclear whether and to what extent we will be able to make taxable dividends payable in-kind. In addition, to the extent we were to make distributions that include our Class A shares or debt instruments, a shareholder of ours will be required to report dividend income as a result of such distributions even though we distributed no cash or only nominal amounts of cash to such shareholder.

***Future offerings of debt, which would be senior to our shares upon liquidation, and/or preferred equity securities, which may be senior to our shares for purposes of distributions or upon liquidation, could adversely affect the market price of our Class A shares.***

In the future, we may attempt to increase our capital resources by making additional offerings of debt or preferred equity securities, including medium-term notes, trust preferred securities, senior or subordinated notes and preferred shares. If a liquidation event were to occur, holders of our debt securities and preferred shares and lenders with respect to other borrowings will receive distributions of our available assets prior to the holders of our shares. Additional equity offerings may dilute the holdings of our existing shareholders or reduce the market price of our Class A shares, or both. Holders of our Class A shares are not entitled to preemptive rights or other protections against dilution. Our preferred shares, if issued, could have a preference on liquidating distributions or a preference on distribution payments that could limit our ability to make a distribution to the holders of our Class A shares. Since our decision to issue securities in any future offering will depend on market conditions and other factors beyond our control, we cannot predict or estimate the amount, timing or nature of our future offerings. Thus, our shareholders bear the risk of our future offerings reducing the market price of our Class A shares and diluting their shareholdings in us.

***The number of shares available for future sale could adversely affect the market price of our Class A shares.***

We cannot predict whether future issuances of our shares or the availability of our Class A shares for resale in the open market will decrease the market price per share of our Class A shares. Sales of a substantial number of our Class A shares in the public market, or the perception that such sales might occur, could adversely affect

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the market price of our Class A shares. In addition, except as described herein, we, our directors and executive officers and MGM have agreed with the underwriters not to offer, pledge, sell, contract to sell or otherwise transfer or dispose of any shares or securities convertible into or exercisable or exchangeable for our Class A shares for a period of 180 days, after the completion of this offering; however, these lock-up agreements are subject to numerous exceptions and the representatives, on behalf of the underwriters, may waive these lock-up provisions without notice. If any or all of these holders cause a large number of their shares to be sold in the public market, the sales could reduce the trading price of our Class A shares and could impede our ability to raise future capital. In addition, the exercise of the underwriters' overallotment option or other future issuances of our shares would be dilutive to existing shareholders.

***Our earnings and cash distributions could affect the market price of our Class A shares.***

Our Class A shares may trade at prices that are higher or lower than the net asset value per share. To the extent that we retain operating cash flow for investment purposes, working capital reserves or other purposes rather than distributing the cash flows to shareholders, these retained funds, while increasing the value of our underlying assets, may negatively impact the market price of our Class A shares. Our failure to meet market expectations with regard to future earnings and cash distributions could adversely affect the market price of our Class A shares.

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**CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS**

We make statements in this prospectus that are forward-looking statements within the meaning of the federal securities laws. In particular, statements pertaining to our capital resources, portfolio performance and results of operations contain forward-looking statements. Likewise, our unaudited pro forma condensed consolidated financial information and all of our statements regarding anticipated growth in our funds from operations and anticipated market conditions, demographics and results of operations are forward-looking statements. You can identify forward-looking statements by the use of forward-looking terminology such as believes, expects, could, may, will, should, seeks, likely, intends, plans, pro forma, projects, estimates or anticipates or the negative of these phrases or similar words or phrases that are predictions of or indicate future events or trends and that do not relate solely to historical matters. You can also identify forward-looking statements by discussions of strategy, plans or intentions.

Forward-looking statements involve numerous risks and uncertainties and you should not rely on them as predictions of future events. Forward-looking statements depend on assumptions, data or methods that may be incorrect or imprecise and we may not be able to realize them. We do not guarantee that the transactions and events described will happen as described (or that they will happen at all). The following factors, among others, could cause actual results and future events to differ materially from those set forth or contemplated in the forward-looking statements:

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

Initially, we will depend on the Properties for all of our anticipated cash flows.

We may not be able to re-lease our Properties following the expiration or termination of the Master Lease.

Our sole material assets will be Operating Partnership Units representing approximately 24% of the ownership interests in the Operating Partnership (assuming that 50,000,000 Class A shares are sold in this offering and that the underwriters do not exercise their overallotment option), over which we have operating control through our ownership of its general partner, and our ownership interest in the general partner of the Operating Partnership. Because our interest in the Operating Partnership represents our only cash-generating asset, our cash flows and distributions will depend entirely on the performance of the Operating Partnership and its ability to distribute cash to us.

The Master Lease restricts our ability to sell the Properties or our interests in the Operating Partnership and Landlord.

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

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

Rising expenses could reduce cash flow and funds available for future acquisitions and distributions.

We have a limited operating history and the Predecessor historical and pro forma financial information included in this prospectus may not be a reliable indicator of future results.

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

Because a majority of our major gaming resorts are concentrated on the Strip, we are subject to greater risks than a company that is more geographically diversified.

Our pursuit of investments in, and acquisitions or development of, additional properties (including our acquisition of the ROFO Properties) may be unsuccessful or fail to meet our expectations.

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We may face extensive regulation from gaming and other regulatory authorities, and our operating agreement provides that any of our shares held by investors who are found to be unsuitable by state gaming regulatory authorities are subject to redemption.

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

Net leases may not result in fair market lease rates over time, which could negatively impact our income and reduce the amount of funds available to make distributions to shareholders.

Our dividend yield could be reduced if we were to sell any of our Properties in the future.

There can be no assurance that we will be able to make distributions to our Class A shareholders or maintain our anticipated level of distributions over time.

An increase in market interest rates could increase our interest costs on existing and future debt and could adversely affect the price of our Class A shares.

We are controlled by MGM, whose interests in our business may conflict with ours or yours.

We are dependent on MGM for the provision of administration services to our operations and assets.

MGM's historical results, including its historical corporate rent coverage ratio described in this prospectus, may not be a reliable indicator of its future results.

Our operating agreement will contain provisions that reduce or eliminate duties (including fiduciary duties) of our directors, officers and others.

If MGM engages in the same type of business we conduct, our ability to successfully operate and expand our business may be hampered.

The Master Lease and other agreements governing our relationship with MGM were not negotiated on an arm's-length basis and the terms of those agreements may be less favorable to us than they might otherwise have been in an arm's-length transaction.

In the event of a bankruptcy of the Tenant, a bankruptcy court may determine that the Master Lease is not a single lease but rather multiple severable leases, each of which can be assumed or rejected independently, in which case underperforming leases related to properties we own that are subject to the Master Lease could be rejected by the Tenant while tenant-favorable leases are allowed to remain in place.

MGM may undergo a change of control without the consent of us or of our shareholders.

If we do not qualify to be taxed as a REIT, or fail to remain qualified to be taxed as a REIT, we will be subject to U.S. federal income tax as a regular corporation and could face a substantial tax liability, which would have an adverse effect on our business, financial condition and results of operations.

While forward-looking statements reflect our good-faith beliefs, they are not guarantees of future performance. We disclaim any obligation to publicly update or revise any forward-looking statement to reflect changes in underlying assumptions or factors of new information, data or methods, future events or other changes. For a further discussion of these and other factors that could impact our future results, performance or transactions, see the section entitled Risk Factors.



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We estimate that we will receive net proceeds from this offering of approximately \$911.0 million, or approximately \$1.1 billion if the underwriters exercise their overallotment option in full, in each case based on the midpoint of the price range set forth on the front cover of this prospectus and after deducting the underwriting discounts and commissions related to this offering and estimated offering expenses. The proceeds of this offering will be used to purchase approximately 50,000,000 Operating Partnership Units, representing 24% of the economic interest in the Operating Partnership (assuming that 50,000,000 Class A shares are sold in this offering and that the underwriters do not exercise their overallotment option) or 27% of the economic interest in the Operating Partnership if the underwriters exercise their overallotment option shares in full. The Operating Partnership will use the proceeds to repay \$868.1 million of the approximately \$4.0 billion of indebtedness under the Bridge Facilities it assumed from MGM and certain subsidiaries of MGM in connection with the Formation Transactions, \$64.0 million to pay fees and expenses related to this offering and the Formation Transactions, with the remainder, if any, for general corporate purposes. Any proceeds received in connection with the exercise by the underwriters of their overallotment option will be used by the Operating Partnership for general corporate purposes, including to pay down any amounts drawn under the Revolving Credit Facility in connection with the Formation Transactions.

The Bridge Facilities will be incurred by MGM and certain of its subsidiaries on the closing date of this offering, mature one day following the closing date of this offering, and are expected to carry an interest rate per annum in respect of the borrowings thereunder equal to an applicable margin of 1.75% plus the highest of (i) the federal funds rate plus 0.5%, (ii) the prime rate of the administrative agent, and (iii) LIBOR (with a floor of 0%) plus 1.0%. The proceeds from the Bridge Facilities are expected to be used by MGM and certain of its subsidiaries to repay certain of MGM's other outstanding indebtedness, including indebtedness outstanding under MGM's existing senior credit facility and certain of MGM's outstanding senior notes. The outstanding balance of the Bridge Facilities will be repaid in full by the Operating Partnership on the closing date of this offering with the proceeds from the Term Loan Facilities, the Senior Notes, and this offering as described in the preceding paragraph and, to the extent the gross proceeds from this offering are less than \$932.1 million, with proceeds from indebtedness we would incur under the Revolving Credit Facility equal to the difference, but not exceeding \$300.0 million of total outstanding indebtedness under the Revolving Credit Facility on the closing date of this offering. In addition, certain of the underwriters or their affiliates are acting as agents, arrangers and/or lenders under the Bridge Facilities, Revolving Credit Facility and Term Loan Facilities. Certain of the underwriters and their affiliates are also acting as agents, arrangers, lenders, underwriters and/or dealer managers in connection with debt (including the repayment of such debt) and equity issued by MGM. In particular, an affiliate of Merrill Lynch, Pierce, Fenner & Smith Incorporated is acting as agent for the lenders and affiliates of Merrill Lynch, Pierce, Fenner & Smith Incorporated and J.P. Morgan Securities LLC are lenders under the Bridge Facilities and, therefore, such affiliates shall receive all or a substantial portion of the net proceeds of this offering.

**Table of Contents****CAPITALIZATION**

The following table sets forth our cash and cash equivalents and capitalization as of December 31, 2015:

on a historical basis;

on a pro forma basis for both (1) our Formation Transactions, including the issuance of a single Class B share to MGM or its affiliates and the use of proceeds from the Financing as described in Prospectus Summary Debt Financing, and (2) the issuance of 50,000,000 of our Class A shares in this offering at an assumed public offering price of \$19.50 per share (based on the midpoint of the price range set forth on the cover of this prospectus) after deducting the underwriting discounts and commissions related to this offering, estimated offering expenses and the use of proceeds from the offering as described herein in Use of Proceeds.

This table should be read in conjunction with Use of Proceeds, Selected Historical Financial Data, MGP Unaudited Pro Forma Condensed Consolidated Financial Information, Management's Discussion and Analysis of Financial Condition and Results of Operations and Predecessor Financial Statements and notes thereto appearing elsewhere in this prospectus.

The pro forma information below is illustrative only and our capitalization following the completion of this offering will be adjusted based on the actual initial offering price and other terms of this offering determined at pricing.

	<b>As of December 31, 2015</b>		
	<b>Historical</b>	<b>Pro</b>	<b>Pro Forma</b>
	<b>MGP</b>	<b>Forma</b>	<b>MGP</b>
		<b>Adjustments</b>	
		<b>(in thousands, except share amounts)</b>	
		<b>(unaudited)</b>	
Cash and cash equivalents	\$	\$ 42,950	\$ 42,950
Senior Notes	\$	\$ 1,050,000	\$ 1,050,000
Term Loan Facilities		2,150,000	2,150,000
Debt issuance costs		(57,375)	(57,375)
<b>Total debt, net</b>		<b>3,142,625</b>	<b>3,142,625</b>
Equity:			
Class A shares, 1,000,000,000 shares authorized, and 50,000,000 shares issued and outstanding on a pro forma basis			
Additional paid-in capital		1,130,929	1,130,929
Noncontrolling interest		3,573,735	3,573,735

Total equity		4,704,664	4,704,664
Total capitalization	\$	\$ 7,847,289	\$ 7,847,289

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**DISTRIBUTION POLICY**

We intend to elect and qualify to be taxed as a REIT for U.S. federal income tax purposes. Commencing with our taxable year ending on December 31, 2016, consistent with industry standards, we expect to pay distributions in cash in an amount equal to approximately 80.6% of cash available for distribution for each quarterly period but in no event will the annual distribution be less than 90% of our REIT taxable income on an annual basis, determined without regard to the dividends paid deduction and excluding any net capital gains. U.S. federal income tax law generally requires that a REIT distribute annually at least 90% of its REIT taxable income, without regard to the deduction for dividends paid and excluding net capital gains, and that it pay taxes at regular corporate income tax rates to the extent that it annually distributes less than 100% of its taxable income.

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

We currently intend to pay quarterly distributions in cash. For purposes of satisfying the minimum distribution requirement to qualify for and maintain REIT status, our taxable income will be calculated without reference to our cash flow. Consequently, under certain circumstances, we may not have available cash to pay our required distributions and may distribute a portion of our distributions in the form of our shares or our debt instruments. In either event, a shareholder of ours will be required to report dividend income as a result of such distributions even though we distributed no cash or only nominal amounts of cash to such shareholder. The IRS has issued private letter rulings to other REITs treating certain distributions that are paid partly in cash and partly in stock as taxable dividends that would satisfy that REIT annual distribution requirement and qualify for the dividends paid deduction for U.S. federal income tax purposes. Those rulings may be relied upon only by taxpayers to whom they were issued. We could request a similar ruling from the IRS, but no assurances can be provided that we will obtain such a ruling. Therefore, it is unclear whether and to what extent we will be able to make taxable dividends payable in-kind. For more information, see *Material U.S. Federal Income Tax Considerations Taxation of MGP Annual Distribution Requirements*. We currently believe that we will have sufficient available cash to pay our required distribution for 2016 in cash but there can be no assurance that this will be the case.

It presently is anticipated that acquisitions will be financed through borrowings under the debt agreements to be entered into by the Operating Partnership in connection with the initial public offering, other debt financings or the issuance of equity securities. To the extent that those sources of funds are insufficient to meet all such cash needs, or the cost of such financing exceeds the cash flow generated by the acquired properties for any period, cash available for distribution could be reduced. In that event, we may also borrow funds, liquidate or sell a portion of our properties or find another source of funds, such as the issuance of equity securities, in order to pay our required distributions.

We anticipate that our distributions generally will be taxable as ordinary income to our shareholders, although a portion of the distributions may be designated by us as capital gain or may constitute a return of capital. We will furnish annually to each MGP shareholder a statement setting forth distributions paid during the preceding year and their characterization as ordinary income, return of capital or capital gain. For a more complete discussion of the U.S. federal income tax treatment of distributions to our shareholders, See *Material U.S. Federal Income Tax Considerations Taxation of Shareholders Taxation of Taxable U.S. Shareholders*.

We have included below our estimated cash available for distribution for the year ending December 31, 2016. We expect our quarterly distribution rate to be \$0.3575 per share, or \$1.43 per share on an annualized basis. The actual

distributions paid to shareholders with respect to the period commencing from the date Class A

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shares will be delivered to investors in this offering as set forth on the cover of this prospectus through the end of the then-current fiscal quarter will be pro-rated, calculated from the date shares will be delivered to investors in this offering as set forth on the cover of this prospectus through the last day of the then-current fiscal quarter. We have presented estimated cash available for distribution for 2016 because we intend to report this data on a calendar year basis after the conclusion of this offering. Our estimated cash available for distribution is a forward-looking statement and reflects our judgment as of the date of this prospectus of the conditions we expect to exist and the course of action we expect to take during the year ending December 31, 2016. It should be read together with the historical consolidated financial statements and the accompanying notes thereto included elsewhere in this prospectus and Management's Discussion and Analysis of Financial Condition and Results of Operations.

We believe that we have a reasonable basis for these assumptions and that our actual results of operations will approximate those reflected in our estimated cash available for distribution, but we can give no assurance that our estimated results will be achieved. The assumptions underlying our estimated cash available for distribution are inherently uncertain and, although we consider them reasonable as of the date of this prospectus, they are subject to a wide variety of significant business, economic and competitive risks and uncertainties that could cause actual results to differ materially from estimated results, including, among others, the risks and uncertainties described in Risk Factors. Any of the risks discussed in this prospectus, to the extent they occur, could cause actual results of operations to vary significantly from those presented below. Accordingly, there can be no assurance that our estimated cash available for distribution will be indicative of our future performance or that actual results will not differ materially from those presented in our estimated cash available for distribution. If our estimated results are not achieved, we may not be able to pay a regular quarterly distribution at our initial annual distribution rate or at all. Inclusion of our estimated cash available for distribution in this prospectus should not be regarded as a representation by us, MGM, the underwriters or any other person that the results contained in our estimated cash available for distribution will be achieved. Therefore, you are cautioned not to put undue reliance on this information.

The accompanying table was not prepared with a view toward complying with the guidelines established by the American Institute of Certified Public Accountants with respect to prospective financial information. Neither our independent auditors, nor any other independent accountants, have compiled, examined or performed any procedures with respect to our estimated cash available for distribution, nor have they expressed any opinion or any other form of assurance on our estimated cash available for distribution or its achievability, and our independent auditors assume no responsibility for, and disclaim any association with, our estimated cash available for distribution.

We do not undertake any obligation to release publicly any revisions or updates that we may make to our estimated cash available for distribution or the assumptions used to prepare our estimated cash available for distribution to reflect events or circumstances after the date of this prospectus other than as required by law.

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The following table describes our pro forma net income for the year ended December 31, 2015 and the adjustments we have made to calculate our estimated cash available for distribution for the year ending December 31, 2016, as adjusted (amounts in thousands, except share amounts, per share amounts and percentages):

<b>Pro forma net income before noncontrolling interest for the year ended December 31, 2015</b>	\$ 191,576
Add: depreciation expense	196,816
Add: property transactions, net	6,665
Add: amortization of financing costs	9,547
Add: non-cash compensation expense <sup>(a)</sup>	450
Add: net effect of straight-line rents <sup>(b)</sup>	(2,300)
<b>Estimated cash flow from operating activities for the year ending December 31, 2016</b>	402,754
Estimated cash flows used in investing activities <sup>(c)</sup>	
Estimated cash flows used in financing activities scheduled principal amortization payment <sup>(d)</sup>	(33,500)
<b>Estimated cash flow available for distribution for the year ending December 31, 2016</b>	369,254
Our share of estimated cash available for distribution <sup>(e)</sup>	88,763
Noncontrolling interests share of estimated cash available for distribution	280,491
<b>Total estimated initial annual distributions to shareholders</b>	71,500
Estimated initial annual distribution per share <sup>(f)</sup>	\$ 1.43
Payout ratio based on our share of estimated cash available for distribution <sup>(g)</sup>	80.6%

- (a) Pro forma non-cash compensation expense related to equity awards that are amortized over their related vesting periods.
- (b) Represents the conversion of estimated rental revenues related to Master Lease from U.S. GAAP basis to a cash basis of recognition.
- (c) The Tenant is expected to be responsible for all capital expenditures during the term of the Master Lease, except in certain limited circumstances. See Risk Factors Risks Related to Our Business and Operations The Master Lease requires us to pay for certain capital improvements or to purchase certain personal property from the Tenant in certain circumstances, and we may be required to obtain additional financing.
- (d) Represents scheduled principal amortization during the year ending December 31, 2016 for indebtedness outstanding at December 31, 2015. For a description of this indebtedness see Note 1 to the MGP Unaudited Pro Forma Condensed Consolidated Financial Information contained herein.
- (e) Our share of estimated cash available for distribution and estimated initial annual cash distributions to our shareholders is based on an estimated approximate 24% aggregate partnership interest in the Operating Partnership.
- (f) Based on a total of 50,000,000 Class A shares to be outstanding after this offering.
- (g)

Calculated as our estimated initial annual distribution divided by our share of estimated cash available for distribution for the year ending December 31, 2016.

**Assumptions and Considerations**

Set forth below are the material assumptions that we have made to demonstrate our ability to generate our estimated funds from operations before noncontrolling interest and estimated cash available for distribution for the year ending December 31, 2016. The estimate has been prepared by and is the responsibility of our management. Our estimate reflects our judgment of the conditions we expect to exist and the course of action we expect to take during the estimate periods. The assumptions we disclose are those we believe are material to our estimated results of operations. We believe we have a reasonable basis for these assumptions. However, we can give no assurance that our estimated results will be achieved. There will likely be differences between our estimated and our actual results, and those differences may be material. If our estimate is not achieved, we may not be able to pay cash distributions on our Class A shares at the initial quarterly distribution level or at all. For more information regarding the factors that may cause our estimates to prove inaccurate and the risks that could materially adversely affect our ability to pay distributions and make other distributions to our shareholders, please see Cautionary Note Regarding Forward-Looking Statements and Risk Factors.



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The estimate assumes that on December 31, 2015 we raised net proceeds of \$911.0 million in this offering (after deducting underwriting discounts and commissions and the underwriter structuring fee) through the issuance of 50,000,000 of our Class A shares at a price of \$19.50 per share (based on the midpoint of the price range set forth on the front cover of this prospectus). The estimate also assumes, as described in Use of Proceeds elsewhere in this prospectus, that the proceeds of this offering will be used to purchase approximately 50,000,000 Operating Partnership Units, representing 24% of the economic interest in the Operating Partnership (assuming that 50,000,000 Class A shares are sold in this offering and that the underwriters do not exercise their overallotment option) or 27% of the economic interest in the Operating Partnership if the underwriters exercise their overallotment option in full. The Operating Partnership will use the proceeds to repay \$868.1 million of the approximately \$4.0 billion of indebtedness it assumed from MGM in connection with the Formation Transactions, to pay fees and expenses related to this offering and the Formation Transactions of approximately \$64.0 million, with the remainder, if any, for general corporate purposes. Any proceeds received in connection with the exercise by the underwriters of the overallotment option will be used by the Operating Partnership for general corporate purposes, including to pay down any amounts drawn under the Revolving Credit Facility in connection with the Formation Transactions.

We estimate that our general and administrative costs on a consolidated basis, including costs of being a public company and costs incurred under the Corporate Services Agreement, could result in incremental general and administrative expenses of \$10 million to \$13 million per year (excluding non-cash compensation that is not factually supportable).

In the event that the gross proceeds from this offering are less than \$932.1 million, the Operating Partnership is expected to incur indebtedness under the Revolving Credit Facility equal to the difference, but not exceeding \$300.0 million of total outstanding indebtedness under the Revolving Credit Facility on the closing date of this offering.

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At December 31, 2015, we had a pro forma net tangible book value before this offering of approximately \$3.8 billion, or \$24.01 per Class A share held by the MGM subsidiaries receiving Operating Partnership Units in connection with the Formation Transactions (assuming the exchange of outstanding Operating Partnership Units, other than Operating Partnership Units that will be held by us subsequent to the Formation Transactions and this offering, into Class A shares on a one-for-one basis). Pro forma net tangible book value represents the net book value of tangible assets to be assumed by us (consisting of total assets, less intangible assets (of which there were none), net of tangible liabilities) before this offering. After giving effect to the sale of the Class A shares offered hereby (including the use of proceeds as described under Use of Proceeds, and the deduction of underwriting discounts and commissions and estimated offering and formation expenses), the pro forma net tangible book value at December 31, 2015 attributable to Class A shareholders would have been \$4.7 billion, or \$22.61 per Class A share, resulting in an immediate decrease in net tangible book value of \$1.40 per share to the MGM subsidiaries holding Operating Partnership Units (assuming they exchange such Operating Partnership Units for Class A shares on a one-for-one basis). This represents an immediate increase in pro forma net tangible book value of \$3.11 per Class A share to new investors purchasing our Class A shares at the initial public offering price of \$19.50 per Class A share. The following table illustrates this per share increase in net tangible book value:

Assumed initial public offering price per Class A share	\$ 19.50
Pro forma net tangible book value per Class A share before this offering <sup>(1)</sup>	\$ 24.01
Decrease in pro forma net tangible book value per Class A share attributable to this offering <sup>(2)</sup>	\$ 1.40
Pro forma net tangible book value per Class A share after this offering <sup>(3)</sup>	\$ 22.61
Increase in pro forma net tangible book value per Class A share to new investors <sup>(4)</sup>	\$ 3.11

- (1) Pro forma net tangible book value per share of our Class A shares before this offering is determined by dividing the net tangible book value based on the December 31, 2015 net book value of tangible assets to be assumed by us (consisting of total assets, less intangible assets (of which there are none), net of tangible liabilities) by the number of Class A shares held by the MGM subsidiaries receiving Operating Partnership Units in the Formation Transactions (assuming the exchange of outstanding Operating Partnership Units, other than Operating Partnership Units that will be held by us subsequent to the Formation Transactions and this offering, into Class A shares on a one-for-one basis).
- (2) The decrease in pro forma net tangible book value per Class A share attributable to this offering is determined by subtracting (a) the net tangible book value per Class A share before this offering (see note (1) above) from (b) the pro forma net tangible book value per Class A share after this offering (see note (3) below).
- (3) Based on pro forma net tangible book value of approximately \$4.7 billion divided by the sum of 50,000,000 Class A shares and Operating Partnership Units to be outstanding after this offering (excluding Operating Partnership Units held by us), not including 7,500,000 Class A shares issuable upon the exercise of the underwriters' overallotment option or 2,500,000 shares (calculated based on the midpoint of the price range set forth on the front cover of this prospectus) that are reserved for future issuance under our equity incentive and compensation plans.
- (4)

Increase in pro forma net tangible book value per Class A share to new investors is determined by subtracting the initial public offering price paid by a new investor for one Class A share from the pro forma net tangible book value per Class A share after giving effect to this offering.

In addition, we may choose to raise additional capital due to market conditions or strategic considerations in the future even if we believe we have sufficient funds for our current or future operating plans. To the extent that additional capital is raised in the future through the sale of equity or convertible debt securities, the issuance of these securities could result in further dilution to our shareholders.

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The following table summarizes, on the same pro forma basis as of December 31, 2015, the total net tangible book value attributable to investments by the MGM subsidiaries holding Operating Partnership Units, assuming that each of them exchanges their Operating Partnership Units into Class A shares on a one-for-one basis, and the total net tangible book value attributable to cash paid by new investors purchasing Class A shares in this offering as applicable.

	Number of Class A Shares Issued	Total Net Tangible Book Value		Average Price per Class A Share
		Amount (in thousands)	Percent	
<b>MGM subsidiaries</b>	158,076,923	\$ 3,793,189	81%	\$ 24.00
<b>New investors in this offering</b>	50,000,000	911,475	19%	18.23
<b>Total</b>	208,076,923	\$ 4,704,664	100%	\$ 22.61

**Table of Contents****SELECTED HISTORICAL FINANCIAL DATA**

Following the initial public offering, we will be a publicly traded, controlled REIT primarily engaged in the real property business through our investment in the Operating Partnership. Initially, the Operating Partnership's portfolio will consist of the Properties that are owned by subsidiaries of MGM as of the date of this prospectus, which will be contributed by subsidiaries of MGM to the Operating Partnership in connection with the initial public offering. The Landlord will lease all of the Properties to the Tenant under the Master Lease. We initially expect to generate revenues by leasing the Properties to the Tenant.

The following selected financial information does not reflect the financial position or results of operations of MGP for the periods indicated. Our Predecessor Financial Statements were prepared by combining the financial results of the Properties expected to be owned by us at the completion of this offering. See Basis of Presentation. The following table should be read in conjunction with: MGP Unaudited Pro Forma Condensed Consolidated Financial Information, Management's Discussion and Analysis of Financial Condition and Results of Operations and the Predecessor Financial Statements and notes thereto presented elsewhere herein.

**Predecessor Financial Information**

	<b>Year Ended December 31, 2014                  2015 (in thousands)</b>	
<b>Income statement data:</b>		
Operating expenses:		
Depreciation	\$ 186,262	\$ 196,816
Property transactions, net		6,665
Property taxes	48,346	48,122
Property insurance	11,634	10,351
Loss before income taxes	(246,242)	(261,954)
Provision for income taxes		
Net loss	\$ (246,242)	\$ (261,954)
<b>Other data:</b>		
Net cash used in operating activities	\$ (59,980)	\$ (58,473)
Net cash used in investing activities	(90,504)	(129,308)
Net cash provided by financing activities	150,484	187,781
Cash and cash equivalents		
<b>Balance sheet data:</b>		
Assets:		
Property and equipment, net	\$ 7,867,812	\$ 7,793,639
Total assets	\$ 7,867,812	\$ 7,793,639

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<b>Liabilities:</b>		
Deferred income taxes, net	\$ 1,740,465	\$ 1,734,680
<b>Total liabilities</b>	<b>1,740,465</b>	<b>1,734,680</b>
Net Parent company equity:		
Net Parent investment	6,127,347	6,058,959
<b>Total net Parent equity</b>	<b>6,127,347</b>	<b>6,058,959</b>
<b>Total liabilities and net Parent company equity</b>	<b>\$ 7,867,812</b>	<b>\$ 7,793,639</b>

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**Table of Contents****MGP Consolidated Financial Information**

	<b>As of December 31, 2015</b> <b>(in thousands, except</b> <b>share amounts)</b>
<b>Assets</b>	
Total assets	\$
<b>Shareholder s equity</b>	
Class A shares, 100 shares authorized, 100 shares issued and outstanding	\$
Total shareholder s equity	\$

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**MGP UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL INFORMATION**

We are a newly formed limited liability company formed in Delaware on October 23, 2015. Following this offering, we will be a publicly traded, controlled REIT primarily engaged in owning, acquiring and leasing large-scale casino resort properties, which include casino gaming, hotel, convention, dining, entertainment, retail and mixed-use facilities, and other resort amenities. We will conduct our operations through the Operating Partnership.

In connection with this offering, MGM will engage in the Formation Transactions in which certain subsidiaries of MGM will transfer the real estate assets that comprise our Properties to newly formed Property Holdcos that will be indirectly owned by MGM, with 100% of the ownership interests in the Property Holdcos subsequently transferred to the Operating Partnership in exchange for Operating Partnership Units. The Property Holdcos will then be contributed to a subsidiary of the Operating Partnership, and subsequently merge into a single Property Holdco, the Landlord, which is the lessor under the Master Lease. Following the proposed Formation Transactions, our wholly owned subsidiary will be the general partner of the Operating Partnership and operate and control all of the business affairs and consolidate the financial results of the Operating Partnership and its subsidiaries. The above Formation Transactions are considered to be between legal entities under common control under U.S. GAAP. See Prospectus Summary Our Formation and Organizational Structure.

The following unaudited pro forma condensed consolidated financial information presents our unaudited pro forma condensed consolidated balance sheet as of December 31, 2015, as if the Formation Transactions had occurred on December 31, 2015. Our unaudited pro forma condensed consolidated statement of operations for the year ended December 31, 2015 is presented as if the Formation Transactions had occurred on January 1, 2015, and has been derived from our Predecessor Financial Statements included elsewhere in this prospectus. This unaudited condensed consolidated pro forma financial information and other data should be read in conjunction with Basis of Presentation, Management's Discussion and Analysis of Financial Condition and Results of Operations and our Predecessor Financial Statements and notes thereto included elsewhere in this prospectus.

The following unaudited pro forma condensed consolidated financial information and explanatory notes present how the financial statements may have appeared had the capital structure reflected the Formation Transactions and related transactions as of the dates noted above. The unaudited condensed consolidated pro forma financial results assume that all relevant REIT qualifying tests, as dictated by the Code and IRS rules and interpretations, were met for the entire periods presented herein.

The following unaudited pro forma condensed consolidated financial information was prepared in accordance with Article 11 of Regulation S-X, using the assumptions set forth in the notes to the unaudited pro forma condensed consolidated financial information. The unaudited pro forma condensed consolidated financial information is presented for illustrative purposes only and does not purport to reflect the results we may achieve in future periods or the historical results that would have been obtained had the Formation Transactions and related transactions been completed on January 1, 2015 or as of December 31, 2015, as the case may be.



**Table of Contents****Unaudited Pro Forma Condensed Consolidated Balance Sheet****As of December 31, 2015***(in thousands, except share amounts)*

	<b>As of December 31, 2015</b>			<b>As of December 31, 2015</b>
	<b>Historical Predecessor (a)</b>	<b>Historical MGP</b>	<b>Pro Forma Adjustments</b>	<b>Pro Forma MGP</b>
<b>Assets</b>				
Property and equipment, net	\$ 7,793,639	\$	\$	\$ 7,793,639
Cash and cash equivalents			42,950(b)	42,950
Other assets			10,700(b)	10,700
<b>Total assets</b>	<b>\$ 7,793,639</b>	<b>\$</b>	<b>\$ 53,650</b>	<b>\$ 7,847,289</b>
<b>Liabilities</b>				
Long term debt, net	\$	\$	\$ 3,142,625 (b)	\$ 3,142,625
Deferred tax liabilities	1,734,680		(1,734,680)(c)	
<b>Total liabilities</b>	<b>1,734,680</b>		<b>1,407,945</b>	<b>3,142,625</b>
<b>Equity</b>				
Net Parent investment	6,058,959		(6,058,959)(b)	
Class A shares, 1,000,000,000 shares authorized, 50,000,000 shares issued and outstanding				
Additional paid-in capital			2,969,984 (b)	2,969,984
			1,734,680 (c)	1,734,680
			(3,573,735)(d)	(3,573,735)
<b>Total shareholders' equity</b>	<b>6,058,959</b>		<b>(4,928,030)</b>	<b>1,130,929</b>
<b>Noncontrolling interest</b>			<b>3,573,735 (d)</b>	<b>3,573,735</b>
<b>Total equity</b>	<b>6,058,959</b>		<b>(1,354,295)</b>	<b>4,704,664</b>
<b>Total liabilities and equity</b>	<b>\$ 7,793,639</b>	<b>\$</b>	<b>\$ 53,650</b>	<b>\$ 7,847,289</b>

The accompanying notes are an integral part of, and should be read together with, this unaudited pro forma condensed consolidated financial information.

**Table of Contents****Unaudited Pro Forma Condensed Consolidated Statement of Operations****For the Year Ended December 31, 2015***(in thousands, except share and per share amounts)*

	Twelve Months Ended December 31, 2015 Historical			Twelve Months Ended December 31, 2015
	Predecessor (aa)	Historical MGP	Pro Forma Adjustments	Pro Forma MGP
<b>Revenues</b>				
Rental income	\$	\$	\$ 552,300 (bb)	\$ 552,300
Property taxes reimbursed by Tenant			48,122 (cc)	48,122
Total revenues			600,422	600,422
<b>Operating expenses</b>				
Depreciation	196,816			196,816
Property transactions, net	6,665			6,665
Property taxes	48,122			48,122
Property insurance	10,351		(10,351)(dd)	
Other general and administrative			1,650 (ee)	1,650
Total operating expenses	261,954		(8,701)	253,253
Operating income (loss)	(261,954)		609,123	347,169
Interest expense			155,593 (ff)	155,593
Income (loss) before income taxes	(261,954)		453,530	191,576
Provision for income taxes				
Net income (loss)	(261,954)		453,530	191,576
Less: Net income (loss) attributable to noncontrolling interest			145,524 (gg)	145,524
Net income (loss) attributable to Class A shareholders	\$ (261,954)	\$	\$ 308,006	\$ 46,052
<b>Class A shares</b>				
Weighted average number of Class A shares				
Basic			50,000,000	50,000,000
Diluted			50,011,538 (hh)	50,011,538
Basic earnings per share			\$ 0.92	\$ 0.92

Diluted earnings per share \$ 0.92 (hh) \$ 0.92

The accompanying notes are an integral part of, and should be read together with, this unaudited pro forma condensed consolidated financial information.

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**PRO FORMA CONDENSED CONSOLIDATED FINANCIAL INFORMATION**

**Note 1 Balance Sheet Pro Forma Adjustments**

(a) Represents the historical amounts of our Predecessor, including the historical cost of real estate assets to be acquired by us. The assets of the Properties transferred pursuant to the Formation Transactions will be recorded at historical cost as the Formation Transactions do not result in a change in control of the assets. Following the Formation Transactions, we will consolidate the assets and liabilities of our Predecessor.

(b) Represents the net proceeds from this offering and the indebtedness to be incurred by the Operating Partnership described below, offset by their respective financing costs in connection with the Formation Transactions, as well as the assumption and repayment of the indebtedness under the Bridge Facilities assumed by the Operating Partnership.

We expect to issue approximately 50,000,000 Class A shares in connection with this offering. We estimate that we will receive proceeds from this offering of approximately \$911.0 million based on the midpoint of the price range set forth on the front cover of this prospectus and after deducting the underwriting discounts and commissions related to this offering and estimated offering expenses assuming no exercise by the underwriters of their overallotment option. We account for certain incremental costs directly attributable to this offering by capitalizing them and offsetting such costs against the gross proceeds of the offering. Such costs are comprised of accounting and advisory fees, underwriting discounts, legal fees, and other professional fees.

We will use the proceeds from this offering to purchase Operating Partnership Units, representing 24% of the economic interest in the Operating Partnership (assuming that 50,000,000 Class A shares are sold in this offering and that the underwriters do not exercise their overallotment option). The Operating Partnership will use the proceeds to repay a portion of the indebtedness assumed by it in connection with the Formation Transactions.

In addition, in connection with this offering, the Operating Partnership is expected to incur approximately \$3.2 billion principal amount of new indebtedness (assuming gross proceeds from this offering of at least \$932.1 million). The proceeds of such new indebtedness will be used to refinance the Bridge Facilities. Debt issuance costs of \$57.4 million incurred in connection with obtaining the Term Loan Facilities and the Senior Notes are offset against the carrying amount of the debt. For the Revolving Credit Facility, debt issuance costs of \$10.7 million are capitalized and recorded in other assets and will be amortized over the term of the Revolving Credit Facility on a straight-line basis as a component of interest expense. In the event that the gross proceeds from this offering are less than \$932.1 million, the Operating Partnership is expected to incur indebtedness under the Revolving Credit Facility equal to the difference, but not exceeding \$300.0 million of total outstanding indebtedness under the Revolving Credit Facility on the closing date of this offering. In addition, to the extent the underwriters exercise their overallotment option, we expect to contribute such additional proceeds to the Operating Partnership to purchase additional Operating Partnership Units and the Operating Partnership expects to use such additional proceeds for general corporate purposes, including to reduce any outstanding indebtedness under the Revolving Credit Facility. No assurance can be given that the underwriters will exercise such overallotment option.

The weighted average interest rate on the Operating Partnership's indebtedness under the Term Loan Facilities and the Senior Notes is expected to be 4.5%.

For purposes of this pro forma presentation, the net issuance proceeds from the offering, the Financing and debt issuance costs have been applied to the pro forma condensed consolidated balance sheet assuming they had occurred on December 31, 2015.



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Cash and cash equivalents includes the following cash inflows and cash outflows (in thousands):

<b>Sources</b>		<b>Uses</b>	
Proceeds from this offering	\$ 975,000	Repayment of the Bridge Facilities	\$ 4,000,000
Proceeds from the Term Loan Facilities	2,150,000	Equity offering costs	63,975
Proceeds from the Senior Notes	1,050,000	Debt issuance costs - Revolving Credit Facility	10,700
		Debt issuance costs - Term Loan Facilities and Senior Notes	57,375
		Cash for general corporate purposes	42,950
	\$ 4,175,000		\$ 4,175,000

Long term debt, net represents the following (in thousands):

Proceeds from the Term Loan Facilities	\$ 2,150,000
Proceeds from the Senior Notes	1,050,000
Debt issuance costs - Term Loan Facilities and Senior Notes	(57,375)
Bridge Facilities assumed by the Operating Partnership	4,000,000
Repayment of the Bridge Facilities	(4,000,000)
	\$ 3,142,625

(c) Represents the reversal of the historical deferred tax liability associated with the transferred property and equipment. The deferred tax liability will be retained by MGM upon MGM's contribution of the Properties to the Operating Partnership. The pro forma condensed consolidated financial information has been prepared based on the assumption that we have qualified as a REIT under the Code. As such, we generally will not be subject to federal corporate income tax to the extent we distribute our REIT taxable income to our shareholders. REITs are subject to a number of other organizational and operational requirements. We may still be subject to (i) certain state and local taxes on our income and property and (ii) federal corporate income and excise taxes on our undistributed income.

(d) Following this offering, certain of MGM's operating and other subsidiaries will own 76% of the Operating Partnership Units, entitling MGM to 76% of the economic interest in the Operating Partnership (assuming that 50,000,000 Class A shares are sold in this offering and that the underwriters do not exercise their overallotment option).

**Note 2 Statement of Operations Pro Forma Adjustments**

(aa) Represents the historical amounts of our Predecessor, including the historical expenses directly associated with real estate assets to be contributed to us, comprised of depreciation, property tax, and property insurance expenses. The assets of the Properties transferred pursuant to the Formation Transactions will be recorded at the historical cost as the Formation Transactions do not result in a change in control of the assets. Following the Formation Transactions, we will consolidate the results of operations of our Predecessor.

(bb) Represents rental income associated with the rent from the Master Lease. The Base Rent includes a fixed annual rent escalator of 2.0% for the second through the sixth lease years (as defined in the Master Lease). Thereafter, the annual escalator of 2.0% will be subject to the Tenant and, without duplication, the Operating Subtenants collectively meeting an adjusted net revenue to rent ratio of 6.25:1.00 based on their net revenue from the leased properties subject to the Master Lease as determined in accordance with U.S.

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GAAP, adjusted to exclude net revenue attributable to certain scheduled subleases and, at our option, reimbursed cost revenue. The Percentage Rent will initially be a fixed amount for approximately the first six years of our master lease and will then be adjusted every five years based on the average actual net revenues from the leased properties subject to the Master Lease at such time (excluding net revenue attributable to certain scheduled subleases and, at our option, reimbursed cost revenue) for the trailing five-calendar-year period. Base Rent and Percentage Rent that is known at the lease commencement date will be recorded on a straight-line basis over the initial ten-year non-cancelable lease term and all four five-year renewal terms under the Master Lease, as such renewal terms have been determined to be reasonably assured.

For the year ended December 31, 2015, pro forma rental revenue recognized is \$552.3 million compared to total lease payments due under the Master Lease of \$550.0 million. The difference of \$2.3 million is an adjustment to recognize fixed amounts due under the Master Lease on a straight-line basis over the lease term.

(cc) Represents revenue for the property taxes paid by the Tenant under the Master Lease with an offsetting expense recorded in operating expenses, as one of our subsidiaries is the primary obligor.

(dd) Represents the elimination of property insurance expense, which will be paid directly by the Tenant under the terms of the Master Lease.

(ee) Represents expense related to the base salary and annual equity awards pursuant to the employment agreements with our Chief Executive Officer and Chief Financial Officer. Any amount related to equity awards for our Chief Executive Officer and Chief Financial Officer that are not factually supportable have been excluded.

We expect to issue a one-time grant of restricted share units to various executives and directors of our parent, MGM. However, as amounts related to this grant have no continuing impact on our results and are presently not factually supportable, an adjustment for these amounts has been excluded.

We also expect to incur other additional costs as a result of becoming a publicly traded company independent of MGM, including but not limited to salaries, director's and officer's insurance, Sarbanes-Oxley compliance costs, and incremental audit, tax and legal fees. As these amounts are not directly attributable to the transaction, an adjustment for such additional general and administrative costs has been excluded.

In addition, we also expect to incur fees through the Operating Partnership pursuant to the Corporate Services Agreement in connection with the Corporate Services provided by MGM, which will be based on costs MGM incurs directly related to providing services under the agreement. Such amounts will be based on an allocation of costs incurred by MGM in the future. As a result, such amounts are not factually supportable and an adjustment for these amounts has been excluded.

We estimate that general and administrative costs for MGP on a consolidated basis, including costs of being a public company and costs incurred under the Corporate Services Agreement, could result in incremental general and administrative expenses of \$10 million to \$13 million per year (excluding non-cash compensation that is not factually supportable).

(ff) Represents interest expense related to borrowings that will be incurred by the Operating Partnership under the Financing including the amortization of debt issuance costs associated with the Financing. It is estimated that a one-eighth percentage change in the annual interest rates on the Operating Partnership's variable rate obligations would change annual interest expense by \$2.7 million. In addition, in the event that the gross proceeds from this offering are less than \$932.1 million, the Operating Partnership is expected to incur indebtedness under the Revolving Credit



Facility equal to the difference, but not exceeding \$300.0 million of total outstanding indebtedness under the Revolving Credit Facility on the closing date of this offering. To the extent the underwriters exercise their overallotment option, we expect to contribute such additional proceeds to the Operating Partnership to purchase additional Operating Partnership Units and the Operating Partnership expects to use such additional proceeds for general corporate purposes, including to reduce any outstanding indebtedness under the Revolving Credit Facility. No assurance can be given that the underwriters will exercise such overallotment option. It is estimated that a \$100 million change in

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borrowings that will be incurred by us in connection with the Financing would change annual interest expense by \$3.0 million.

(gg) Following this offering, certain of MGM's operating and other subsidiaries will initially own 76% of the Operating Partnership Units, entitling them to 76% of the economic interest in the Operating Partnership (assuming that 50,000,000 Class A shares are sold in this offering and that the underwriters do not exercise their over-allotment option).

(hh) Diluted earnings per share is computed using the weighted-average number of common shares and the effect of potentially dilutive securities outstanding during the period. Potentially dilutive securities include restricted share unit grants and performance share units that we may grant pursuant to the employment agreements with our Chief Executive Officer and Chief Financial Officer. We have included the effect of the annual equity awards in the pro forma calculation of earnings per share. The Class B share does not share in our economic interest and is therefore not allocated any net income attributable to the controlling and noncontrolling interests. As a result, the Class B share is not considered a participating security and is therefore not included in the weighted average shares outstanding for purposes of computing earnings per share.

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

*The following is a discussion and analysis of the anticipated financial condition of MGP immediately following the Formation Transactions and this offering. Prior to this offering, MGP had no operations. Additionally, this Management's Discussion and Analysis of Financial Condition and Results of Operations reflects the historical financial results of the entities expected to be owned by MGP at the completion of this offering. This discussion contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of various factors, including those which are discussed below and elsewhere in this prospectus. See also Risk Factors and Cautionary Note Regarding Forward-Looking Statements.*

**Overview**

We are a newly formed limited liability company that was formed in Delaware on October 23, 2015. We expect to conduct our operations through our Operating Partnership, a Delaware limited partnership formed by MGM on January 6, 2016. In this prospectus, we refer to our business, including MGP and the Operating Partnership, as we, our, or us. Our principal offices are currently located at 6385 S. Rainbow Blvd., Suite 500 Las Vegas, Nevada 89118 and our main telephone number is (702) 669-1480. We intend to make an election on our U.S. federal income tax return for our taxable year ending December 31, 2016 to be treated as a REIT.

Following completion of this offering, we will be a publicly traded, controlled REIT primarily engaged in owning, acquiring and leasing large-scale casino resort properties, which include casino gaming, hotel, convention, dining, entertainment, retail and mixed-use facilities, and other resort amenities. MGM will continue to hold a controlling interest in us following the completion of this offering through its ownership of our single Class B share, as well as a majority economic interest in the Operating Partnership through its indirect ownership of approximately 76% of the Operating Partnership Units. One of our subsidiaries will be the sole general partner of the Operating Partnership (assuming that 50,000,000 Class A shares are sold in this offering and that the underwriters do not exercise their overallotment option).

We will initially generate all of our revenues by leasing the Properties to the Tenant, a subsidiary of MGM, in a triple-net lease arrangement, which requires the Tenant to pay substantially all costs associated with each Property, including real estate taxes, insurance, utilities, and routine maintenance, in addition to the Base Rent and the Percentage Rent, each as described below. The Master Lease has an initial lease term of ten years with the potential to extend the term for four additional five-year terms thereafter at the option of the Tenant. Additionally, the Master Lease provides us with a right of first offer with respect to the ROFO Properties in the event that MGM elects to sell them. We anticipate that the annual rent payments due under the Master Lease will initially be \$550.0 million. Rent under the Master Lease will consist of the Base Rent and the Percentage Rent, each as further described below. The Master Lease will be guaranteed by MGM, a premier operator of a portfolio of well-known destination resort brands and one of the world's largest gaming companies, with Adjusted EBITDA of \$2.2 billion, net revenues of \$9.2 billion and consolidated net loss of \$1.0 billion for the year ended December 31, 2015. As of December 31, 2015, MGM had an enterprise value of more than \$26 billion and market capitalization of more than \$12 billion.

Initially, our portfolio will consist of nine premier destination resorts operated by MGM, including properties that we believe are among the world's finest casino resorts, and The Park in Las Vegas. The Properties will be leased by the Landlord, a subsidiary of the Operating Partnership, to the Tenant, a subsidiary of MGM, and include a total of 24,466 hotel rooms as of December 31, 2015, which will make us among the five largest publicly traded REITs by number of

owned hotel rooms in the United States.

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### **Results of Operations**

#### ***Revenues***

Following this offering and our acquisition of the Operating Partnership Units, our earnings will entirely be the result of the rental revenue from the Master Lease through rent payments from the Tenant.

Rent under the Master Lease will consist of the Base Rent and the Percentage Rent. For the first year, the Base Rent is expected to represent 90% of the initial total rent payments due under the Master Lease, or \$495.0 million, and the Percentage Rent is expected to represent 10% of the initial total rent payments due under the Master Lease, or \$55.0 million. It is anticipated that the annual rent payments due under the Master Lease will initially be \$550.0 million.

#### ***Base Rent***

The Base Rent is a base annual amount for the duration of the lease equal to \$495.0 million during the first year of the Master Lease and includes a fixed annual rent escalator of 2.0% for the second through the sixth lease years (as defined in the Master Lease). Thereafter, the annual escalator of 2.0% will be subject to the Tenant and, without duplication, the Operating Subtenants collectively meeting an adjusted net revenue to rent ratio of 6.25:1.00 based on their net revenue from the leased properties subject to the Master Lease as determined in accordance with U.S. GAAP, adjusted to exclude net revenue attributable to certain scheduled subleases and, at our option, reimbursed cost revenue.

#### ***Percentage Rent***

The Percentage Rent is a variable percentage rent which consists of a fixed annual amount for approximately the first six years of our Master Lease and then adjusted every five years thereafter based on the average actual annual net revenues of our Tenant, and, without duplication, the Operating Subtenants from the leased properties subject to the Master Lease at such time during the trailing five-calendar-year period (calculated by multiplying the average annual net revenues (excluding net revenue attributable to certain scheduled subleases and, at our option, reimbursed cost revenue) for the trailing five-calendar-year period by 1.4%).

The Master Lease has an initial lease term of ten years with the potential to extend the term for four additional five-year terms thereafter at the option of the Tenant. The Master Lease provides that any extension of its term must apply to all of the Properties under the Master Lease at the time of the extension.

Under the Master Lease, the Tenant will be required to maintain the premises in reasonably good order and repair. The Master Lease requires the Tenant to spend an aggregate amount of at least 1% of actual adjusted net revenues from the Properties per calendar year on capital expenditures.

#### ***Expenses***

General and administrative expenses are expected for items such as compensation costs, professional services, legal expenses, property operating expenses, office costs and other costs associated with development activities. To the extent requested by us, MGM will provide us with the Corporate Services pursuant to the Corporate Services Agreement and the Operating Partnership will reimburse MGM for all costs MGM incurs directly related to providing the Corporate Services.

We will incur costs as a result of becoming a publicly traded company. As a public company, we expect to incur incremental costs to support our business, including management personnel, legal expenses, finance, and human resources as well as certain costs associated with becoming a public company. In particular, we estimate that our general and administrative costs including costs of being a public company and costs incurred under the Corporate Services Agreement could result in incremental general and administrative expenses of \$10 million to \$13 million per year (excluding non-cash compensation that is not factually supportable). Pursuant to the terms

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of the partnership agreement of the Operating Partnership, the Operating Partnership is required to reimburse us for these expenses (and generally for any expenses we incur relating to the operation of, or for the benefit of, the Operating Partnership or MGP). Any such reimbursement would be taken into account by our wholly owned subsidiary, the general partner, before causing the Operating Partnership to make any distributions to holders of Operating Partnership Units and would not affect our pro rata entitlement, as a holder of Operating Partnership Units, to distributions from the Operating Partnership. In addition, pursuant to the Corporate Services Agreement, the Operating Partnership will reimburse MGM for all costs MGM incurs directly related to providing the Corporate Services.

Property operating expenses are expected for expenditures necessary to maintain the premises in reasonably good order and repair and will be paid or reimbursed by the Tenant pursuant to the Master Lease with respect to the Properties. Property operating expenses will also include other expenses expected to be paid or reimbursed by the Tenant such as property taxes and insurance. Pro forma property taxes were estimated to be \$48.1 million in 2015. All of such expenses would have been paid or reimbursed by the Tenant had this transaction occurred on January 1, 2015. In addition, pro forma property insurance expense of \$10.4 million is directly payable by the Tenant under the terms of the Master Lease.

We will incur depreciation expense related to the buildings and improvements included in the Properties. Pro forma depreciation expense was determined based on the useful lives of the properties. Any undepreciated basis in the buildings and improvements included in the Properties is expensed at the time of their disposal. Pro forma depreciation expense was \$196.8 million in 2015.

We will incur interest expense and other debt-related charges related to the indebtedness of our Operating Partnership. We will incur interest expense from our Operating Partnership's borrowing obligations plus the amortization of our Operating Partnership's anticipated debt issuance costs related to our Operating Partnership's indebtedness. Following this offering, our Operating Partnership will have approximately \$3.2 billion principal amount in outstanding borrowings and annual interest costs of approximately \$155.6 million based on a weighted average interest rate of 4.5% (assuming gross proceeds from this offering of at least \$932.1 million). Any changes to our debt structure, including borrowings under the Revolving Credit Facility that we expect our Operating Partnership to have upon the completion of this offering or debt financings associated with future property acquisitions, could materially influence our operating results depending on the terms of any such indebtedness.

## **Discussion of Predecessor Historical Results of Operations**

### ***Overview***

The following comparative discussion of results of operations reflects the results of operations of the Properties expected to be owned by us at the completion of this offering and should be read in conjunction with the historical financial statements of our Predecessor, including the notes thereto, included elsewhere in this prospectus.

### ***Year Ended December 31, 2015 Compared to Year Ended December 31, 2014 (in thousands)***

#### ***Revenues***

Prior to this offering, our Predecessor had no historical operations other than the ownership of real property. As a result, for the years ended December 31, 2015 and 2014 our Predecessor generated no revenues.

#### ***Expenses***

Total expenses for the year ended December 31, 2015 increased by 6% to \$261,954, compared to \$246,242 for the year ended December 31, 2014. This increase was primarily due to the factors discussed below.



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*Depreciation.* Depreciation expense for the year ended December 31, 2015 was \$196,816 compared to \$186,262 for the year ended December 31, 2014. This increase was primarily due to accelerated depreciation recognized on assets disposed of during the year, as well as depreciation recognized on assets capitalized during the year.

*Property transactions, net.* Property transactions, net for the year ended December 31, 2015 were \$6,665 compared to none for the year ended December 31, 2014. This increase was due to normal losses on the disposition of assets recognized during the year.

*Property taxes.* Property tax expense for the year ended December 31, 2015 was \$48,122 compared to \$48,346 for the year ended December 31, 2014. This decrease was due to lower property tax assessments.

*Property insurance.* Property insurance expense for the year ended December 31, 2015 was \$10,351 compared to \$11,634 for the year ended December 31, 2014. This decrease was due to a decline in insurance premiums.

## **Liquidity and Capital Resources**

Since formation, we have been dependent on MGM for all sources of capital and financial funding. We will remain dependent on MGM up until the closing of this offering. We will use the proceeds from this offering to purchase Operating Partnership Units, representing 24% of the economic interest in the Operating Partnership (assuming that 50,000,000 Class A shares are sold in this offering and that the underwriters do not exercise their overallotment option). The Operating Partnership will use the proceeds to repay a portion of the indebtedness assumed by it from MGM and certain of its subsidiaries in connection with the Formation Transactions and to pay fees and expenses related to this offering and the Formation Transactions.

In addition, in connection with this offering, the Operating Partnership is expected to incur approximately \$3.2 billion principal amount of new indebtedness in the form of the Term Loan Facilities and the Senior Notes, and we will also enter into the Revolving Credit Facility, which we expect to be undrawn on the closing date of this offering (assuming gross proceeds from this offering of at least \$932.1 million). The proceeds of such new indebtedness will be used to refinance a portion of the Bridge Facilities assumed by the Operating Partnership from MGM and certain of its subsidiaries in connection with the Formation Transactions and proceeds of the Revolving Credit Facility drawn after the offering date are expected to be used from time to time for general corporate purposes. The proceeds received by the Operating Partnership in connection with our purchase of Operating Partnership Units will be used to refinance the remaining debt assumed by the Operating Partnership from MGM and certain of its subsidiaries in connection with the Formation Transactions and to pay fees and expenses related to the Formation Transactions.

The interest rates applicable to our debt obligations have yet to be determined. Based on an assumed annual interest rate of 4.5%, as well as anticipated unused commitment fees and amortization of debt issuance costs, we would expect our annual interest expense to be approximately \$155.6 million. It is estimated that a one-eighth percentage change in the annual interest rate on the Operating Partnership's variable rate obligations would change annual interest expense by \$2.7 million. In the event that the gross proceeds from this offering are less than \$932.1 million, the Operating Partnership is expected to incur indebtedness under the Revolving Credit Facility equal to the difference, but not exceeding \$300.0 million of total outstanding indebtedness under the Revolving Credit Facility on the closing date of this offering. To the extent the underwriters exercise their overallotment option, we expect to contribute such additional proceeds to the Operating Partnership to purchase additional Operating Partnership Units and the Operating Partnership expects to use such additional proceeds for general corporate purposes, including to reduce any outstanding indebtedness under the Revolving Credit Facility. No assurance can be given that the underwriters will exercise such overallotment option. It is estimated that a \$100 million change in borrowings that will be incurred by us in connection with the Financing would change annual interest expense by \$3.0 million.



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The Revolving Credit Facility and the Term Loan A Facility are expected to mature in 2021 and the Term Loan B Facility is expected to mature in 2023. We expect the agreements governing the Revolving Credit Facility and the Term Loan Facilities to contain customary covenants that, among other things limit the ability of the Operating Partnership and its restricted subsidiaries to: (i) incur additional indebtedness; (ii) merge with a third party or engage in other fundamental changes; (iii) make restricted payments; (iv) enter into, create, incur, assume or suffer to exist any liens; (v) make certain sales and other dispositions of assets; (vi) enter into certain transactions with affiliates; (vii) make certain payments on other indebtedness; (viii) make certain investments; and (ix) incur restrictions on the ability of restricted subsidiaries to make distributions, loans or transfers of assets to the Operating Partnership or any restricted subsidiary. These covenants are subject to a number of important exceptions and qualifications. We also anticipate that the Revolving Credit Facility and the Term Loan A Facility will require the Operating Partnership to comply with certain financial covenants, which may restrict the Operating Partnership's ability to incur additional debt to fund its obligations in the near term.

The Revolving Credit Facility and the Term Loan Facilities are also expected to provide for customary events of default, including, without limitation, (i) payment defaults, (ii) inaccuracies of representations and warranties, (iii) covenant defaults, (iv) cross-defaults to certain other indebtedness in excess of specified amounts, (v) certain events of bankruptcy and insolvency, (vi) judgment defaults in excess of specified amounts, (vii) actual or asserted invalidity or impairment of any loan documentation, (viii) the security documents cease to create a valid and perfected first priority lien on any material portion of the collateral, (ix) ERISA defaults, (x) termination of the Master Lease and (xi) change of control. The Term Loan Facilities are subject to amortization of principal in equal quarterly installments, with 5.0% of the initial aggregate principal amount of the Term Loan A Facility and 1.0% of the initial aggregate principal amount of the Term Loan B Facility to be payable each year. The Revolving Credit Facility and the Term Loan Facilities are both expected to be guaranteed by each of the Operating Partnership's existing and subsequently acquired direct and indirect wholly-owned material domestic restricted subsidiaries, and secured by a first lien security interest on substantially all of the Operating Partnership's and such restricted subsidiaries' material assets, including mortgages on the Properties, subject to customary exclusions. We expect to have \$600.0 million of available borrowing capacity under the Revolving Credit Facility (excluding letters of credit) following the completion of the Formation Transactions and this offering. In the event that the gross proceeds from this offering are less than \$932.1 million, the Operating Partnership is expected to incur indebtedness under the Revolving Credit Facility equal to the difference, but not exceeding \$300.0 million on the closing date of this offering.

We anticipate that the Senior Notes will be guaranteed by all of our direct and indirect wholly-owned material domestic subsidiaries that guarantee the credit agreement. The Senior Notes will mature in 2024. The Senior Notes are expected to be unsecured and otherwise rank equally in right of payment with our future senior indebtedness. The Senior Notes are effectively subordinated to our existing and future secured obligations, including our Revolving Credit Facility and the Term Loan Facilities, to the extent of the value of the assets securing such obligations. We expect the indenture governing the Senior Notes to contain certain customary affirmative and negative covenants and events of default. The occurrence of an event of default under the indenture governing the Senior Notes could cause a cross-default that could result in the acceleration of other indebtedness, including all outstanding borrowings under the Revolving Credit Facility and the Term Loan Facilities. We expect to offer and sell the Senior Notes in the United States to qualified institutional buyers in reliance on Rule 144A under the Securities Act, and outside the United States to non-U.S. persons in reliance on Regulation S under the Securities Act. The Senior Notes are not being offered hereby, will not be registered under the Securities Act and may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements.

***Capital Expenditures***

We may agree, at MGM's request, to fund the cost of certain capital improvements on arms-length terms and conditions, which may include an agreed upon increase in rent under the Master Lease. Otherwise, except as described below in connection with a deconsolidation event, capital expenditures for the properties leased under the

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Master Lease are the responsibility of the Tenant. The Master Lease requires the Tenant to spend an aggregate amount of at least 1% of actual adjusted net revenues from the Properties per calendar year on capital expenditures.

Although the Tenant is expected to be responsible for all capital expenditures during the term of the Master Lease, if, in the future, a deconsolidation event occurs, we will be required to pay the Tenant, should the Tenant so elect, for certain capital improvements that would not constitute normal tenant improvements in accordance with U.S. GAAP, and subject to an initial cap of \$100 million in the first year of the Master Lease increasing annually by \$75 million each year thereafter. Examples of improvements that would not constitute normal tenant improvements include the costs of structural elements at the Properties, including capital improvements that expand the footprint or square footage of any of the Properties or extend the useful life of the Properties. In addition, equipment that would be a necessary improvement at any of the Properties, including elevators, air conditioning systems, or electrical wiring that are integral to such Property would not qualify as a normal tenant improvement under U.S. GAAP.

Except as described in the two preceding paragraphs, the Tenant will be required to pay for all maintenance expenditures and capital improvements. The Landlord will be entitled to receive additional rent based on the 10-year Treasury yield plus 600 basis points multiplied by the value of the new capital improvements the Landlord is required to pay for in connection with a deconsolidation event and such capital improvements will be subject to the terms of the Master Lease.

**Contractual Obligations and Commitments**

Information concerning our obligations and commitments to make future payments under contracts such as our anticipated indebtedness is included in the following table.

Contractual Obligations (in thousands)	Total	Payments Due by Period			
		Within 1 Year	1-3 Years	4-5 Years	After 5 Years
<b>Pro Forma data (unaudited):</b>					
Pro Forma Long-term debt <sup>(1)</sup>	\$ 4,219,200	\$ 176,546	\$ 349,309	\$ 569,265	\$ 3,124,080
<b>Total Pro Forma Contractual Obligations</b>	<b>\$ 4,219,200</b>	<b>\$ 176,546</b>	<b>\$ 349,309</b>	<b>\$ 569,265</b>	<b>\$ 3,124,080</b>

(1) Including estimated interest payments.

**Off-Balance Sheet Arrangements**

We do not have any off-balance sheet arrangements.

**Application of Critical Accounting Policies and Estimates**

Our financial statements are prepared in accordance with U.S. GAAP. We have identified certain accounting policies that we believe are the most critical to the presentation of our financial information over a period of time. These accounting policies may require our management to take decisions on subjective and/or complex matters relating to reported amounts of assets, liabilities, revenue, costs, expenses and related disclosures. These would further lead us to

estimate the effect of matters that may inherently be uncertain.

Estimates are required in order to prepare the financial statements in conformity with U.S. GAAP. Significant estimates, judgments, and assumptions are required in a number of areas, including, but not limited to, determining the useful lives of real estate properties, evaluating the impairment of long-lived assets, and the allocation of income taxes. The judgment on such estimates and underlying assumptions is based on our historical experience and various other factors that we believe are reasonable under the circumstances. These form the basis of our judgment on

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matters that may not be apparent from other available sources of information. In many instances changes in the accounting estimates are likely to occur from period to period. Actual results may differ from the estimates. The future financial statement presentation, financial condition, results of operations and cash flows may be affected to the extent that the actual results differ materially from our estimates.

## **Income Taxes**

We anticipate that we will elect to be taxed and will qualify as a REIT for U.S. federal income tax purposes commencing with our taxable year ending December 31, 2016, and we intend to continue to be organized and to operate in a manner that will permit us to qualify as a REIT. To qualify as a REIT, we must meet certain organizational and operational requirements, including a requirement to distribute at least 90% of our annual REIT taxable income to shareholders, determined without regard to the dividends paid deduction and excluding any net capital gains. As a REIT, we generally will not be subject to federal income tax on income that we pay as distributions to our shareholders. If we fail to qualify as a REIT in any taxable year, we will be subject to U.S. federal income tax, including any applicable alternative minimum tax, on our taxable income at regular corporate income tax rates, and distributions paid to our shareholders would not be deductible by us in computing taxable income. Any resulting corporate liability could be substantial and could materially and adversely affect our net income and net cash available for distribution to shareholders. Unless we were entitled to relief under certain Code provisions, we also would be disqualified from re-electing to be taxed as a REIT for the four taxable years following the year in which we failed to qualify to be taxed as a REIT.

## **Property and Equipment**

Real estate costs related to the acquisition and improvement of properties are capitalized and include expenditures that materially extend the useful lives of existing assets. We consider the period of future benefit of an asset to determine its appropriate useful life. Depreciation on our buildings and improvements is computed using the straight-line method over an estimated useful life of 3 to 40 years. If we use a shorter or longer estimated useful life, it could have a material impact on our results of operations. We believe that 3 to 40 years is an appropriate estimate of useful life.

## **Impairment of Property and Equipment**

We continually monitor events and changes in circumstances that could indicate that the carrying amount of our property and equipment may not be recoverable or realized. In accordance with accounting standards governing the impairment or disposal of long-lived assets, the carrying value of long-lived assets, including land, buildings and improvements, land improvements, and equipment is evaluated whenever events or changes in circumstances indicate that a potential impairment has occurred relative to a given asset or assets. Factors that could result in an impairment review include, but are not limited to, a current period cash flow loss combined with a history of cash flow losses, current cash flows that may be insufficient to recover the investment in the property over the remaining useful life, a projection that demonstrates continuing losses associated with the use of a long-lived asset, significant changes in the manner of use of the assets, or significant changes in business strategies. If such circumstances arise, we use an estimate of the undiscounted value of expected future operating cash flows to determine whether the long-lived assets are impaired. If the aggregate undiscounted cash flows plus net proceeds expected from disposition of the asset (if any) are less than the carrying amount of the assets, the resulting impairment charge to be recorded is calculated based on the excess of the carrying value of the assets over the fair value of such assets, with the fair value determined based on an estimate of discounted future cash flows, appraisals or other valuation techniques.

## **Internal Control over Financial Reporting**

As a company with less than \$1.0 billion in revenue for our last fiscal year, we qualify as an emerging growth company pursuant to the JOBS Act. An emerging growth company may take advantage of specified



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reduced reporting and other requirements that are otherwise applicable generally to public companies. These provisions include exemption from the auditor attestation requirement under Section 404 of the Sarbanes-Oxley Act of 2002 in the assessment of the emerging growth company's internal control over financial reporting. The JOBS Act also provides that an emerging growth company does not need to comply with any new or revised financial accounting standards until such date that a private company is otherwise required to comply with such new or revised accounting standards. However, we are choosing to opt out of such extended transition period election under Section 107(b) of the JOBS Act and, as a result, we will comply with new or revised accounting standards on the relevant dates on which adoption of such standards is required for non-emerging growth companies. Section 107 of the JOBS Act provides that our decision to opt out of the extended transition period for complying with new or revised accounting standards is irrevocable.

**Quantitative and Qualitative Disclosures About Market Risk**

Our primary market risk exposure will be interest rate risk with respect to our expected indebtedness. In connection with our initial public offering, we expect to incur indebtedness in principal amount of approximately \$3.2 billion. An increase in interest rates could make the financing of any acquisition by us more costly as well as increase the costs of our variable rate debt obligations. Rising interest rates could also limit our ability to refinance our debt when it matures or cause us to pay higher interest rates upon refinancing and increase interest expense on refinanced indebtedness.

We may manage, or hedge, interest rate risks related to our borrowings by means of interest rate swap agreements. We also expect to manage our exposure to interest rate risk by maintaining a mix of fixed and variable rates for our indebtedness. However, the REIT provisions of the Code substantially limit our ability to hedge our assets and liabilities. See Risk Factors Risks Related to Our REIT Election and Our Status as a REIT Complying with REIT requirements may limit our ability to hedge effectively and may cause us to incur tax liabilities.

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**INDUSTRY**

**Las Vegas Market**

Las Vegas is one of the world’s premier entertainment, gaming, tourist, and meeting and convention destinations. With a uniquely dense concentration of over 40 casinos, approximately 150,000 hotel rooms, extensive convention and meeting facilities, and world-class retail, dining, and entertainment offerings, Las Vegas has broad appeal to a wide audience and attracted a record of 42.3 million visitors from around the world in 2015. Total annual visitation to Las Vegas has doubled over the last 25 years, reflecting the Las Vegas market’s increasing long-term significance as a major destination for U.S. and international visitors.

**Las Vegas Visitor Volume (millions)**

**Las Vegas Visitor Origin by Geography**

Source: Las Vegas Convention and Visitors Authority

Source: Las Vegas Convention and Visitors Authority, based on the most recently published report for calendar year 2014.

***Largest gaming market in the United States with strong fundamentals and growth.*** The Strip, a vibrant four-mile stretch of Las Vegas Boulevard South, represents the majority of the Las Vegas market and is the largest gaming market in the United States, with total gross gaming revenues of \$6.3 billion for the year ended December 31, 2015. As the Strip has continued to diversify its sources of revenue and benefit from an improving economy with limited new supply, gaming revenues have shown strong and steady growth, increasing at a compound annual growth rate of 1.9% since the year ended December 31, 2010.

**Top Five U.S. Gaming Markets (2015 revenues, in millions)**

Source: State Gaming Commissions

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***Growing mix of revenue sources provides the market with continued diversification.*** The Strip has historically been dependent on commercial gaming for the majority of its revenues, but over the last 15 years this balance has shifted as property owners have invested heavily in non-gaming entertainment options and amenities to satisfy changes in consumer demand and reinforce the durability of revenues through diversification. As a result of these investments, the Strip has solidified its position as a premier destination for conventions and meetings as well as leisure travelers who are increasingly drawn to Las Vegas' unique mix of entertainment offerings. Hosting 5.9 million convention attendees in 2015 and with approximately 11 million total square feet of exhibit and meeting space, the Las Vegas market has been recognized by Trade Show News Network as the number one trade show destination in the U.S. for 21 consecutive years. In the twelve months ended June 30, 2015, non-gaming revenues accounted for approximately 65% of all casino resort revenues in Las Vegas, up from just 42% in 1990.

**Strip Gaming vs. Non-Gaming Revenue Mix**

**2015 Strip Revenue Mix**

Source: UNLV Center for Gaming Research

Source: UNLV Center for Gaming Research

(for the twelve months ended June 30)

(for the twelve months ended June 30, 2015)

***Limited new supply should support strong operating performance.*** Limited availability of desirable land and the need to make significant capital expenditures limit the ability of potential competitors to build new large-scale casino resorts on the Strip. As a result, over the next several years few lodging or gaming real estate developments of significance are expected to open along the Strip despite a rebounding Las Vegas economy. This limited new supply, coupled with strong and growing visitation levels, has already driven improved performance in Las Vegas, as evidenced by hotel occupancy levels of nearly 90% for 2015 and a compound annual growth rate in average daily hotel room rates of 4.8% since 2010.

**Las Vegas Hotel Room Inventory  
(in thousands)**

**Las Vegas Hotel Room  
Occupancy (%)**

**Las Vegas Average Daily Room  
Rate (\$)**

Source: Las Vegas Convention and Visitors Authority. Tables present data for Las Vegas as a whole.

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**Detroit Market**

The gaming market in the Detroit metropolitan area consists of three commercial casino properties in Michigan and one commercial casino located across the Detroit River in Windsor, Ontario. Detroit is primarily a drive-to gaming destination, with a substantial majority of its gaming revenues derived from repeat customers who live within several hours of Detroit. Since its inception in 1999, the Detroit gaming market has evolved to become the fifth largest gaming market in the U.S. based on 2015 gross gaming revenues, and has demonstrated relatively stable long-term operating performance.

**Detroit: Gross Gaming Revenues (in millions)**

Source: Michigan Gaming Control Board

Gaming operators in the Detroit market generally benefit from stable market share driven by limited competition, as the three Detroit properties are the only commercial casino properties permitted to operate in the state of Michigan. Additional gaming facilities in the state are located on Native American reservations, the nearest of which is located over 100 miles from Detroit. Furthermore, potential U.S. visitors to Ontario's nearby commercial casino are required to pay a toll to cross over a bridge or through a tunnel, clear customs at the U.S.-Canada border, and potentially exchange currencies before visiting the property.

**Detroit: MGM Grand Detroit Gross Gaming Revenues (in millions) and Percentage of Market Share**

Source: Michigan Gaming Control Board; MGM internal company data for gaming revenues adjusted in accordance with gaming regulations

**Mississippi Gulf Coast Market**

The Mississippi Gulf Coast gaming market consists of 12 commercial casino properties located along the southern edge of Mississippi in the towns of Biloxi, Gulfport, Bay St. Louis and D'Iberville. These 12 properties have a total of over 600,000 square feet of gaming space, approximately 5.6 million square feet of hotel and other entertainment space, over 14,000 slots, and over 400 table games. Total capital invested in gaming facilities in the region exceeds \$2.7 billion as of December 31, 2015, with many properties having completed significant

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rebuilding and improvement projects since Hurricane Katrina in 2005. Customers at Mississippi Gulf Coast properties come from a variety of U.S. states and other locations, but predominantly visit from Mississippi and nearby states such as Louisiana, Alabama, Florida, Georgia, and Texas.

In 2015, the Mississippi Gulf Coast gaming market attracted a total of 13.1 million visitors and total gaming revenues of \$1.1 billion. Over the last 10 years since Hurricane Katrina occurred in 2005, the market has shown resilience and recovered to stable levels of gaming revenue in line with historical averages. Beau Rivage has maintained a relatively steady market share, currently comprising 25% of the Mississippi Gulf Coast market's gross gaming revenues as compared to 23% in 2007.

### **Mississippi Gulf Coast: Gross Casino Gaming Revenues (in millions)**

Source: State of Mississippi, Department of Revenue

### **Mississippi Gulf Coast: Beau Rivage Gross Gaming Revenues (in millions) and Percentage of Market Share**

Source: State of Mississippi, Department of Revenue; MGM internal company data

## **Northern Mississippi Market**

The Northern Mississippi gaming market consists of nine commercial casino properties located in the cities of Tunica and Lula along the Mississippi River in the Northwestern corner of Mississippi. These nine properties have a total of 460,000 square feet of gaming space, 2.8 million square feet of hotel and other entertainment space, nearly 9,000 slot machines, and over 200 table games. Total capital invested in gaming facilities in the region exceeded \$1.5 billion as of December 31, 2015. Customers at these properties come from many U.S. states, but predominantly visit from Mississippi and its neighboring states such as Arkansas, Tennessee, and Alabama.

Northern Mississippi gaming revenues are publicly reported within the Mississippi River Counties, which contain 17 casino properties with eight of these properties located up to two to four hours driving distance from the Northern Mississippi gaming market. In 2015, the Northern Mississippi gaming market attracted a total of 3.8 million visitors and the Mississippi River Counties generated total gaming revenues of \$954 million. Over the course of the last 10 years, while the Mississippi River Counties have seen a gradual decline in total gaming revenues, they have continued to produce nearly \$1 billion in gaming revenues annually. Despite the overall market decline in revenues, Gold Strike has increased its gross gaming revenue from \$133 million in 2007 to \$142 million in 2015, growing its market share from 8% to 15% over this time period.

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**Mississippi River Counties: Gross Casino Gaming Revenues (in millions)**

Source: State of Mississippi, Department of Revenue

**Mississippi River Counties: Gold Strike Tunica Gross Gaming Revenues (in millions) and Percentage of Market Share**

Source: State of Mississippi, Department of Revenue; MGM internal company data

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**BUSINESS AND PROPERTIES OF MGP**

**Our Business**

Following the completion of this offering, we expect to be one of the leading publicly traded REITs engaged in the acquisition, ownership and leasing of large-scale destination entertainment and leisure resorts, whose diverse amenities include casino gaming, hotel, convention, dining, entertainment and retail offerings. In connection with this offering, we will acquire from MGM nine premier destination resorts in Las Vegas and elsewhere across the United States and one dining and entertainment complex which opened in April 2016. Combined, these properties comprise 24,466 hotel rooms, approximately 2.5 million convention square footage, over 100 retail outlets, over 200 food and beverage outlets and approximately 20 entertainment venues as of December 31, 2015. As a growth-oriented public real estate entity, we expect our relationship with MGM will attractively position us for the acquisition of additional properties across the entertainment, hospitality and leisure industries that MGM may develop in the future.

We will be organized in an UPREIT structure in which we will own substantially all of our assets and conduct substantially all of our business through our Operating Partnership subsidiary, which will be owned by us and certain subsidiaries of MGM and whose general partner will be one of our subsidiaries. We will initially generate all of our revenue by leasing all ten of our assets to the Tenant pursuant to the Master Lease. During our first year of operation, our Tenant will be obligated to pay us \$550.0 million of rent under the Master Lease. The Tenant's performance and payments under the Master Lease will be guaranteed by MGM. MGM will continue to hold a controlling interest in us following the completion of this offering through its ownership of our Class B share, but will not hold any of our Class A shares. Certain of MGM's operating and other subsidiaries will also directly hold a majority economic interest in the Operating Partnership through their ownership of approximately 76% of the Operating Partnership Units (assuming that 50,000,000 Class A shares are sold in this offering and that the underwriters do not exercise their overallotment option). The Class B share structure was put in place to align MGM's voting rights in us with its economic interest in the Operating Partnership. MGM will no longer be entitled to any voting rights if MGM and its controlled affiliates (excluding us and our subsidiaries) aggregate beneficial ownership of the combined economic interests in us and the Operating Partnership falls below 30%. Our initial ten assets represent a core component of MGM's existing domestic asset base, accounting for approximately 57% of MGM's wholly owned domestic Adjusted Property EBITDA for the year ended December 31, 2015, which we believe strongly aligns MGM's incentives with ours. We believe MGM's economic interest in our Operating Partnership subsidiary and the large proportion of MGM's current real estate portfolio that will be owned by us after this offering will provide added stability to our ongoing financial performance as well as position us favorably for future potential acquisitions.

The Properties in our initial portfolio will consist of nine premier destination resorts operated by MGM, including properties that we believe are among the world's finest casino resorts, and The Park in Las Vegas with gross book value including land, buildings and improvements to be contributed to us in connection with this offering of \$10.0 billion as of December 31, 2015. The Properties will include six large-scale entertainment and gaming-related properties located on the Strip: Mandalay Bay, The Mirage, Monte Carlo, New York-New York, Luxor and Excalibur, and The Park, a dining and entertainment complex located between New York-New York and Monte Carlo which opened in April 2016. Outside of Las Vegas, we will also own three market-leading casino resort properties: MGM Grand Detroit in Detroit, Michigan and Beau Rivage and Gold Strike Tunica, both of which are located in Mississippi. In the future, we plan to explore opportunities to expand by acquiring similar properties as well as strategically targeting a broader universe of real estate assets within the entertainment, hospitality and leisure industries.

**Our Competitive Strengths**

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

***We will own a high-quality portfolio of large-scale assets anchored by branded destination entertainment resorts located at the heart of the Strip.*** We will own high-quality mixed-use properties with a significant



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presence in Las Vegas, which we believe is one of the most attractive travel destinations in the United States. Las Vegas attracted a record 42.3 million visitors in 2015 and is a market characterized by steady economic growth and high consumer and business demand with limited new supply. Our Las Vegas properties feature gaming entertainment, large-scale hotels, extensive food and beverage options, state-of-the-art convention facilities, retail outlets, entertainment showrooms and other amenities, and MGM's brands include many of the most highly recognized names in the gaming industry, such as Mandalay Bay and The Mirage.

We believe that our Las Vegas properties are well positioned and collectively have a leading share in a strong Las Vegas market which continues to benefit from positive macroeconomic trends, including record visitation levels in 2015, and strong convention attendance, hotel occupancy and average daily rates, among other key indicators. With 72% of their overall net revenues for the year ended December 31, 2015 derived from non-gaming uses, including hotel, food and beverage, entertainment and other non-gaming amenities, our Properties located on the Strip generate diversified revenue streams and showcase a wide variety of customer offerings. Our Properties in Las Vegas include a total of 21,193 hotel rooms, or approximately 24% of the total hotel rooms on the Strip. Our Properties on the Strip exceed Strip average industry performance metrics, with an average occupancy rate of 94%, compared to 90% for the Strip as a whole, ADR of \$136, compared to \$120 for the Strip as a whole, and REVPAR of \$128, compared to \$105 for the Strip as a whole, for the year ended December 31, 2015.

***Our portfolio consists of properties in unique locations supported by strong net asset values.*** Our Properties on the Strip benefit from their prime location in a Las Vegas market that is characterized by limited availability of desirable land directly along the Strip and the significant amount of capital investment and time required to develop large-scale casino resorts. We estimate that the construction cost for upscale resorts in Las Vegas is currently approximately \$1 million per room. As a result, over the next several years, few lodging or gaming real estate developments of significance are expected to open along the Strip despite a rebounding Las Vegas economy. This limited new supply, coupled with strong and growing visitation levels, has already driven improved performance in Las Vegas, as evidenced by hotel occupancy levels of nearly 90% for 2015 and a compound annual growth rate in average daily hotel room rates of 4.8% since 2010.

Further, the net asset value of our Las Vegas real estate provides strong valuation support, as evidenced by recent precedent construction and acquisition transactions in the Las Vegas market. For instance, in 2015, it was announced that the Blackstone Group purchased the Cosmopolitan of Las Vegas, a 2,959-room luxury resort casino in Las Vegas, for approximately \$1.7 billion, resulting in an implied valuation multiple of approximately 18 times the Cosmopolitan's prior twelve months' adjusted EBITDA based on its public filings with the SEC prior to the acquisition. In addition, based on public records from the 2014 acquisition of the former New Frontier land by Crown Resorts, we estimate that Las Vegas Strip land values are approximately \$12 million per acre.

***We will also own market-leading regional resorts featuring significant invested capital.*** The three Properties that we will own outside of Las Vegas include award-winning casino resorts that are market leaders within their respective regions. MGM Grand Detroit has been a AAA Four Diamond-rated hotel since 2008, among other notable designations, and has been the gaming market leader in Detroit as measured by revenues since 2005. Beau Rivage is comparable to MGM Grand Detroit as it is also one of the largest resorts within its market, offering 1,740 guest rooms, approximately 50,000 square feet of convention space and over 2,000 gaming positions. In addition, it has won numerous awards, including the AAA Four Diamond award each year since 2002, and has twice been designated the Best Casino in the South by AAA Southern Traveler. The property has consistently been a market leader and currently captures gaming revenue market share of approximately 25% in the Gulf Coast Region. Gold Strike Tunica is also a market-leading resort and is ranked number one in size for the Northern River sub-market, capturing gaming revenue market share of 15% in the Mississippi River Counties, which is the state's publicly reported segment that includes the Northern River Counties. MGM has invested a significant amount of capital into these regional properties, including

capital expenditures related to restaurant renovations, casino enhancements, convention facility improvements and other updated amenities and offerings.

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***Our Properties feature a diversified portfolio of businesses with a broad and varied customer base.*** Our Properties are occupied by multiple businesses spanning a broad set of product offerings, including lodging, convention, gaming, food and beverage and entertainment. Our Properties include a total of 24,466 hotel rooms, including 21,193 hotel rooms in Las Vegas, representing approximately 24% of total rooms on the Strip as of December 31, 2015. Further, we own one of the largest portfolios of properties in terms of total convention square footage on the Strip with approximately 35% of the privately owned convention and meeting space on the Strip. In addition to our extensive hotel and convention offerings, our Properties feature over 100 retail outlets, over 200 food and beverage outlets and approximately 20 entertainment venues. In 2015, over three million tickets were sold for various sporting and entertainment events at our Properties.

In addition to these broad business offerings, our portfolio is further diversified across geographies and customers. Our Las Vegas Properties attract a diverse mix of customers from locations all over the world, driven by the city's position as a hub for leisure, business, convention and tourism travel. We believe that our Properties offer a broad range of attractions which cater to numerous demographics with large representation across gender, age and other socioeconomic differentiators (i.e., low, mid and high-end customers). Outside of Las Vegas, our regional properties provide further geographic, market-specific and customer diversification across the United States.

***All of our Properties will be leased to a subsidiary of MGM, which is a premier operator in the entertainment and leisure industry, with leading iconic brands and market position.*** We believe that our relationship with MGM provides us with significant benefits. First and foremost, this relationship is expected to augment our financial stability, as MGM will guarantee the payment and performance of the Tenant under the Master Lease. In addition, the lease structure offers an attractive corporate rent coverage ratio of approximately 3.7x for the year ended December 31, 2015 and historically has exceeded 2.0x each year since the 2008 recession.

The following chart shows MGM's corporate rent coverage ratio for the last eight years (see also Risk Factors Risks Related to Our Business and Operations MGM's historical results, including its historical corporate rent coverage ratio described in this prospectus, may not be a reliable indicator of its future results):

**MGM Historical Corporate Rent Coverage Ratio<sup>(1)(2)</sup>**

- (1) MGM's Corporate Rent Coverage Ratio is calculated by dividing (a) the sum of Adjusted EBITDA as reported by MGM related to its wholly owned domestic resorts, management and other operations, and corporate (excluding stock-based compensation), plus dividends and distributions received by MGM from CityCenter, Borgata, Grand Victoria and MGM China, by (b) year one rent under the Master Lease of \$550.0 million. For a calculation of MGM's Historical Corporate Rent Coverage Ratio see Annex II. We

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use MGM's Corporate Rent Coverage Ratio to illustrate our Tenant's ability to meet its obligations under the Master Lease. For a discussion of this metric, see Certain Operational and Non-U.S. GAAP Financial Measures of MGM.

- (2) The numerator to the Historical Corporate Rent Coverage Ratio includes \$60.7 million, \$93.9 million, \$339.3 million, \$60.5 million, \$225.9 million, \$328.5 million, \$405.2 million and \$535.1 million of special and ordinary dividends and other cash distributions actually received by MGM from CityCenter, Borgata, Grand Victoria and MGM China for the years ended December 31, 2008, 2009, 2010, 2011, 2012, 2013, 2014 and 2015, respectively. Dividends and distributions are made at the discretion of each relevant entity's board of directors or similar body, and depend on several factors, including financial position, results of operations, cash flows, capital requirements, debt covenants, and applicable law, among others. Accordingly, historical dividends and distributions may not be indicative of future dividends or distributions and should not be relied upon as an indicator of MGM's corporate rent coverage ratio for future periods. MGM's corporate rent coverage ratio excluding dividends and distributions received by MGM from CityCenter, Borgata, Grand Victoria and MGM China was 3.3x, 2.2x, 1.9x, 2.1x, 2.0x, 2.3x, 2.4x and 2.7x for the years ended December 31, 2008, 2009, 2010, 2011, 2012, 2013, 2014 and 2015, respectively. Since the 2008 recession, the lowest annual MGM corporate rent coverage ratio (excluding dividends and distributions received by MGM from CityCenter, Borgata, Grand Victoria and MGM China) was 1.9x. For a discussion of this metric, see Certain Operational and Non-U.S. GAAP Financial Measures of MGM.

We believe MGM's economic interest in our Operating Partnership subsidiary establishes incentives to maintain its level of high-quality operational execution at the Properties and enables us to retain the benefits and expertise that MGM currently provides across its entire portfolio, while maximizing the operational efficiencies of our Properties. MGM is one of the world's largest destination entertainment and leisure resort operators, with Adjusted EBITDA of \$2.2 billion, net revenues of \$9.2 billion and consolidated net loss of \$1.0 billion for the year ended December 31, 2015, an enterprise value of more than \$26 billion and a market capitalization of more than \$12 billion as of December 31, 2015. Nearly all MGM-managed casino properties are connected through the M Life customer loyalty program, a broad-based program recognizing and rewarding customer loyalty and spending, which MGM believes fosters long-term customer relationships and drives visitation across properties.

MGM currently operates a portfolio of 14 highly recognized, iconic properties, including our Properties, Bellagio and MGM Grand Las Vegas, in addition to CityCenter Las Vegas and MGM Macau, and is developing three additional world-class properties in Maryland, Massachusetts and on the Cotai Strip in Macau. MGM owns a 51% interest in MGM China, a publicly traded company listed on the Hong Kong Stock Exchange that owns the MGM Macau resort and casino and is developing MGM Cotai, and holds 50% interests in CityCenter in Las Vegas, The Borgata Hotel Casino & Spa in Atlantic City, New Jersey, Grand Victoria Casino Elgin in Elgin, Illinois and T-Mobile Arena in Las Vegas, which opened in April 2016. Collectively, these assets (MGM Macau, CityCenter, Borgata, and Grand Victoria) generated \$4.4 billion in combined revenues for the year ended December 31, 2015.

MGM will continue to operate the Properties, which will enable us to retain the same benefits and operational expertise that MGM currently provides across its entire portfolio while maximizing the operational efficiencies of our Properties. We believe MGM's financial performance, scale, brand equity and established customer loyalty program provide stability to our ongoing business, and will generate revenue growth. In addition, MGM has invested a significant amount of capital into our Properties, including \$924 million in capital expenditures since the beginning of 2010 (including capital expenditures on assets related to the Properties but which are not part of the Properties being contributed to us) with average capital expenditures per year for our Properties of 4.3% of net revenues of the Properties. The scope of these capital projects has included restaurant renovations, casino enhancements, convention facility improvements and other updated amenities and offerings, which we believe enhances the value of our portfolio.

***Our long-term triple-net master lease structure provides a highly predictable rent stream with embedded growth potential.*** We expect the Properties, which will have a 100% occupancy rate under the Master Lease, to

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generate long-term, stable cash flows derived from our Master Lease with the Tenant, helping to support meaningful future cash distributions to our shareholders. There are significant features of the Master Lease that contribute to the expected stability of the rental stream. First, the Master Lease is a single, unitary lease with a fixed base rent component that represents 90% of the initial total rent from the Master Lease for all of the Properties. The inclusion of all of our Properties under a single Master Lease provides us protection from reduced performance at any individual Property. The Tenant is generally not permitted to remove individual Properties from the Master Lease, except that the Tenant may assign its leasehold estate in certain Properties to third-parties meeting certain criteria (see *Certain Relationships and Related Party Transactions – The Master Lease – Assignment and Subletting*), and the Tenant has the right, following certain casualty events or condemnations, to terminate the Master Lease with respect to affected Properties. Second, based on the historical performance of the Properties, nearly all of which are established assets with long records of performance, we expect that the Properties will generate sufficient revenues for the Tenant to pay rent under the Master Lease even if operating revenues were to decline. Third, the Tenant's performance and payments under the Master Lease will be fully guaranteed by MGM, which provides significant additional credit support.

The terms of our Master Lease will also offer the opportunity for long-term, predictable growth. Our Master Lease has an initial lease term of ten years with the potential to extend the term for four additional five-year terms thereafter at the option of the Tenant. Additionally, the base rent component of the Master Lease includes a fixed annual rent escalator of 2.0% for the second through the sixth lease years (as defined in the Master Lease). Thereafter, the annual escalator of 2.0% will be subject to the Tenant and, without duplication, the Operating Subtenants collectively meeting an adjusted net revenue to rent ratio of 6.25:1.00 based on their net revenue from the leased properties subject to the Master Lease as determined in accordance with U.S. GAAP, adjusted to exclude net revenue attributable to certain scheduled subleases and, at our option, reimbursed cost revenue. The Master Lease also provides for a percentage rent component to be adjusted every five years based on the average actual annual net revenues of our Tenant and, without duplication, the Operating Subtenants from the leased properties subject to the Master Lease at such time for the trailing five-calendar-year period (excluding net revenue attributable to certain scheduled subleases and, at our option, reimbursed cost revenue), which will represent 10% of the initial total rent from the Master Lease. The embedded growth in the Master Lease is further complemented by potential acquisitions of the ROFO Properties, which are discussed in detail in *Business and Growth Strategies*.

***We expect to maintain a strong balance sheet with significant financial flexibility.*** We expect to have a strong, flexible balance sheet with moderate leverage to ensure we meet our financing obligations and operating requirements. We will rely on a combination of equity and debt financing for our future property acquisitions in order to maintain a conservative, stable balance sheet and financial profile. Upon the completion of this offering, our balance sheet will have no debt maturing for at least 5 years (excluding required amortization payments under the Term Loan Facilities), with a weighted average maturity of 7.1 years. Furthermore, we expect that the Operating Partnership will enter into the Revolving Credit Facility that will provide for borrowings of up to \$600.0 million from time to time, including for our working capital needs. We intend to be disciplined with our financial management, which will allow us to maintain a balanced capital structure and a predictable distribution policy for our shareholders while evaluating opportunities to finance potential future acquisitions.

## **Business Strategies**

We plan to explore opportunities to expand by acquiring both gaming and non-gaming real estate assets, with an emphasis on maintaining stable income, acquiring the ROFO Properties and potentially other domestic properties from MGM, acquiring additional gaming properties from third parties, and acquiring non-gaming lodging, leisure and entertainment properties.

The key components of our business strategies include:

***Stable income and internal growth profile.*** We initially expect to derive our revenues from long-term contractual cash flows pursuant to our Master Lease, which includes a fixed annual rent escalator on the Base

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Rent of 2.0% for the second through the sixth lease years (as defined in the Master Lease). Thereafter, the annual escalator of 2.0% will be subject to the Tenant and, without duplication, the Operating Subtenants collectively meeting an adjusted net revenue to rent ratio of 6.25:1.00. We expect this escalator to provide the opportunity for stable long-term growth, which will result in the Base Rent growing over \$50 million from the fixed annual rent escalator during the first six years of our Master Lease. In addition, the Master Lease includes periodic Percentage Rent resets every five years, based on the average actual annual net revenues (excluding net revenue attributable to certain scheduled subleases and, at our option, reimbursed cost revenue) of our Tenant and, without duplication, the Operating Subtenants from the leased properties then subject to the Master Lease at such time during the five-year periods then ended, enabling us to benefit from future revenue growth at the Properties. It is our intention that any additional properties we may acquire in the future will also be leased to tenants with established operating histories pursuant to long-term, triple-net lease arrangements with terms similar to the Master Lease.

***Opportunity to acquire properties from MGM.*** In the future, we expect to have the opportunity to acquire properties from MGM, our controlling shareholder and the parent of the Tenant. We will have a right of first offer with respect to the two ROFO Properties, which are under development by MGM and described below, should MGM elect to sell these properties in the future.

***MGM National Harbor.*** MGM was awarded the sixth and final casino license under current statutes in the State of Maryland by the Maryland Video Lottery Facility Location Commission to build and operate MGM National Harbor, a destination casino resort in Prince George's County at National Harbor, which is a waterfront development located on the Potomac River just outside of Washington, D.C. The expected cost to develop and construct MGM National Harbor is approximately \$1.3 billion, excluding capitalized interest and land-related costs. MGM expects that the resort will include a casino with approximately 3,600 slots and 160 table games including poker, a 300-room hotel with luxury spa and rooftop pool, 93,100 square feet of high-end branded retail and fine and casual dining, a 3,000-seat theater venue, 50,000 square feet of meeting and event space and a 4,700-space parking garage. Construction of MGM National Harbor has commenced with estimated completion in the fourth quarter of 2016.

***MGM Springfield.*** A subsidiary of MGM was awarded a casino license to build and operate MGM Springfield in Springfield, Massachusetts. MGM Springfield will be developed on approximately 14 acres of land in downtown Springfield, Massachusetts. MGM's plans for the resort currently include a casino with approximately 3,000 slots and 100 table games including poker, a 250-room hotel, 100,000 square feet of retail and restaurant space, 44,000 square feet of meeting and event space, and a 3,375-space parking garage, with an expected development and construction cost of approximately \$865 million, excluding capitalized interest and land related costs. Construction of MGM Springfield is expected to be completed in late 2018.

We believe that our relationship with MGM will provide us with access to similar domestic acquisition opportunities in the future from properties currently owned by MGM, or from properties that MGM may acquire or develop in the future, in each case at MGM's discretion. Should MGM elect to sell these properties, we believe that we will have a competitive advantage over other potential buyers given MGM's continuing economic ownership interest in the Operating Partnership, simplified operational logistics and, as compared to cash buyers, the opportunity to offer tax deferral. The potential acquisition of properties from MGM provides the additional benefit of leveraging MGM's operational and industry expertise to execute transactions.

***We will actively seek to further diversify our holdings through the acquisition of gaming and gaming-related assets from non-MGM entities.*** In addition to the gaming and gaming-related properties we may acquire from MGM from time to time in the future, we will also actively seek to identify additional entertainment and gaming-related properties for potential acquisition from non-MGM entities. We intend to selectively grow our portfolio of gaming properties through the acquisition of assets that contribute to our tenant and geographic diversification, can be leased subject to



long-term leases with tenants with established operating histories, have low operating risks and provide stable cash flows, consistent with our Properties. We believe that a number of gaming operators would be willing to enter into transactions designed to monetize their real estate assets (i.e.,

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gaming facilities) through sale-leaseback transactions. These gaming operators could use the proceeds from the sale of those assets to repay debt and rebalance their capital structures, while maintaining the operations related to the facilities through long-term leases. We also expect to provide such gaming operators with expansion opportunities that they may not otherwise be in a position to pursue by providing them with the equivalent of secured capital through sale and leaseback transactions at more attractive rates than they could obtain from traditional lenders.

*We will actively seek to increase our diversification through the opportunistic acquisition of non-gaming assets and other attractive triple-net lease opportunities.* Our Properties include mixed-use assets with lodging, retail, dining, entertainment and other components. We will seek opportunities to acquire non-gaming lodging, leisure and entertainment-related assets, and pursue other attractive triple-net lease acquisitions that may be available from time to time in other sectors, that will simultaneously complement our portfolio while contributing to our diversification over time. We will evaluate potential acquisition opportunities based on customary factors, including sustainability of cash flows, purchase price, expected financial performance, physical features, geographic market, location and opportunity for future value enhancement and will continue to pursue similarly advantageous master lease structures.

**Our Properties**

The following table summarizes certain features of the Properties that we will own following the Formation Transactions and the completion of this offering, all as of or for the year ended December 31, 2015. The Properties are diversified across a range of primary uses, including gaming, hotel, convention, dining, entertainment, retail and other resort amenities and activities.

		Net	Adjusted		Approximate	Approximate			
	Location	Revenues	Property EBITDA <sup>(1)</sup>	Hotel Rooms	Acres	Casino Square Footage	Convention Square Footage	Occupancy Rate	REVPAR <sup>(1)</sup>
		(in thousands)	(in thousands)						
<i>Las Vegas</i>									
Mandalay Bay	Las Vegas, NV	\$ 906,243	\$ 203,474	4,752 <sup>(2)</sup>	124	160,000	2,121,000 <sup>(3)</sup>	90.6%	\$ 184
The Mirage	Las Vegas, NV	\$ 568,607	\$ 112,475	3,044	77	100,000	170,000	94.2%	\$ 157
<i>New York-New</i>									
York	Las Vegas, NV	\$ 308,319	\$ 106,457	2,024	20	90,000	25,000	97.6%	\$ 126
Luxor	Las Vegas, NV	\$ 372,426	\$ 87,169	4,400	58	116,000	20,000	94.2%	\$ 99
Monte Carlo	Las Vegas, NV	\$ 290,240	\$ 85,962	2,992	21	87,000	30,000	96.4%	\$ 115
Excalibur	Las Vegas, NV	\$ 289,324	\$ 82,247	3,981	51	95,000	30,000	93.2%	\$ 82
The Park	Las Vegas, NV				3				
<i>Subtotal</i>		\$ 2,735,159	\$ 677,784	21,193	354	648,000	2,396,000	93.9%	\$ 128
<i>Regional Properties</i>									
<i>MGM Grand</i>									
Detroit	Detroit, MI	\$ 547,399	\$ 154,979	400	24	127,000	30,000	59.1%	\$ 141
Beau Rivage	Biloxi, MS	\$ 367,587	\$ 88,843	1,740	25	74,000	50,000	94.0%	\$ 95
<i>Gold Strike</i>									
Tunica	Tunica, MS	\$ 160,863	\$ 46,023	1,133	24	53,000	17,000	71.8%	\$ 53

<i>Subtotal</i>	\$ 1,075,849	\$ 289,845	3,273	73	254,000	97,000	82.1%	\$ 86
<b>Total/Weighted Average</b>	<b>\$ 3,811,008</b>	<b>\$ 967,629</b>	<b>24,466</b>	<b>427</b>	<b>902,000</b>	<b>2,493,000</b>	<b>92.3%</b>	<b>\$ 122</b>

- (1) For a discussion of this metric, see Certain Operational and Non-U.S. GAAP Financial Measures of MGM.
- (2) Includes 1,117 rooms at the Delano and 424 rooms at the Four Seasons Hotel, both of which are located at our Mandalay Bay property.
- (3) Includes 26,000 square feet at the Delano and 30,000 square feet at the Four Seasons, both of which are located at our Mandalay Bay property.

**Table of Contents****Description of the Properties****Las Vegas***Mandalay Bay*

Mandalay Bay is the first major hotel and casino resort on the Strip to greet visitors arriving by automobile from Southern California. Covering approximately 124 acres, this AAA Four Diamond resort recently completed the first phase of an expansion project for its Convention Center in August 2015, increasing total convention square feet to approximately 2.1 million with over 900,000 square feet of continuous exhibit space (ranking fifth in North America in both total square feet and exhibit space). The property also features numerous restaurants and offers multiple entertainment venues that include a 12,000-seat special events arena, the House of Blues, and a 1,700-seat showroom which is the home of Michael Jackson ONE by Cirque du Soleil. Located within the Mandalay Bay resort complex is a Four Seasons Hotel with its own lobby, restaurants and pool and spa, which has been providing visitors with AAA Five-Diamond-rated hospitality experience since 1999. The Delano is an all-suite hotel tower also located within the Mandalay Bay complex. This tower includes its own spa and fitness center, a lounge and two restaurants, including Rivea and the Skyfall lounge, created by famed chef Alain Ducasse and located on the top floor of The Delano. A 3,000-room renovation project and a 350,000-square foot convention center expansion at Mandalay Bay were both completed in early 2016.

Mandalay Bay's expansive pool and beach area plays host to an array of evening open air concerts during the pool season and includes a 6,000 square foot casino, a large wave pool, and Moorea, a European-style ultra beach and Daylight Beach Club. The resort also features Mandalay Place, an approximately 90,000 square foot retail center connecting Mandalay Bay & Luxor via sky bridge, which is home to approximately 40 stores and restaurants, including internationally branded retailers such as Nike Golf.

The following table summarizes the results of operation and operating statistics of Mandalay Bay for the twelve-month periods ended December 31, 2013, 2014 and 2015:

	<b>December 31, 2013</b>	<b>Year Ended December 31, 2014</b>	<b>December 31, 2015</b>
Net revenues (in thousands)	\$ 792,282	\$ 874,126	\$ 906,243
Adjusted Property EBITDA* (in thousands)	\$ 167,154	\$ 175,626	\$ 203,474
Occupancy rate	90.1%	92.0%	90.6%
ADR*	\$ 182	\$ 191	\$ 203
REVPAR*	\$ 164	\$ 176	\$ 184

\* As reported by MGM. For a discussion of this metric, see Certain Operational and Non-U.S. GAAP Financial Measures of MGM.

*The Mirage*

The Mirage, recognized by AAA as a Four Diamond resort, is a tropically themed hotel and casino resort located at the center of the Strip. The exterior of the approximately 77-acre resort is landscaped with more than five acres of lagoons and other water features centered around a volcano that erupts at scheduled intervals. Inside the front entrance is an atrium with a tropical garden and additional water features capped by a 100-foot-high glass dome. The Mirage features a wide array of restaurants and nightlife and entertainment options, including The Beatles Love, by Cirque du Soleil and 1OAK. The Mirage also has numerous retail shopping outlets and approximately 170,000 square feet of meetings and convention facilities, including the 90,000-square foot Mirage Events Center.

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The following table summarizes the results of operation and operating statistics of The Mirage for the twelve-month periods ended December 31, 2013, 2014 and 2015:

	<b>December 31, 2013</b>	<b>Year Ended December 31, 2014</b>	<b>December 31, 2015</b>
Net revenues (in thousands)	\$ 576,573	\$ 572,699	\$ 568,607
Adjusted Property EBITDA* (in thousands)	\$ 117,424	\$ 110,154	\$ 112,475
Occupancy rate	94.7%	94.8%	94.2%
ADR*	\$ 149	\$ 159	\$ 166
REVPAR*	\$ 141	\$ 151	\$ 157

\* As reported by MGM. For a discussion of this metric, see Certain Operational and Non-U.S. GAAP Financial Measures of MGM.

*New York-New York*

New York-New York Hotel and Casino is located at the corner of the Strip and Tropicana Avenue with pedestrian bridges linking the property to both MGM Grand Las Vegas and Excalibur. Nestled in between New York-New York and Monte Carlo and further enhancing New York-New York's location, the new world-class Las Vegas Arena and The Park to its north debuted in April 2016.

The architecture at New York-New York replicates many of New York City's landmark buildings and icons, including the Statue of Liberty, the Empire State Building, the Brooklyn Bridge, and a Coney Island-style roller coaster. New York-New York covers approximately 20 acres and also features more than 25,000 square feet of meeting and convention space, several restaurants and numerous bars and lounges, including nationally recognized Tom's Urban, Shake Shack, and Nine Fine Irishmen, an authentic Irish Pub. New York-New York's entertainment options include Zumanity by Cirque du Soleil and The Bar at Times Square piano bar. New York-New York recently completed a dynamic new pedestrian plaza, which delivers eclectic eats, craft cocktails, cool brews and great people watching with a Strip-side patio experience.

The following table summarizes the results of operation and operating statistics of New York-New York for the twelve-month periods ended December 31, 2013, 2014 and 2015:

	<b>December 31, 2013</b>	<b>Year Ended December 31, 2014</b>	<b>December 31, 2015</b>
Net revenues (in thousands)	\$ 271,572	\$ 286,998	\$ 308,319
Adjusted Property EBITDA* (in thousands)	\$ 89,181	\$ 95,105	\$ 106,457
Occupancy rate	96.5%	97.8%	97.6%

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ADR*	\$ 112	\$ 120	\$ 129
REVPAR*	\$ 108	\$ 118	\$ 126

\* As reported by MGM. For a discussion of this metric, see Certain Operational and Non-U.S. GAAP Financial Measures of MGM.

*Monte Carlo*

Monte Carlo is located on the Strip adjacent to New York-New York and connected to Aria via walkway and to Crystals via people mover that can be accessed through Monte Carlo's Street of Dreams retail area. Monte Carlo's location is also anticipated to benefit from customers visiting the neighboring entertainment district that will be created by the opening of the Las Vegas Arena and The Park in April 2016. Amplifying the

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vibrant entertainment district, Monte Carlo will develop and open a 5,000-seat theater and concert venue at the end of 2016. The new venue will have a robust calendar and host special engagements by many of the music industry's most-celebrated performers.

The resort covers approximately 21 acres and also features approximately 30,000 square feet of meeting and convention space, a spa and salon, an outdoor pool area with a wave pool and a lazy river, and a variety of restaurant options. Restaurant amenities include fine dining at Andre's, The Pub featuring live entertainment, Diablo's Cantina, Double Barrel Roadhouse and Brand Steakhouse.

The following table summarizes the results of operation and operating statistics of Monte Carlo for the twelve-month periods ended December 31, 2013, 2014 and 2015:

	<b>Year Ended</b>		
	<b>December 31,</b>	<b>December 31,</b>	<b>December 31,</b>
	<b>2013</b>	<b>2014</b>	<b>2015</b>
Net revenues (in thousands)	\$ 262,901	\$ 277,845	\$ 290,240
Adjusted Property EBITDA* (in thousands)	\$ 68,941	\$ 71,780	\$ 85,962
Occupancy rate	94.8%	96.8%	96.4%
ADR*	\$ 104	\$ 110	\$ 119
REVPAR*	\$ 99	\$ 107	\$ 115

\* As reported by MGM. For a discussion of this metric, see Certain Operational and Non-U.S. GAAP Financial Measures of MGM.

*Luxor*

Luxor is a 4,400 room pyramid-shaped hotel and casino resort situated at the south end of the Strip between Mandalay Bay and Excalibur. The property is well-known for the beam of light that shines from the top of the pyramid. Luxor covers approximately 58 acres and offers approximately 20,000 square feet of convention and meeting space, a spa and salon, and food and entertainment venues on three different levels beneath a soaring hotel atrium. Connected to Mandalay Bay via the Mandalay Place retail sky bridge, guests staying at the Luxor are provided with convenient access to the neighboring Mandalay Bay resort amenities in addition to its expansive Convention Center.

Restaurant, nightlife and entertainment amenities include the 26,000 square foot LAX nightclub, TENDER steak & seafood, rated one of Las Vegas' top steakhouses, the Cirque du Soleil production show *CRISS ANGEL Believe* and the property became host to the customized and popular entertainment show *Blue Man Group* in November 2015.

The following table summarizes the results of operation and operating statistics of Luxor for the twelve-month periods ended December 31, 2013, 2014 and 2015:



	<b>December 31, 2013</b>	<b>Year Ended December 31, 2014</b>	<b>December 31, 2015</b>
Net revenues (in thousands)	\$ 325,578	\$ 354,041	\$ 372,426
Adjusted Property EBITDA* (in thousands)	\$ 61,561	\$ 70,084	\$ 87,169
Occupancy rate	90.7%	93.1%	94.2%
ADR*	\$ 88	\$ 96	\$ 105
REVPAR*	\$ 80	\$ 89	\$ 99

\* As reported by MGM. For a discussion of this metric, see Certain Operational and Non-U.S. GAAP Financial Measures of MGM.

**Table of Contents***Excalibur*

Excalibur is a castle-themed hotel and casino complex situated immediately north of Luxor at the corner of the Strip and Tropicana Avenue. The property covers approximately 51 acres and features 30,000 square feet of meeting and convention facilities, a spa and fitness facility, several restaurants and bars and varying entertainment options. Entertainment options at Excalibur include the long-running Tournament of Kings dinner show, the Bee Gees tribute show, and the male revue Thunder from Down Under. Excalibur's other world-class venues include the Excalibur arcade and midway and the Castle Walk, a shopping expedition featuring artisans' booths and specialty shops. In addition, Excalibur has several restaurants and bars including Dick's Last Resort and Buca di Beppo. Excalibur, Luxor and Mandalay Bay are connected by a tram, allowing guests to travel easily from resort to resort.

The following table summarizes the results of operation and operating statistics of Excalibur for the twelve-month periods ended December 31, 2013, 2014 and 2015:

	<b>December 31, 2013</b>	<b>Year Ended December 31, 2014</b>	<b>December 31, 2015</b>
Net revenues (in thousands)	\$ 260,462	\$ 269,486	\$ 289,324
Adjusted Property EBITDA* (in thousands)	\$ 63,502	\$ 68,219	\$ 82,247
Occupancy rate	88.5%	92.0%	93.2%
ADR*	\$ 73	\$ 79	\$ 88
REVPAR*	\$ 65	\$ 73	\$ 82

\* As reported by MGM. For a discussion of this metric, see Certain Operational and Non-U.S. GAAP Financial Measures of MGM.

*The Park*

The Park, which opened in April 2016, is an immersive outdoor destination with an array of common spaces and casual restaurants and bars. The Park spans approximately three acres located between New York-New York and Monte Carlo, connecting the two properties to a 20,000-seat arena developed by MGM and AEG that also opened in April 2016. The location of The Park is anticipated to attract visitors to the neighboring Monte Carlo and New York-New York properties. As of December 31, 2015, MGM incurred \$90 million of costs related to the development of The Park, and the total budgeted costs for the project are approximately \$105 million, excluding capitalized interest and land related costs.

**Other***MGM Grand Detroit*

MGM Grand Detroit is one of three casinos in Detroit, Michigan. The resort spans approximately 24 acres and features two restaurants by Wolfgang Puck, TAP sports pub, exciting nightlife amenities, and a luxurious spa. Additional amenities include a private entrance and lobby for hotel guests and 30,000 square feet of meeting and events space.



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The following table summarizes the results of operation of MGM Grand Detroit for the twelve-month periods ended December 31, 2013, 2014 and 2015:

	<b>December 31, 2013</b>	<b>Year Ended December 31, 2014</b>	<b>December 31, 2015</b>
Net revenues (in thousands)	\$ 537,994	\$ 530,436	\$ 547,399
Adjusted Property EBITDA* (in thousands)	\$ 155,689	\$ 144,798	\$ 154,979
Occupancy rate	53.2%	53.5%	59.1%
ADR*	\$ 236	\$ 240	\$ 238
REVPAR*	\$ 126	\$ 128	\$ 141

\* As reported by MGM. For a discussion of this metric, see Certain Operational and Non-U.S. GAAP Financial Measures of MGM.

*Beau Rivage*

Beau Rivage is located on a beachfront site where Interstate 110 meets the Gulf Coast in Biloxi, Mississippi. Beau Rivage blends world-class amenities with southern hospitality and features elegantly remodeled guest rooms and suites, numerous restaurants, nightclubs and bars, a 1,550-seat theatre, an upscale shopping promenade, and a spa and salon. The resort covers approximately 25 acres and also has 50,000 square feet of convention space.

The following table summarizes the results of operation of Beau Rivage for the twelve-month periods ended December 31, 2013, 2014 and 2015:

	<b>December 31, 2013</b>	<b>Year Ended December 31, 2014</b>	<b>December 31, 2015</b>
Net revenues (in thousands)	\$ 340,814	\$ 344,178	\$ 367,587
Adjusted Property EBITDA* (in thousands)	\$ 66,937	\$ 70,261	\$ 88,843
Occupancy rate	91.7%	93.2%	94.0%
ADR*	\$ 99	\$ 96	\$ 101
REVPAR*	\$ 91	\$ 90	\$ 95

\* As reported by MGM. For a discussion of this metric, see Certain Operational and Non-U.S. GAAP Financial Measures of MGM.

*Gold Strike Tunica*

Gold Strike Tunica is a dockside casino located along the Mississippi River, 20 miles south of Memphis and approximately three miles west of Mississippi State Highway 61, a major north/south highway connecting Memphis with Tunica County. The property features an 800-seat showroom, a variety of food and beverage offerings, and 17,000 square feet of meeting space. Gold Strike Tunica is part of a three-casino development covering approximately 72 acres. The other two casinos are owned and operated by unaffiliated third parties.

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The following table summarizes the results of operation of Gold Strike Tunica for the twelve-month periods ended December 31, 2013, 2014 and 2015:

	<b>December 31, 2013</b>	<b>Year Ended December 31, 2014</b>	<b>December 31, 2015</b>
Net revenues (in thousands)	\$ 149,186	\$ 157,733	\$ 160,863
Adjusted Property EBITDA* (in thousands)	\$ 37,487	\$ 40,332	\$ 46,023
Occupancy rate	71.4%	72.4%	71.8%
ADR*	\$ 70	\$ 72	\$ 73
REVPAR*	\$ 50	\$ 52	\$ 53

\* As reported by MGM. For a discussion of this metric, see Certain Operational and Non-U.S. GAAP Financial Measures of MGM.

**Master Lease**

The Master Lease has an initial lease term of ten years with the potential to extend the term for four additional five-year terms thereafter at the option of the Tenant. We anticipate that the annual rent payments due under the Master Lease will initially be \$550.0 million. Rent under the Master Lease will consist of the Base Rent and the Percentage Rent. For the first year, the Base Rent is expected to represent 90% of the initial total rent payments due under the Master Lease, or \$495.0 million, and the Percentage Rent is expected to represent 10% of the initial total rent payments due under the Master Lease, or \$55.0 million. The Base Rent includes a fixed annual rent escalator of 2.0% for the second through the sixth lease years (as defined in the Master Lease). Thereafter, the annual escalator of 2.0% will be subject to the Tenant and, without duplication, the Operating Subtenants collectively meeting an adjusted net revenue to rent ratio of 6.25:1.00 based on their net revenue from the leased properties subject to the Master Lease as determined in accordance with U.S. GAAP, adjusted to exclude net revenue attributable to certain scheduled subleases and, at our option, reimbursed cost revenue. We expect this escalator to provide the opportunity for stable, long-term growth, which will result in the Base Rent growing over \$50 million from the fixed annual rent escalator during the first six years of our Master Lease. The Percentage Rent will initially be a fixed amount for approximately the first six years and will then be adjusted every five years based on the average actual annual net revenues of our Tenant and, without duplication, the Operating Subtenants from the leased properties subject to the Master Lease at such time for the preceding five-year period (calculated by multiplying the average annual net revenues (excluding net revenue attributable to certain scheduled subleases and, at our option, reimbursed cost revenue) for the trailing five-calendar-year period by 1.4%). For a more detailed description of the principal provisions of the Master Lease, please see Certain Relationship and Related Party Transactions The Master Lease.

The Tenant's performance and payments under the Master Lease will be guaranteed by MGM. A default by MGM with regard to its guarantee will cause a default with regard to the entire portfolio covered by the Master Lease.

**Maintenance of the Properties**

Under the Master Lease, the Tenant will be required to maintain the premises in reasonably good order and repair. The Master Lease requires the Tenant to spend an aggregate amount of at least 1% of actual adjusted net revenues from the

Properties per calendar year on capital expenditures.

Capital improvements by the Tenant or Operating Subtenants will be permitted without the consent of the Landlord, a subsidiary of MGP, if such capital improvements (i) do not involve the removal of any material existing structures (unless the Tenant proceeds with reasonable diligence to replace those removed structures with structures of at least reasonably comparable value or utility), (ii) do not have a material adverse effect on the structural integrity of any remaining improvements, (iii) are not reasonably likely to reduce the value of the

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Property when completed, and (iv) are consistent with the permitted uses of the Property, each as reasonably determined by the Tenant. Any proposed capital improvements that do not meet these parameters will require Landlord's review and approval, which approval shall not be unreasonably withheld.

Although the Tenant is expected to be responsible for all capital expenditures during the term of the Master Lease, if, in the future, a deconsolidation event occurs, we will be required to pay the Tenant, should the Tenant so elect, for certain capital improvements that would not constitute normal tenant improvements in accordance with U.S. GAAP should the Tenant so elect, and subject to an initial cap of \$100 million in the first year of the Master Lease increasing annually by \$75 million each year thereafter. Examples of improvements that would not constitute normal tenant improvements include the costs of structural elements at the Properties, including capital improvements that expand the footprint or square footage of any of the Properties or extend the useful life of the Properties. In addition, equipment that would be a necessary improvement at any of the Properties, including elevators, air conditioning systems, or electrical wiring that are integral to such Property would not qualify as a normal tenant improvement under U.S. GAAP. Furthermore, we may agree, at MGM's request, to fund the cost of certain capital improvements on arms-length terms and conditions, which may include an agreed upon increase in rent under the Master Lease.

The Tenant will be required to pay for all maintenance expenditures and capital improvements (except as described in the preceding paragraph). The Landlord will be entitled to receive additional rent based on the 10-year Treasury yield plus 600 basis points multiplied by the value of the new capital improvements the Landlord is required to pay for in connection with a deconsolidation event and such capital improvements will be subject to the terms of the Master Lease.

## **Mortgages, Liens or Encumbrances**

In connection with the Financing, the Operating Partnership expects to enter into mortgages against the Properties for the benefit of the lenders under our debt facilities. In addition, certain mechanic's liens and similar liens recorded by contractors performing work on behalf of the Tenant or the Operating Subtenants on the Properties subject to the Master Lease may attach to, and constitute liens on, our interests in those properties.

## **Competition**

We will compete for real property investments with other REITs, investment companies, private equity and hedge fund investors, sovereign funds, lenders, gaming companies and other investors. In addition, revenues from our properties will be dependent on the ability of our tenants and operators to compete with other gaming operators. The operators of our properties compete on a local and regional basis for customers. The gaming industry is characterized by a high degree of competition among a large number of participants, including riverboat casinos, dockside casinos, land-based casinos, video lottery, sweepstakes and poker machines not located in casinos, Native American gaming, emerging varieties of Internet gaming and other forms of gaming in the U.S.

As a landlord, we compete in the real estate market with numerous developers and owners of properties. Some of our competitors are significantly larger, have greater financial resources and lower costs of capital than we have, have greater economies of scale and have greater name recognition than we do. Increased competition will make it more challenging to identify and successfully capitalize on acquisition opportunities that meet our investment objectives. Our ability to compete is also impacted by national and local economic trends, availability of investment alternatives, availability and cost of capital, construction and renovation costs, existing laws and regulations, new legislation and population trends. See Risk Factors Risks Related to Our Business and Operations Our pursuit of investments in, and acquisitions or development of, additional properties (including our acquisition of the ROFO Properties) may be unsuccessful or fail to meet our expectations.





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### **Employees**

We will be managed by an executive management team following the initial public offering. See Management of MGP. MGP will not employ any individuals. However, the Operating Partnership will employ certain individuals who will be dedicated to providing services to us.

### **Regulation**

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

ensure that unsuitable individuals and organizations have no role in gaming operations;

establish procedures designed to prevent cheating and fraudulent practices;

establish and maintain responsible accounting practices and procedures;

maintain effective controls over their financial practices, including establishment of minimum procedures for internal fiscal affairs and the safeguarding of assets and revenues;

maintain systems for reliable record keeping;

file periodic reports with gaming regulators;

ensure that contracts and financial transactions are commercially reasonable, reflect fair market value and are arms-length transactions; and

establish programs to promote responsible gaming.

As the indirect parent to the Landlord pursuant to the Master Lease, we, in addition to our Tenant, may be subject to these regulations in certain jurisdictions.

### **Insurance**

We will require our Tenant to have specified liability, fire, flood, extended coverage and rental loss insurance with respect to our Properties subject to limits on coverage and other terms set forth in the Master Lease. We believe the policy specifications and insured limits are appropriate given the relative risk of loss, the cost of coverage and industry practice; however, such insurance coverage may not be sufficient to fully cover our losses.

### **Legal Proceedings**

Pursuant to the Master Contribution Agreement, any liability arising from or relating to legal proceedings involving the businesses and operations located at MGM's real property holdings prior to this offering will be retained by MGM and MGM will indemnify us (and our subsidiaries, directors, officers, employees and agents and certain other related parties) against any losses we may incur arising from or relating to such legal proceedings. MGM is currently a party to various legal actions and administrative proceedings and is subject to various claims arising in the ordinary course of its business. There can be no assurance that MGM will be able to fully satisfy its indemnification obligations. Moreover, even if we ultimately succeed in recovering from MGM any amounts for which we are held liable, we may be temporarily required to bear these losses.

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**Environmental Matters**

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

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

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

Pursuant to the Master Lease, any liability arising from or relating to environmental liabilities arising from the businesses and operations located at MGM's real property holdings prior to this offering will be retained by the Tenant and the Tenant will indemnify us (and our subsidiaries, directors, officers, employees and agents and certain other related parties) against any losses arising from or relating to such environmental liabilities. There can be no assurance that the Tenant will be able to fully satisfy its indemnification obligations, or that MGM will be able to fully satisfy its obligations pursuant to its guarantee. Moreover, even if we ultimately succeed in recovering from the Tenant or MGM any amounts for which we are held liable, we may be temporarily required to bear these losses while seeking recovery from the Tenant or MGM.

**Table of Contents****MANAGEMENT OF MGP****Executive Officers**

The following table sets forth information regarding the persons who are currently expected to serve as our executive officers upon completion of this offering:

<b>Name</b>	<b>Age</b>	<b>Position(s)</b>
James C. Stewart	50	Chief Executive Officer
Andy H. Chien	40	Chief Financial Officer

*James C. Stewart* has been employed by MGM since January 2016, and will become an employee of the Operating Partnership upon completion of this offering, at which time he will commence service as Chief Executive Officer of the Operating Partnership and its parent entity, MGP. Prior to joining us, Mr. Stewart served as a Managing Director of Greenhill & Co., Inc. from 2009 to 2015, during which time he founded their Los Angeles Office and was responsible for the Gaming, Lodging and Leisure sector. From 2006 to 2009, Mr. Stewart was a Managing Director of UBS Investment Bank and served as Co-Head of the Los Angeles Office and was responsible for the Gaming and Leisure sector. Mr. Stewart worked in Morgan Stanley's New York and Los Angeles offices from 1992 to 2005, advising on a number of significant gaming industry, real estate and other transactions and rising from Associate to Managing Director. Mr. Stewart started his career as a financial analyst at Salomon Brothers Inc. from 1988 to 1990. Mr. Stewart earned his Master of Business Administration with distinction from the Tuck School of Business at Dartmouth College, where he was named an Amos Tuck Scholar, and his Bachelor of Commerce from the University of Calgary.

*Andy H. Chien* has been employed by MGM since January 2016, and will become an employee of the Operating Partnership upon completion of this offering, at which time he will commence service as Chief Financial Officer of the Operating Partnership and its parent entity, MGP. Mr. Chien has over 13 years of experience in strategic and financial analysis across debt, equity and mergers and acquisitions for REITs and gaming, lodging and leisure companies. Prior to joining us, Mr. Chien worked at Greenhill & Co., Inc. from 2009 to 2016, most recently serving as a Managing Director. Prior to that, Mr. Chien served as a Director at UBS Investment Bank in Los Angeles, where he worked from 2004 to 2009 and was focused on real estate, gaming, lodging and leisure. Mr. Chien's previous experience includes various roles at Citigroup/Salomon Smith Barney, Commerce One and Intel Corporation. Mr. Chien earned his Master of Business Administration from the Anderson School at UCLA, and his Bachelor of Science in Engineering, *summa cum laude*, from the University of Michigan.

**Directors**

The following table sets forth information regarding the persons who are currently expected to serve as our directors upon completion of this offering:

<b>Name</b>	<b>Age</b>	<b>Position</b>
James J. Murren	54	Chairman of the Board
Michael J. Rietbrock	48	Director

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Thomas A. Roberts	69	Director
Daniel J. Taylor	59	Director
Elisa C. Gois	46	Director
William J. Hornbuckle	58	Director
John M. McManus	48	Director

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*James J. Murren* has been our director since March 2016. Mr. Murren has also been the Chairman and Chief Executive Officer of MGM since December 2008 and served as President from December 1999 to December 2012 and Chief Operating Officer from August 2007 through December 2008. He was also MGM's Chief Financial Officer from January 1998 to August 2007 and Treasurer from November 2001 to August 2007. Prior to joining MGM, Mr. Murren worked in the financial industry for more than 10 years, serving as Managing Director and Co-Director of Research for Deutsche Morgan Grenfell and Director of Research and Managing Director for Deutsche Bank. Mr. Murren received a Bachelor of Arts degree in Art History and Urban Studies from Trinity College. He is a Chartered Financial Analyst. Mr. Murren was selected to our board of directors because of his leadership, finance, industry and public company directorship experience.

*Michael Rietbrock* has been our director since March 2016. Mr. Rietbrock was Managing Director and the Head of Global Equity Research and Co-Head of U.S. Equities at Nomura Securities from March 2010 to October 2015. He previously served as Managing Director and the Head of U.S. Equity Research at Bank of America Securities from May 2008 to March 2010, where he managed its acquisition of and integration with Merrill Lynch. Prior to joining Bank of America, Mr. Rietbrock was a Portfolio Manager at Caxton Associates, where he managed a portfolio of real estate, gaming, and lodging securities. Mr. Rietbrock began his career at Citigroup, where he served for more than 15 years. Mr. Rietbrock serves on the Board of Trustees of the Ideal School of Manhattan. He graduated from Harvard College with a degree in Economics. Mr. Rietbrock was selected to our board of directors because of his extensive financial experience, particularly in the real estate, gaming and lodging sectors.

*Thomas Roberts* has been our director since March 2016. Mr. Roberts is currently a strategic advisor and corporate governance consultant. From 1992 to December 2014 he was a Senior Partner at Weil, Gotshal & Manges LLP, where he held numerous senior management and board-level positions, including as one of the leaders responsible for the firm's strategic redirection and globalization. Mr. Roberts' practice primarily involved domestic and cross-border mergers, acquisitions, divestitures, contested takeovers, as well as advising boards generally on strategic matters, including matters involving REITs. Mr. Roberts was named Dealmaker of the Year by The American Lawyer in 2001 and 2012. He has a Bachelor of Arts and Juris Doctor from Georgetown University. Mr. Roberts was selected to our board of directors because of his significant legal, corporate governance and financial experience, particularly in connection with complex financial transactions.

*Daniel J. Taylor* has been our director since March 2016. He has also been an Executive of Tracinda Corporation, a privately held investment firm, since 2007. Mr. Taylor has served as the Non-Executive Chairman of the Board of Directors of Light Efficient Design, a division of TADD LLC since July 2014, a manufacturer and distributor of LED lighting products, primarily for the retrofit market. He was President of Metro-Goldwyn-Mayer Inc. ( MGM Studios ) from April 2005 to January 2006 and Senior Executive Vice President and Chief Financial Officer of MGM Studios from June 1998 to April 2005. Mr. Taylor also served as an Executive of Tracinda Corporation from 1991 to 1997 and was Vice President Taxes at MGM/UA Communications Co., the predecessor company of MGM Studios, from 1985 to 1991. He served as a Tax Manager specializing in the entertainment and gaming practice at Arthur Andersen & Co. from 1978 to 1985. Mr. Taylor graduated from Central Michigan University with a Bachelor of Science degree in Business Administration. Mr. Taylor was selected to our board of directors because of his extensive leadership, finance and public company directorship experience.

*Elisa Gois* has been our director since March 2016. Ms. Gois has served as the Chief Analytics Officer and Senior Vice President of Enterprise Analytics at MGM since October 2015. Prior to joining MGM, she served as Senior Vice President of Global Business Strategy & Analytics for 17 years at Host Hotels & Resorts. Ms. Gois received a Masters from the University of Maryland and a Bachelor of Science degree from Towson State University. Additionally, she has participated in numerous continuing education programs at Harvard Business School, New York University, Cornell University, and other institutions. Ms. Gois was selected to our board of directors because she

brings knowledge and experience in strategic planning, real estate valuation, operations analysis and leadership skills.



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*William J. Hornbuckle* has been our director since March 2016. Mr. Hornbuckle has also been the President of MGM since December 2012. In this capacity, one of his main roles is to serve as the Company's Chief Construction Design and Development Officer. From August 2009 to August 2014, he also held the position of Chief Marketing Officer. From April 2005 to August 2009, Mr. Hornbuckle served as President and Chief Operating Officer of Mandalay Bay Resort & Casino in Las Vegas. He previously served as President and Chief Operating Officer of MGM MIRAGE-Europe, where he worked on the development of the company's gaming operations in the United Kingdom. He also served as President and Chief Operating Officer of MGM Grand Hotel & Casino and of Caesars Palace, Las Vegas. He spent the majority of his earlier career with Mirage Resorts Inc. in various senior management positions, including the Vice President of Hotel Operations of Golden Nugget, the Vice President of Hotel Operations of the Mirage, the President of Laughlin, the Executive Vice President and Chief Operating Officer of Treasure Island and the Executive Vice President of Operations of MGM Grand, from 1986 to 1998. He obtained a Bachelor's degree in hotel administration from the University of Nevada, Las Vegas. Mr. Hornbuckle was selected to our board of directors because he brings extensive management experience and understanding of the gaming industry.

*John M. McManus* has been our director since March 2016. Mr. McManus has also been the Executive Vice President, General Counsel and Secretary of MGM Resorts since July 2010. He served as Senior Vice President, Acting General Counsel and Secretary from December 2009 to July 2010, as Senior Vice President, Deputy General Counsel and Assistant Secretary from September 2009 to December 2009 and as Senior Vice President, Assistant General Counsel and Assistant Secretary from July 2008 to September 2009. Mr. McManus also served as Vice President and General Counsel for CityCenter's residential and retail divisions from January 2006 to July 2008. Mr. McManus received a Bachelor of Arts degree from Vanderbilt University and a Juris Doctor degree from University of Miami. Mr. McManus was selected to our board of directors because of his substantial experience and knowledge of gaming regulations.

**Director Independence and the Controlled Company Exemptions**

Upon the completion of this offering, MGM will continue to own our Class B share, representing more than 50% of the voting power for the election of directors, and we will be a controlled company under the NYSE corporate governance standards. As a controlled company, we intend to rely on certain exemptions from the NYSE corporate governance standards, and as a result, you will not have the same protections afforded to shareholders of companies that are subject to all of the NYSE corporate governance requirements. Upon the completion of the offering, we will remain subject to the requirement that we have an audit committee, and we will, by the dates required by the transition provisions of the NYSE corporate governance standards, have the requisite number of audit committee members meeting the independence requirements applicable to audit committee members under those standards. As permitted under the NYSE corporate governance standards, we expect that less than a majority of our board of directors will consist of independent directors, and we will not have a compensation committee or a nominating and governance committee.

We expect our board of directors to determine that two of its director nominees, Michael Rietbrock and Thomas Roberts, will be independent directors at the close of this offering, and we expect one additional independent director to be nominated within a year after the close of this offering under the NYSE corporate governance standards. In considering the independence of Mr. Roberts, we expect that our board of directors will consider that we and MGM receive legal services from Weil, Gotshal & Manges LLP. Mr. Roberts retired from the law firm on December 31, 2014 and receives a pension and retirement benefits but does not participate in the firm's profits consistent with the treatment of all other retired partners. Once we no longer qualify as a controlled company within the meaning of the NYSE corporate governance standards, we will be required, in accordance with the transition provisions of these standards, to have both a compensation committee and a nominating and governance committee. By the dates required by the transition provisions of the NYSE corporate governance standards, we expect to have the requisite number of

independent directors on each of these committees.

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### **Committees of the Board of Directors**

Upon completion of this offering, we expect that our board of directors will appoint an audit committee. A more detailed description of the purpose, composition and duties of the audit committee will be contained in the committee's charter, which will be available on our website at [www.mmgrowthproperties.com](http://www.mmgrowthproperties.com) upon completion of the offering. Further, a majority of our board of directors may, from time to time, direct that a conflicts committee be formed to evaluate certain transactions and resolutions of conflicts of interest. We expect that our board of directors will perform the functions of a nominating and governance committee and a compensation committee.

#### *Audit Committee*

The audit committee will assist our board of directors in fulfilling its responsibility to oversee, among other matters, the integrity of our financial statements, our compliance with legal and regulatory requirements, our independent auditor's qualifications and independence, and the performance of our internal audit function and independent auditors.

Upon completion of this offering, the members of our audit committee will be Messrs. Rietbrock and Roberts. We expect our board of directors to determine that Messrs. Rietbrock and Roberts are financially literate under the NYSE corporate governance standards and that at least one of them will qualify as an audit committee financial expert as defined under the applicable Securities and Exchange Commission (the "SEC") rules. We also expect our board to determine that Messrs. Rietbrock and Roberts meet the independence requirements applicable to audit committee members under the NYSE corporate governance standards and the applicable SEC rules. By the dates required by the transition provisions of the NYSE corporate governance standards and the applicable SEC rules, we will have the requisite number of audit committee members meeting the independence requirements applicable to audit committee members under these standards and rules and the financial literacy requirements.

#### *Conflicts Committee*

A majority of our board of directors may, but is not required to, from time to time, direct that a conflicts committee be formed to evaluate specific matters that the board believes may involve conflicts of interest and determines to submit to a conflicts committee to review. Members of such conflicts committees must meet the independence standards established by the NYSE and the Securities Exchange Act of 1934, as amended (the "Exchange Act") to serve on an audit committee of a board of directors, along with other requirements in our operating agreement. In addition, the members of our conflicts committee may not own any interest in MGM (other than shares of MGM common stock with an aggregate value of up to 1% of such member's net worth as of the date of determination (as determined by our board of directors in good faith)). Any matters approved by the conflicts committee will be conclusively deemed to be approved by us and not a breach by our board of directors of any duties it may owe us or our shareholders.

### **Compensation Committee Interlocks and Insider Participation**

We do not have a compensation committee or any other board committee performing an equivalent function. Decisions regarding the compensation of our executive officers were made by MGM prior to this offering.

**Table of Contents****DIRECTOR COMPENSATION**

MGP plans to adopt the MGP Non-Employee Director Compensation Program (the MGP Director Compensation Program ). Board members who are employees of MGP will not receive compensation for their service on the board.

Under the MGP Director Compensation Program, non-employee director compensation is expected to be structured as follows, with cash retainers paid in quarterly installments and equity generally issued following the annual shareholder meeting:

Annual Board Cash Retainer	\$70,000
Committee Member Retainer	\$10,000 for Audit Committee
Additional Annual Cash Retainer for Lead Independent Director	\$30,000
Additional Annual Cash Retainer for chair of Audit Committee	\$17,500
Annual Equity	\$90,000 in RSUs, vesting at the earlier of the first anniversary of grant or the next annual meeting
Deferred Compensation Plan	Cash retainers and RSU awards may be voluntarily deferred for later payment
Share Ownership Guidelines/Retention Requirements	Ownership guideline equal to 3x the annual board cash retainer, with a 5-year compliance period from initial election to the board.

Share Ownership Guidelines under the MGP Director Compensation Program will provide both that (i) 50% of net after-tax shares received upon RSU vesting must be retained until the guideline is met and (ii) shares held in trust, retirement or deferred compensation accounts, and RSUs count toward the ownership guideline.

Each director who is not an employee of MGP will be reimbursed for all reasonable expenses incurred in attending meetings of the Board and any committees on which he or she serves.

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**EXECUTIVE COMPENSATION**

*We are an emerging growth company, as defined in the JOBS Act. As such, we are eligible to take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies. These include, but are not limited to reduced narrative and tabular disclosure obligations regarding executive compensation including the requirement to include a Compensation Discussion and Analysis.*

This section presents information concerning compensation arrangements for the persons who we expect will be our named executive officers following the Formation Transactions, to the extent that they have been identified. On April 5, 2016, the Operating Partnership entered into employment agreements with Mr. James C. Stewart and Mr. Andy H. Chien pursuant to which they will commence employment as Chief Executive Officer and Chief Financial Officer, respectively, of the Operating Partnership and its parent entity, MGP, upon the completion of this offering. No historical compensation information is presented with respect to these individuals because they were not previously employees of MGP. With respect to the compensation of Messrs. Stewart and Chien following the Formation Transactions, we have presented information below under MGP Compensation Programs Following the Formation Transactions. Included in that information is a description of each of their employment agreements.

Additional information about our expected named executive officers following completion of the Formation Transaction is set forth in Management.

**MGP Compensation Programs Following the Formation Transactions**

*Stewart Employment Agreement*

On April 5, 2016, the Operating Partnership entered into an employment agreement with Mr. Stewart pursuant to which he will commence employment as Chief Executive Officer of MGP and the Operating Partnership upon the completion of this offering. Mr. Stewart's employment agreement provides for a three-year term of employment commencing on the closing of this offering. MGM is also party to this agreement for the limited purpose of terminating Mr. Stewart's prior employment agreement with MGM.

Mr. Stewart's employment agreement provides a minimum annual base salary of \$800,000. Per Mr. Stewart's employment agreement, his annual target bonus, as determined under MGP's Annual Performance-Based Incentive Plan, will be equal to 100% of his base salary. Mr. Stewart's employment agreement also provides Mr. Stewart with certain other benefits and perquisites, which are discussed in detail in his employment agreement.

In the event of a termination of Mr. Stewart's employment as the result of his death or a termination by the Operating Partnership due to disability, the Operating Partnership will pay Mr. Stewart three months' salary payable at regular payroll intervals (less any payments received from an employer-paid short term disability policy).

In the event of a termination by the Operating Partnership for no cause or by Mr. Stewart for good cause prior to the end of the term of the Mr. Stewart's employment agreement, Mr. Stewart will receive (i) an amount equal to his annual base salary plus his target bonus amount, payable in 12 monthly installments; (ii) any earned but unpaid discretionary bonus due to him; and (iii) a payment equal to 1.5 times the cost of COBRA for a coverage period of 12 months, payable in 12 monthly installments. If the Operating Partnership terminates Mr. Stewart for no cause after the end of the term of his employment agreement (at which time he would be treated as an at-will employee of the Operating Partnership), Mr. Stewart will receive a lump sum payment equal to the greater of (i) 26 weeks' base salary or (ii) two times the amount he would otherwise receive under the Operating Partnership's then-effective discretionary severance

policy. Any such severance payments will be subject to applicable taxes and Mr. Stewart's execution and non-revocation of a general release of claims.

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Mr. Stewart's employment agreement also contains non-compete and non-solicit covenants generally prohibiting Mr. Stewart from providing services to a competitor or soliciting employees or business contacts for 12 months following his termination of employment or for 12 months following the term of the Employment Agreement. In addition, the Employment Agreement mandates that Mr. Stewart's confidentiality obligations continue even after his termination of employment.

### *Chien Employment Agreement*

On April 5, 2016, the Operating Partnership entered into an employment agreement with Mr. Chien pursuant to which he will commence employment as Chief Financial Officer of MGP and the Operating Partnership upon the completion of this offering. Mr. Chien's employment agreement provides for a three-year term of employment commencing on the closing of this offering. MGM is also party to this agreement for the limited purpose of terminating Mr. Chien's prior employment agreement with MGM.

Mr. Chien's employment agreement provides a minimum annual base salary of \$400,000. Per Mr. Chien's employment agreement, his annual target bonus, as determined under MGP's Annual Performance-Based Incentive Plan, will be equal to 50% of his base salary. Mr. Chien's employment agreement also provides Mr. Chien with certain other benefits and perquisites, which are discussed in detail in his employment agreement.

In the event of a termination of Mr. Chien's employment as the result of his death or a termination by the Operating Partnership due to disability, the Operating Partnership will pay Mr. Chien three months' salary payable at regular payroll intervals (less any payments received from an employer-paid short term disability policy).

In the event of a termination by the Operating Partnership for no cause or by Mr. Chien for good cause prior to the end of the term of the Mr. Chien's employment agreement, Mr. Chien will receive (i) an amount equal to his annual base salary plus his target bonus amount, payable in 12 monthly installments; (ii) any earned but unpaid discretionary bonus due to him; and (iii) a payment equal to 1.5 times the cost of COBRA for a coverage period of 12 months, payable in 12 monthly installments. If the Operating Partnership terminates Mr. Chien for no cause after the end of the term of his employment agreement (at which time he would be treated as an at-will employee of the Operating Partnership), Mr. Chien will receive a lump sum payment equal to the greater of (i) 26 weeks' base salary or (ii) two times the amount he would otherwise receive under the Operating Partnership's then-effective discretionary severance policy. Any such severance payments will be subject to applicable taxes and Mr. Chien's execution and non-revocation of a general release of claims.

Mr. Chien's employment agreement also contains non-compete and non-solicit covenants generally prohibiting Mr. Chien from providing services to a competitor or soliciting employees or business contacts for 12 months following his termination of employment or for 12 months following the term of the Employment Agreement. In addition, the Employment Agreement mandates that Mr. Chien's confidentiality obligations continue even after his termination of employment.

### ***2016 Omnibus Incentive Plan.***

*Purpose.* MGP expects to adopt a 2016 Omnibus Incentive Plan (the "2016 Plan") which allows for the grant of share options ("Options"), share appreciation rights ("SARs"), restricted shares, restricted share units ("RSUs"), performance shares, performance share units ("PSUs") and other share-based awards to eligible individuals. The 2016 Plan is designed to advance the interests of MGP and its shareholders by providing key management employees, non-employee directors and other eligible participants of MGP and our affiliates with innovative financial incentives, through share and performance based awards, to: align participants' interests with the interests of MGP's shareholders

in the long-term success of MGP; provide management with an equity ownership in MGP tied to MGP's performance; attract, motivate and retain key employees and non-employee directors; and provide incentive to management for continuous employment.



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*Effective Date and Term.* The 2016 Plan will be effective immediately prior to the closing date of this offering, and will continue in effect until the earlier of the date that all Class A shares reserved for issuance have been awarded or the expiration of the ten-year term of the 2016 Plan.

*Administration and Eligibility.* MGP's board of directors will administer the 2016 Plan. Among other powers, the board will have full and exclusive power to: interpret the terms and the intent of the 2016 Plan and any award agreement; determine eligibility for awards; determine award recipients; establish the amount and type of award; determine the fair market value of Class A shares; determine the terms and conditions of awards; grant awards; and make all other determinations relating to the 2016 Plan.

Our board may delegate to a committee comprising one or more of its members, or to one or more of its officers, agents or advisors or to one or more officers of MGP, its subsidiaries or affiliates, all or any number of its administrative or other duties or powers under the 2016 Plan as it may deem advisable.

All directors and employees of MGP and our affiliates are eligible to participate in the 2016 Plan, in each case, to the extent permissible under Form S-8 under the Securities Act of 1933, as amended from time to time. Subject to the provisions of the 2016 Plan, the board has the authority to select from all eligible individuals those to whom awards are granted and to determine the nature and amount of each award. In the case of awards to eligible individuals providing services to our affiliates, our board must determine (i) that such individuals have provided or are expected to provide services to MGP, and (ii) in the case of awards of Options, that the shares subject thereto qualify as service recipient stock for U.S. federal tax purposes.

### *Types of Awards*

*General.* The 2016 Plan permits the board, in its sole discretion, to grant various forms of incentive awards. The board has the power to grant Options, SARs, restricted shares, RSUs, performance shares, PSUs and other share-based awards. Each award will be reflected in an agreement between MGP and the participant, will be subject to the applicable terms and conditions of the 2016 Plan and may also be subject to other terms and conditions consistent with the 2016 Plan that the board deems appropriate, including accelerated vesting or settlement in the event of a participant's death, disability or termination of employment. The provisions of the various agreements entered into under the 2016 Plan do not need to be identical.

*Share Options.* Options allow the participant to buy a certain number of Class A shares at an exercise price equal to at least the fair market value (as determined by the board) on the date the Option is granted. The maximum term of an Option is ten years.

*Share Appreciation Rights.* SARs entitle the participant to receive a payment equal to an amount determined by multiplying (a) the excess of the fair market value of a Class A share on the date of exercise over the Grant Price (as defined in the 2016 Plan), less applicable tax withholding; by (b) the number of Class A shares with respect to which the SAR is exercised. SARs may be free standing or granted in tandem with an Option. The payment upon SAR exercise shall be in cash or Class A shares. The board will determine the term of any SAR granted, provided that no SAR, including an SAR issued in tandem with an Option, may be exercised after the tenth anniversary of its grant date.

*Restricted Shares and RSUs.* An award of restricted shares involves the immediate transfer by MGP to the participant of a specific number of shares which are subject to a risk of forfeiture and a restriction on transferability. This restriction will lapse following a stated period of time, upon attainment of specified performance targets or some combination of the foregoing. A holder of restricted shares may have all of the rights of a holder of Class A shares

(except for the restriction on transferability) and will have the right to receive dividends in cash or other property or distribution rights in respect of their restricted shares, to the extent made available under the terms of the awards granting the restricted shares, and may be granted the right to exercise full voting rights with respect to those shares during certain periods. RSUs are similar to restricted shares except

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no shares are issued. In addition, holders of RSUs will have no voting rights, but may be entitled, if so determined by the board, to receive dividend equivalents, which entitle the holder to be credited with an amount equal to all cash dividends paid on the shares underlying RSUs while the units are outstanding and which are converted into additional RSUs.

*Performance Awards.* The board may grant performance awards in the form of performance shares or PSUs and will set the specific terms of any such award. The board will set the initial value of each performance unit at the time of grant. Each performance share will have an initial value equal to the fair market value of a share on the date of grant, as determined by the board. The board will set performance goals which, depending on the extent to which they are met, will determine the value and/or the number of PSUs/shares to be paid to the participant. Holders of performance share awards will have voting rights only upon issuance of the underlying shares. The board may grant holders of performance share awards the right to receive dividend equivalents, which may be paid currently or accumulated and paid to the extent that performance shares become non-forfeitable, as determined by the board. Dividend equivalents may be settled in cash, shares or a combination of both. Notwithstanding the foregoing, dividend equivalents that relate to awards that vest in whole or in part subject to performance goals or conditions will, to the extent made available under the terms of the award, be subject to the same performance goals or conditions as the underlying award. Holders of PSUs will have no voting rights or dividend rights associated with those awards.

*Other Share-Based Awards.* The board may also grant other types of share-based awards, including the grant or offer for sale of unrestricted Class A shares. The terms of any such award will be at the discretion of the board, subject to the terms of the 2016 Plan.

*Class A Shares Available for Awards; Maximum Awards.* A maximum of 2,500,000 Class A shares will be available for issuance to participants under the 2016 Plan. The maximum number of shares for which a combination of Options and/or SAR awards may be granted to a participant in any one year is 750,000 Class A shares. The maximum aggregate grant for awards of any combination of restricted shares, RSUs, PSUs, performance shares and/or other share-based awards that may be granted to a participant in any one year is 750,000 Class A shares. In addition, the maximum aggregate grant in any one plan year to any one participant who is a non-employee director may have an aggregate grant date fair market value (as determined for financial reporting purposes) of no more than \$600,000, and the aggregate value of all compensation paid to such a director in a single year may not exceed \$600,000.

*Adjustments for Corporate Changes.* In the event of a recapitalization, reclassification or other specified event, including an extraordinary dividend, affecting MGP or shares of Class A shares, the board shall make appropriate and proportionate adjustments in the number and kind of shares that may be issued under the 2016 Plan, as well as other maximum limitations under the 2016 Plan, and the number and kind of shares or other rights and prices under outstanding awards.

*Performance Measures.* The 2016 Plan provides that, with respect to certain awards, the board may make the degree of payout and/or vesting dependent upon the attainment of certain performance measures set forth in the 2016 Plan. Performance goals with respect to awards intended to qualify as performance based compensation may include the following performance measures: market share; gross revenue; pretax operating income; net earnings or net income (before or after taxes); earnings per share (or other equity interest); net sales or revenue growth; net operating profit; return measures (including, but not limited to, return on assets, capital, invested capital, equity, sales or revenue); cash flow (including, but not limited to, operating cash flow, free cash flow, cash flow return on equity and cash flow return on investment); EBITDA; gross or operating margins; productivity or productivity ratios; cost reductions and savings; share (or other equity) price (including, but not limited to, growth measures); consummation of debt and equity offerings; equity capital raised; expense targets; margins; operating efficiency; market share; customer satisfaction; working capital targets; economic value added (net operating profit after tax minus the sum of capital

multiplied by the cost of capital); total shareholder return (TSR); actual or adjusted funds from operations (FFO or AFFO); actual or adjusted funds from acquisitions (FFA or AFFA); and such other business and/or personal criteria as may be deemed appropriate by the board.

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Performance measures may be used to measure the performance of MGP, any of our affiliates or operating units or any combination of the foregoing, annually or cumulatively over a period of years, on an absolute basis or relative to a pre-established target, to a previous year's result as the board may deem appropriate or any of the above performance measures as compared to the performance of a group of comparator companies, or published or special index that the board in its sole discretion deems appropriate. The board may also select the performance measure of MGP's share (or other equity) price (including, but not limited to, growth measures) as compared to various stock market indices. The board may also accelerate the vesting of an award based on the achievement of performance goals. The board may provide in any award that an evaluation of performance may include or exclude, and may adjust the performance goals (including to prorate goals and payments for a partial performance period) in the event of, any of the following events during a performance period: asset write-downs, litigation or claim judgments or settlements, the effect of changes in tax laws, accounting principles or other laws or provisions affecting reported results, any reorganization and restructuring programs, extraordinary nonrecurring items as described in applicable accounting provisions and/or in management's discussion and analysis of financial condition and results of operations appearing in our annual report to shareholders for the applicable year, other nonrecurring events such as mergers, acquisitions, reorganizations, spinoffs or divestitures, foreign exchange gains and losses, financing transactions and such other occurrences as may be deemed appropriate by the board.

*Tax Withholding.* To the extent that a participant incurs any tax liability in connection with the exercise or receipt of an award under the 2016 Plan, MGP has the right to deduct or withhold, or to require the participant to pay to MGP, the minimum statutory amount to satisfy federal, state and local tax withholding obligations, or such other rate as may be approved without adverse accounting consequences. In addition, the board may allow the participant to satisfy the withholding obligation by allowing MGP to withhold a portion of the shares to be issued to the participant. Those shares would be available for future awards under the 2016 Plan.

*Transferability.* All awards under the 2016 Plan are nontransferable other than by will or the laws of descent and distribution, provided that the board may, in its sole discretion, permit transferability to a family member or family trust, foundation or other entity, on a general or specific basis. Unless otherwise provided in the award agreement, awards granted under the 2016 Plan may be exercised only by the participant during the participant's lifetime.

*Amendment and Termination.* The board may, at any time and from time to time and in any respect, amend or modify the 2016 Plan. In addition, the exercise price of an outstanding Option or the grant price of an outstanding SAR award under the 2016 Plan may not be reduced without the prior approval of the shareholders; at any time when the exercise price of outstanding Options or the grant price of outstanding SARs is above the fair market value of a share, no alteration, amendment or modification shall provide that any such outstanding Option or SAR be cancelled and regranted or exchanged for either cash or a new Award with a lower (or no) exercise price or grant price; and no other action shall be taken with respect to an Option or SAR that would be treated as a repricing under the rules and regulations of the principal U.S. national securities exchange on which the Class A shares are listed. No material amendment of the 2016 Plan shall be made without shareholder approval if shareholder approval is required by law, regulation, or stock exchange rule. The board may amend the 2016 Plan or any award agreement, which amendment may be retroactive, in order to conform it to any present or future law, regulation or ruling relating to plans of this or similar nature. No amendment or modification of the 2016 Plan or any award agreement may adversely affect in any material way any outstanding award without the written consent of the participant holding the award.

In connection with this offering, we expect to make awards of RSUs and of PSUs under the 2016 Plan to our named executive officers in an amount to be determined by the offering price per share of our Class A shares in this offering.

Each award of RSUs to our named executive officers vests ratably over each of the first four anniversaries of grant subject to continued employment through each vesting date. However, if employment is terminated by



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the named executive officer's employer without employer's good cause (as defined in the applicable employment agreement) or by the named executive officer with employee's good cause (as defined in the applicable employment agreement), then the portion of the award that would have vested in the next 12 months will accelerate and vest. The RSUs are granted together with dividend equivalent rights that are subject to the same vesting and forfeiture terms as the underlying RSUs. Vested awards and associated dividend equivalent rights are paid in shares, less applicable withholding, within 30 days following the vesting date. However, fractional shares are paid in cash.

Each award of PSUs to our named executive officers is eligible to vest on the earlier of the third anniversary of the date of grant and the date of a change of control (as defined in the applicable award agreement) based on the Company's TSR over the performance period relative to a select group of the Company's peers, and subject to the named executive officer's continued employment through the last day of the performance period. Depending on MGP's relative TSR at the end of the performance period, anywhere from 0% to 160% of the target award may vest. The PSUs are granted together with dividend equivalent rights that are subject to the same vesting and forfeiture terms as the underlying PSUs. Vested awards and associated dividend equivalent rights are paid in shares, less applicable withholding, within 30 days following the last day of the performance period. However, fractional shares are paid in cash.

In connection with this offering, we also expect to make awards of RSUs under the 2016 plan to MGP directors Michael Rietbrock, Thomas Roberts and Daniel Taylor, and to non-employee directors and certain employees of MGM in amounts to be determined by the offering price per share of our Class A shares in this offering. Awards to directors are eligible to vest on the earlier of the first anniversary of the date of grant and the first annual meeting of our shareholders following the date of grant (or the first annual meeting of MGM's shareholders following June 1, 2016, in the case of awards to MGM directors), and awards to employees of MGM are eligible to vest on the first anniversary of the date of grant, in all cases, provided that the participant continues to provide services to MGP and its affiliates through the vesting date. The RSUs are granted together with dividend equivalent rights that are subject to the same vesting and forfeiture terms as the underlying RSUs. Vested awards and associated dividend equivalent rights are paid in shares, less applicable withholdings, within 30 days following the vesting date. However, fractional shares are paid in cash.

***Annual Performance-Based Incentive Plan.***

*Purpose.* The Operating Partnership has adopted the Annual Performance-Based Incentive Plan for Executive Officers (the Incentive Plan). The purpose of the Incentive Plan is to provide an incentive for superior performance and to motivate participating officers toward the highest levels of achievement and business results, to tie their goals and interests to those of the Operating Partnership, and, ultimately, MGP and its shareholders, and to enable the Operating Partnership to attract and retain highly qualified executive officers.

*Eligibility.* Employees of the Operating Partnership, including our named executive officers, are eligible to participate in the Incentive Plan. Each year, the Operating Partnership will designate which of its employees shall participate in the Incentive Plan.

*Administration.* The Incentive Plan currently is administered by the board of managers of the general partner of the Operating Partnership, which has full power and authority to administer and interpret the provisions of the Incentive Plan and to adopt such rules, regulations, agreements, guidelines and instruments for the administration of the Incentive Plan and for the conduct of its business as it deems necessary or advisable. The board of managers of the general partner of the Operating Partnership may delegate to a committee comprising one or more of its members all or any number of its administrative or other duties or powers under the Incentive Plan.

*Performance Period.* Generally, the performance period under the Incentive Plan shall be the fiscal year beginning on January 1 and ending on December 31. However, for 2016, the performance period shall be the short year commencing on the completion of this offering, and ending on December 31, 2016. Further, the board of managers of the general partner of the Operating Partnership may designate different performance periods under the Incentive Plan, which need not be identical for all participants.



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*Performance Goals.* Generally, within the first 90 days of each performance period, the board of managers of the general partner of the Operating Partnership shall establish in writing, with respect to such performance period, (a) one or more performance goals, (b) a target objective or objectives with respect to such performance goals and (c) a formula or method for computing the amount of bonus compensation awardable to each participant if the performance goals are attained. Performance goals shall be based upon the achievement of performance measures specified by the board of managers of the general partner of the Operating Partnership, which performance measures include: market share; gross revenue; pretax operating income; net earnings or net income (before or after taxes); earnings per share (or other equity interest); net sales or revenue growth; net operating profit; return measures (including, but not limited to, return on assets, capital, invested capital, equity, sales or revenue); cash flow (including, but not limited to, operating cash flow, free cash flow, cash flow return on equity and cash flow return on investment); EBITDA; gross or operating margins; productivity or productivity ratios; cost reductions and savings; share (or other equity) price (including, but not limited to, growth measures); consummation of debt and equity offerings; equity capital raised; expense targets; margins; operating efficiency; market share; customer satisfaction; working capital targets; economic value added (net operating profit after tax minus the sum of capital multiplied by the cost of capital); total shareholder return (TSR); actual or adjusted funds from operations (FFO or AFFO); actual or adjusted funds from acquisitions (FFA or AFFA); and such other business and/or personal criteria as may be deemed appropriate by the board of managers of the general partner of the Operating Partnership.

The foregoing performance measures may be used to measure the performance of the Operating Partnership, any of its affiliates (including MGP) or operating units or any combination of the foregoing, annually or cumulatively over a period of years, on an absolute basis or relative to a pre-established target, to a previous year's result as the board of managers of the general partner of the Operating Partnership may deem appropriate, or any of the above performance measures as compared to the performance of a group of comparator companies, or published or special index that the board of managers of the general partner of the Operating Partnership, in its sole discretion, deems appropriate. The board of managers of the general partner of the Operating Partnership may also select the performance measure of share (or other equity) price (including, but not limited to, growth measures) as compared to various stock market indices. The board of managers of the general partner of the Operating Partnership may also accelerate the vesting of an award based on the achievement of performance goals. The board of managers of the general partner of the Operating Partnership may provide in any award that an evaluation of performance may include or exclude, and may adjust the performance goals (including to prorate goals and payments for a partial performance period) in the event of, any of the following events during a performance period: asset write-downs, litigation or claim judgments or settlements, the effect of changes in tax laws, accounting principles or other laws or provisions affecting reported results, any reorganization and restructuring programs, extraordinary nonrecurring items as described in applicable accounting provisions and/or in management's discussion and analysis of financial condition and results of operations appearing in our annual report to shareholders for the applicable year, other nonrecurring events such as mergers, acquisitions, reorganizations, spinoffs or divestitures, foreign exchange gains and losses, financing transactions and such other occurrences as may be deemed appropriate by the board of managers of the general partner of the Operating Partnership.

*Maximum Award.* The maximum bonus that any participant may be awarded for any plan year is \$8,000,000.

*Payment of Awards.* Approved bonus awards shall generally be payable in cash or shares of MGP as soon as practicable during, and generally by March 15th of, the year following the year to which the bonus awards relate. The operating partnership intends for MGP to grant PSUs under the 2016 Plan in payment of the portion of any calculated bonus for a participant who is also a Section 16 officer of MGP that is in excess of such officer's base salary (the Bonus PSU Policy). These PSUs are intended to contain terms similar to other PSUs granted under the 2016 Plan, but they will not be subject to forfeiture in the event of the officer's termination. Depending on MGP's absolute TSR on the third anniversary of the grant date (or, if earlier, a change of control), these PSUs may be settled with respect to

anywhere from 0% to 160% of the target award. Awards that are otherwise

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payable to a participant who is not employed as of the last day of a performance period may be prorated or eliminated pursuant to rules established by the board of managers of the general partner of the Operating Partnership in accordance with the Incentive Plan.

*Non-Transferability of Awards.* Except as may be otherwise required by law, bonus awards under the Incentive Plan shall not be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, charge, garnishment, execution or levy of any kind, either voluntary or involuntary.

*Amendment and Termination.* The board of managers of the general partner of the Operating Partnership may amend or terminate the Incentive Plan in whole or in part at any time.

### ***Change of Control Policy.***

The Operating Partnership has adopted a Change of Control Policy for Executive Officers (the Change of Control Policy). The Change of Control Policy provides a uniform severance policy for the termination of an executive officer by the Operating Partnership without good cause, or by an executive officer with good cause (each term as set forth in the Change of Control Policy), within six months prior to, on or within 12 months following a change of control of either MGM or MGP, as set forth in the Change of Control Policy (a Qualifying Termination). The Change of Control Policy covers each of our named executive officers.

The benefits available under the Change of Control Policy to a covered executive officer in connection with a Qualifying Termination are as follows, provided that the covered executive officer delivers to the Company and does not revoke a general release in a form prescribed by the Company: (i) 2.0 times the sum of base salary and target bonus (subject to a \$10 million cap in the case of our Chief Executive Officer, and a \$4 million cap in the case of all other covered executive officers); and (ii) a lump-sum payment equal in value to 24 months of continued health and insurance benefits. In addition, any earned but unpaid prior-year annual bonus would remain payable. Severance benefits are subject to forfeiture and clawback in the event the covered executive officer breaches any post-employment restrictive covenants, and may be cut back to the extent they would otherwise be subject to Section 280G or 4999 of the Code.

### ***Deferred Compensation Plan for Employees.***

The Operating Partnership has adopted the MGM Growth Properties LLC Nonqualified Deferred Compensation Plan (the DCP). Under the DCP, our named executive officers may elect to defer up to 50% of their base salary and/or 75% of any non-salary cash compensation on a pre-tax basis and accumulate tax-deferred earnings on their accounts. The DCP allows participants to allocate their account balances among different measurement options, which are used as benchmarks for calculating amounts that are credited or debited to their account balances (for tax reasons, no ownership interest in the underlying funds is acquired). Subject to limitations imposed by applicable tax laws, participants may elect when to receive payment of their account balances under the DCP; payment may accelerate in connection with certain events, including death, disability, retirement and other termination of employment. Our named executive officers are also eligible to participate in MGM's retirement savings plan qualified under Section 401(k) of the Internal Revenue Code.

### ***Deferred Compensation Plan for Non-Employee Directors.***

MGP has adopted the 2016 Deferred Compensation Plan for Non-Employee Directors (the NED Plan). Under the NED Plan, (1) our non-employee directors may elect to defer any fee income payable to them for their service on our board of directors, and (2) our non-employee directors and non-employee directors of our affiliates may elect to

accumulate any RSUs that have been awarded under our 2016 Plan on a tax-deferred basis, in which case the pre-tax number of shares count toward the ownership guidelines. With respect to any RSUs deferred under the NED Plan, as well as any cash fees deferred under the NED Plan and allocated to our share fund in accordance with the following sentence, directors' account balances will be deemed invested in deferred

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share units intended to mirror the performance of our Class A shares. With respect to any cash fees deferred under the NED Plan, directors may allocate their account balances among different measurement options, which are used as benchmarks for calculating amounts that are credited or debited to their account balances. Subject to limitations imposed by applicable tax laws, participants may elect when to receive payment of their account balances under the NED Plan, to begin within 90 days following the end of their service; payment may accelerate in connection with certain events, including death.

***Clawback Policy.***

MGP has adopted a Policy on Recovery of Incentive Compensation in Event of Financial Restatement (the "Clawback Policy"). Pursuant to the Clawback Policy, bonus and other incentive compensation paid to participants is subject to clawback (*i.e.*, repayment to the Company) if (1) there is a restatement of our financial statements for a fiscal year with respect to which a bonus or other incentive compensation is paid within three years following such fiscal year, other than a restatement due to changes in accounting principles or applicable law or a restatement due to any required change in previously reported results solely as a result of a change in the form of the Company's ownership interest in any subsidiary, affiliate or joint venture, and (2) the board determines that a participant received bonus or other incentive compensation for the applicable fiscal year in excess of that which would have been paid based on the restated financial results.

**Table of Contents****MGP SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT**

The following table sets forth, as of April 8, 2016, information with respect to the beneficial ownership of our shares before and after giving effect to this offering for (a) each person who is expected to be the beneficial owner of more than 5% of the outstanding shares immediately following the completion of this offering, (b) our directors, director nominees and named executive officers and (c) our directors, director nominees and executive officers as a group. Beneficial ownership is determined according to the rules of the SEC and generally means that a person has beneficial ownership of a security if he, she or it possesses sole or shared voting or investment power of that security, including options that are currently exercisable or exercisable within, or restricted share units that will vest on or within, 60 days of April 8, 2016. The information does not necessarily indicate beneficial ownership for any other purpose, including for purposes of Sections 13(d) and 13(g) of the Exchange Act. Except as indicated by the footnotes below, we believe, based on the information furnished to us, that the persons named in the table below have sole voting and investment power with respect to all shares shown that they beneficially own, subject to community property laws, where applicable. Unless otherwise indicated, the address of each named person is c/o 6385 S. Rainbow Blvd., Suite 500 Las Vegas, Nevada 89118.

**Pro Forma Shares of MGP Beneficially  
Owned After the Offering<sup>(1)(2)(3)</sup>**

Name of Beneficial Owner	Class A		Class B		Percent Total Voting Power
	Shares		Shares		
	Number	Percent	Number	Percent	
	of Shares	of Shares	of Shares	of Shares	
<i>Beneficial owners of more than 5% of our outstanding shares:</i>					
MGM Resorts International <sup>(4)</sup>			1	100	50.62
<i>Directors, director nominees and named executive officers:</i>					
James C. Stewart	*	*			*
Andy H. Chien	*	*			*
James J. Murren					
Michael J. Rietbrock	*	*			*
Thomas A. Roberts	*	*			*
Elisa C. Gois					
William J. Hornbuckle					
John M. McManus					
Daniel J. Taylor	*	*			*
All directors, director nominees and executive officers as a group (nine persons)	*				